

# fladgate

**CANISP PLC**  
**NEW ARTICLES OF ASSOCIATION**

The Companies Acts 1985 to 2006

Public Company Limited by Shares

(As adopted by special resolution passed on 26  
August 2010)



The Companies Acts 1985 to 2006  
Public Company Limited by Shares  
New Articles of Association

- of -

Canisp PLC

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1. Preliminary

1.1 In these articles of association, the following words and expressions have the following meanings if not inconsistent with the subject or context:

<b>AIM</b>	the AIM market operated by the London Stock Exchange.
<b>AIM Rules</b>	the latest edition of the AIM Rules for Companies issued by the London Stock Exchange from time to time.
<b>Auditors</b>	the auditors of the Company from time to time.
<b>Board</b>	the board of directors present at a duly convened and quorate meeting of Directors or a duly authorised committee of Directors as the context requires.
<b>CA 1985</b>	Companies Act 1985 as amended or re-enacted from time to time.
<b>CA 2006</b>	Companies Act 2006 as amended re-enacted from time to time.
<b>created</b>	includes day of execution.
<b>Default Shares</b>	as defined in article 10.1.
<b>Deferred Shares</b>	the deferred shares of 0.1p and the B deferred shares of 0.095p in the capital of the Company.
<b>Director</b>	a director from time to time of the Company.

<b>Secretary</b>	the secretary of the Company and, subject to the provisions of the Statutes, includes an assistant or deputy secretary and any person appointed by the directors to perform any of the duties of the secretary.
<b>Section 793 Notice</b>	a notice served by the Company under section 793, CA 2006.
<b>Statutes</b>	CA 1985, the Companies Act 1989, CA 2006, the Regulations, the Electronic Communications Act 2000 and all other statutes and secondary legislation for the time being in force relating to companies to the extent that they apply to the Company.
<b>these articles</b>	these articles of association as from time to time amended.
<b>United Kingdom</b>	Great Britain and Northern Ireland.
<b>writing and written</b>	words written or otherwise legibly expressed or reproduced in permanent form and in either hard copy or electronic form.

- 1.1 Where the context so requires, words importing the singular number include the plural and vice versa, words importing the masculine gender include the feminine and persons will include corporations with the necessary adaptation.
- 1.2 Words and expressions defined in the Statutes and in the Regulations have the same meanings in these articles, unless the context otherwise requires.
- 1.3 The headings are inserted for convenience and do not affect the construction of these articles.
- 1.4 Any reference to any statute or statutory provision is construed as a reference to such statute or statutory provision as amended, modified, consolidated or re-enacted from time to time.
- 1.5 References in these articles to a share being in uncertificated form are references to that share being an uncertificated unit of a security.

## **2. Table "A"**

The regulations contained in the Companies (Tables A-F) Regulations 1985 do not apply to the Company.

## **3. Share capital and variation of rights**

- 3.1 The Deferred Shares will rank equally with the ordinary shares in the capital of the Company in all respects except that:

- 3.7 If by the conditions of allotment of any share the whole or part of its issue price is payable by instalments, every such instalment will, when due, be paid to the Company by the person who for the time being is the registered holder of the share.
- 3.8 In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do, whether absolutely or conditionally. Subject to the provisions of the Statutes and to the AIM Rules, any such commissions may be satisfied by the payment of cash or, with the sanction of an ordinary resolution, by the allotment of fully or partly paid shares of the Company or by any such combination. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
- 3.9 Except as required by law, no person will be recognised by the Company as holding any share upon any trust, and except only as otherwise provided by these articles or as required by law or under an order of a court of competent jurisdiction, the Company will not be bound by or recognise any equitable, contingent, future or partial interest in any share, or any interest in any fraction or part of a share, or any other right in respect of any share, except an absolute right to the entirety of it in the registered holder.
- 3.10 The creation or issue of shares ranking equally with or subsequent to the shares of any class will not, unless otherwise expressly provided by these articles or the rights attached to such shares as a class, be deemed to be a variation of the rights of such shares.

#### **4. Certificates and uncertificated shares**

- 4.1 Subject to articles 4.8 to 4.10, every person, other than a person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate by virtue of section 778 of the CA 2006 whose name is entered as a member in the register of members is entitled without payment to one certificate for all the shares of each class for the time being held by him, or upon payment of such reasonable out-of-pocket expenses as the Board may from time to time determine for every certificate after the first, to several certificates, each for one or more of his shares.
- 4.2 Every certificate will:
- 4.2.1 be issued within two months after allotment or the lodgement with the Company of the transfer of the shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide or except as exempted by virtue of section 778 of the CA 2006;
  - 4.2.2 be under the official seal kept by the Company by virtue of section 40 of CA 1985 or otherwise in accordance with the Statutes; and
  - 4.2.3 specify the number and class and distinguishing numbers, if any, of the shares to which it relates, and the amount paid up on them.

- 4.10.3 unless the Board decides otherwise, shares of the Relevant Class held by the same holder or joint holder in certificated and uncertificated form will be treated as separate holdings;
  - 4.10.4 shares of the relevant Class may be changed from uncertificated to certificated form and vice versa, in accordance with and subject to the Regulations;
  - 4.10.5 title to shares of the Relevant Class which are recorded on the register as being held in uncertificated form may be transferred by means of the relevant system concerned and accordingly, and in particular, articles 4.1 to 4.9 and article 8 will not apply to those shares to the extent that those articles require or contemplate transfer by an instrument in writing and the production of a certificate for the shares to be transferred;
  - 4.10.6 the Company will comply with the provisions of Regulations 21 and 22 in relation to the Relevant Class and article 4.8 in particular will be read as subject to Regulation 22;
  - 4.10.7 the provisions of these articles relating to meetings of or including holders of the Relevant Class, including notices of such meetings, will be subject to Regulation 34; and
  - 4.10.8 articles 4.1 to 4.9 will not apply so as to require the Company to issue a certificate to any person holding shares of the Relevant Class in uncertificated form.
- 4.11 Where any class of shares is a participating security and the Company is entitled under the Statutes or these articles to sell, transfer, dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company may, subject to the Statutes and these articles and the facilities and requirements of the relevant system:
- 4.11.1 require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;
  - 4.11.2 require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice;
  - 4.11.3 require the holder of that uncertificated share by notice to appoint any person to take any step including, without limitation, the giving of any instructions by means of the relevant system necessary to transfer that share within the period specified in the notice;
  - 4.11.4 take any action that the Board considers appropriate to achieve the sale, transfer, disposal of, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of it; and
  - 4.11.5 assume that the entries on any record of securities maintained by it in accordance with the Regulations and regularly reconciled with the

- 6.3 A call will be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 6.4 The joint holders of a share are jointly and severally liable to pay all calls in respect of it and any one of such persons may give effective receipts for any return of capital payable in respect of such shares.
- 6.5 If by the terms of any prospectus, listing particulars or any other document relating to an issue of shares in the Company or by the conditions of allotment, any amount is payable in respect of any shares by instalments, every such instalment will be payable as if it were a call duly made by the Board of which due notice had been given.
- 6.6 If a sum called in respect of a share is not paid before or on the day appointed for its payment, the person from whom the sum is due must pay interest on the sum at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the appropriate rate, as defined by section 107 of the CA 1985 or section 592 of the CA 2006, from the day appointed for its payment to the time of actual payment. The Board is at liberty to waive payment of such interest wholly or in part.
- 6.7 Any sum which by or pursuant to the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, will for all the purposes of these articles be deemed to be a call duly made and payable on the date on which, by or pursuant to the terms of issue, it becomes payable. In case of non-payment, all the relevant provisions of these articles as to payment of interest, forfeiture or otherwise apply as if such sum had become payable by virtue of a call duly made and notified.
- 6.8 The Board may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
- 6.9 The Board may receive from any member willing to advance it all or any part of the money unpaid upon the shares held by him, beyond the sums actually called up on them, as a payment in advance of calls, and such payment in advance of calls will extinguish, so far as they extend, the liability upon the shares in respect of which it is advanced. The Company may pay interest upon the money so received, or so much of it as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the member paying such sum and the Board agrees. Any such payment in advance will not entitle the holder of the shares in question to participate in any dividend in respect of the amount advanced.

## **7. Forfeiture of shares**

- 7.1 If a member fails to pay any call or instalment of a call before or on the date appointed for its payment, the directors may at any time after that date, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued on it and all expenses incurred by the Company by reason of such non-payment.

- 7.8 The Board may accept the surrender of any share liable to be forfeited under these articles and in any such case any reference in these articles to forfeiture includes surrender.

## 8. Transfer of shares

- 8.1 Subject to articles 4.8 to 4.10, any member may transfer any of his certificated shares by instrument of transfer in any usual form or in such other form as the Board approves. The instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it. Transfers of shares in uncertificated form will be effected by means of the relevant system in accordance with the Statutes and these articles.
- 8.2 Subject to article 4, the Board may refuse to register a transfer of a certificated share unless the instrument of transfer:
- 8.2.1 is in respect of only one class of shares;
  - 8.2.2 is in favour of not more than four joint transferees;
  - 8.2.3 is duly stamped (if required); and
  - 8.2.4 is lodged at the Office or such other place as the Board may decide accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person to whom no certificate was issued) and such other evidence (if any) as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- 8.3 The Board may in its absolute discretion and without giving any reasons, refuse to register any transfer of a certificated share which is not fully paid, but this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.
- 8.4 The Board may, in circumstances permitted by the London Stock Exchange, disapprove the transfer of a certificated share if the exercise of such power does not disturb the market in the shares.
- 8.5 The Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the London Stock Exchange, the Regulations and the rules and practices of the operator of the relevant system if the exercise of such power does not disturb the market in the shares.
- 8.6 If the Board refuses to register a transfer of any share it must send to the transferee a notice of such refusal within whichever of the following periods is the earlier:
- 8.6.1 the time required by the AIM Rules or the London Stock Exchange; and

- 9.2 Except as provided in these articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon producing such evidence as to his title as may be required by the Board, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as its holder.
- 9.3 If the person becoming entitled by transmission to a certificated share elects to be registered himself, he must deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered, and the share is a certificated share, he must signify his election by signing a transfer of the share in favour of that person. If the person elects to be registered or have another person registered, and the share is an uncertificated share, he must take any action as the Board may require including, without limitations, the execution of any document and the giving of any instruction by means of a relevant system to enable himself or that other person to be registered as the holder of the share. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares apply to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by such member.
- 9.4 A person becoming entitled to a share in consequence of the death or bankruptcy of a member will, upon supply to the Company of such evidence as the Board may reasonably require as to his title to the share, be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he will not be entitled in respect of that share to receive notices of or to attend or vote at meetings of the Company, or, except as previously stated, to any of the rights or privileges of a member until he has become a member in respect of the share. The Board may at any time give notice requiring any such person who is the holder of a fully paid up share to elect either to be registered himself or to transfer the share and, if within 60 days the notice is not complied with, such person will be deemed to have elected to be registered as a member in respect of the share and may be registered accordingly.

## 10. Disclosure of interests in shares

- 10.1 Where the Company serves a Section 793 Notice on a member, or another person whom the Company knows or has reasonable cause to believe to be interested in shares held by that member, and the member or other person fails in relation to any such shares including any shares issued to such member after the date of the Section 793 notice in respect of those shares (**Default Shares**) to give the Company the information required within 14 days following the date of service of the Section 793 Notice, the Board may serve a Disenfranchisement Notice on the holder of such Default Shares.
- 10.2 Upon service of a Disenfranchisement Notice on a holder the sanctions set out in articles 10.3 to 10.5 apply, unless the Board otherwise determines.
- 10.3 The Member is not entitled in respect of the Default Shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll.



10.8.2.2 reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

10.8.3 **excepted transfer** means, in relation to shares held by a member:

10.8.3.1 a transfer pursuant to acceptance of a takeover bid for the Company as defined in article 2 of the Takeovers Directive (no. 2004/25/EC);

10.8.3.2 a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or

10.8.3.3 a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

10.9 Articles 10.1 to 10.8 are in addition to and without prejudice to the Statutes.

## 11. Alteration of capital

11.1 The Company may by ordinary resolution:

11.1.1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;

11.1.2 subdivide its shares, or any of them, into shares of smaller nominal value subject nevertheless to the Statutes, and so that the resolution by which any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to new shares; and

11.1.3 cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

11.2 The Company may from time to time by special resolution reduce its share capital, capital redemption reserve fund, any share premium account or any other non distributable reserves in any manner authorised by the Statutes and diminish the amount of its share capital by the amount of the shares so cancelled.

11.3 Whenever as a result of any consolidation of shares any members would become entitled to fractions of a share, the Board may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably

- 13.6 The chairman, if any, of the Board, or in his absence some other Director nominated by the chairman in writing, will preside as chairman at every general meeting of the Company, but if at any meeting neither the chairman nor such other Director is present within 15 minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present may choose some Director present to be chairman, or if no Director is present, or if all the Directors present decline to take the chair, the members present may choose some member present to be chairman.
- 13.7 The chairman may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting as originally convened.
- 13.8 At any general meeting, a resolution put to the vote of the meeting is decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded:
- 13.8.1 by the chairman; or
  - 13.8.2 by not fewer than five members present in person or by proxy and entitled to vote at the meeting; or
  - 13.8.3 by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - 13.8.4 by a member or members holding shares of the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.
- 13.9 Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 13.10 The instrument appointing a proxy to vote at a meeting is deemed also to confer authority to demand or join in demanding a poll and to vote on a poll on the election of a chairman and on a motion to adjourn a meeting. For the purposes of article 13.8, a demand by a person as proxy for a member is the same as a demand by the member.
- 13.11 If any votes are counted which ought not to have been counted or might have been rejected, or if any votes are not counted which ought to have been counted, the error will not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of it, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.
- 13.12 In the case of a resolution duly proposed as a special resolution no amendment, other than an amendment to correct a patent error, may be considered or voted

- 14.3 A member who is a patient within the meaning of the Mental Health Act 1983 may vote, whether on a show of hands or on a poll, by his receiver, curator bonis, or other person appointed by such court (who may on a poll vote by proxy) provided that such evidence as the Board may require of the authority of the person claiming to vote has been deposited at the Office not fewer than 48 hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.
- 14.4 No member is entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll, unless all calls or other monies due and payable in respect of the member's share or shares have been paid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of non payment.
- 14.5 No objection may be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or cast, and every vote not disallowed at such meeting will be valid for all purposes. Any such objection made in due time will be referred to the chairman of the meeting, whose decision is final, binding and conclusive.
- 14.6 On a poll, votes may be given either in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 14.7 Any person, whether a member or not, may be appointed to act as a proxy. A member may appoint more than one proxy to attend the same meeting so long as each proxy is appointed to exercise the rights attached to a different share or shares held by that member. Deposit of an instrument of proxy does not preclude a member from attending and voting in person at the meeting or any adjournment of it.
- 14.8 The appointment of a proxy must be in any usual form, or such other form as may be approved by the Board, and must be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. If the appointment is in electronic form, it must be executed on behalf of the appointor. The Board may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- 14.9 The appointment of a proxy and (if required by the Board) any power of attorney or other authority under which it is executed, or a certified copy of such authority, must be delivered to the Office, or such other place in the United Kingdom specified for that purpose in the notice calling the meeting, or in any such proxy (or, where the appointment of the proxy was contained in an electronic communication, at the electronic address of the Company), not fewer than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. In default, the proxy will not be valid. The appointment of a proxy to vote at any meeting and deposited as set out in this article will authorise the proxy so appointed to vote on any poll taken or demanded at such meeting or at any adjournment of such meeting.

## **15. Directors**

- 15.1 Unless and until otherwise determined by the Company by ordinary resolution, the number of directors is not fewer than two nor more than ten.
- 15.2 A director is not required to hold any share qualification but is nevertheless entitled to attend and speak at any general meeting or at any separate meeting of the holders of any class of shares of the Company.

## **16. Alternate directors**

- 16.1 Any director, other than an alternate director, may at any time appoint any other director, or any person approved by resolution of the Board, to be an alternate director of the Company, and may at any time remove any alternate director so appointed by him from office and, subject to such approval by the Board, appoint another person in his place. An alternate director so appointed is not required to hold any share qualification.
- 16.2 Subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him, an alternate director is entitled to receive notices of all meetings of the Board and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in the absence of such appointor.
- 16.3 An alternate director will cease to be an alternate director on the happening of any event which, if he were a director, would cause him to vacate such office or if his appointor ceases for any reason to be a director. If, however, any director retires whether by rotation or otherwise but is reappointed by the meeting at which such retirement took effect, any appointment made by him pursuant to article 16.1 which was in force immediately prior to his retirement will continue to operate after his re-appointment as if he had not so retired.
- 16.4 All appointments and removals of alternate directors must be effected by notice in writing signed by the director making or revoking such appointment sent to or left at the registered office of the Company.
- 16.5 Except as otherwise provided in these articles, an alternate director is deemed for all purposes to be an officer of the Company and is alone responsible to the Company for his own acts and defaults, and he is not deemed to be the agent of or for the director appointing him. An alternate director is not entitled to receive any remuneration from the Company for his services as such but his remuneration is payable out of the remuneration payable to the director appointing him, and will consist of such part, if any, of the latter's remuneration as is agreed between them.

## **17. Powers and duties of directors**

- 17.1 The business of the Company is managed by the Board who may exercise all such powers of the Company as are not by the Statutes or by these articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of these articles and of the Statutes, and to such directions, whether or not inconsistent with these articles, as may be prescribed by the Company by special resolution. No such direction and no alteration of

holds or has held any executive position or agreement for services is entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

- 17.8 The Board may also establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well being of, the Company or of any person or any other company mentioned in article 17.6, and make payments for or towards the insurance of any such person and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any political, public, general or useful object, and do any of such matters, either alone or in conjunction with any company mentioned in article 17.6.
- 17.9 The Board may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by members of the Board as directors of such other company in such manner in all respects as they think fit, including its exercise in favour of any resolution appointing themselves or any of them directors or other officers or employees of such Company or voting or providing for the payment of remuneration to such officers or employees.
- 17.10 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board may from time to time determine by resolution.

## **18. Borrowing powers**

- 18.1 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part if it, and subject to the provisions of the Statutes, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 18.2 The Board may secure or provide for the payment of any money to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security. The Board may confer upon any mortgagees or persons in whom any debenture or security is vested such rights and powers as they think necessary or expedient. They may vest any property of the Company in trustees for the purpose of securing any money so borrowed or raised and confer upon the trustees, or any receiver to be appointed by them, or by any debenture holder, such rights and powers as the Board may think necessary or expedient in relation to the undertaking or property of the Company or its management or realisation or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise. The Board may make and issue debentures to trustees for the purpose of further security and the Company may remunerate any such trustees.
- 18.3 The Board may give security for the payment of any money payable by the Company in same manner as for the payment of money borrowed or raised.
- 18.4 The Board must keep a register of charges in accordance with the Statutes and the fee to be paid by any person, other than a creditor or member of the

and, for the purpose of this article, a motion for approving a person's appointment or for nominating a person for appointment is treated as a motion for his appointment.

- 20.6 The Company may from time to time by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation such increased or reduced number is to go out of office. Without prejudice to the provisions of article 20.7, the Company may by ordinary resolution appoint any person to be a Director, either to fill a casual vacancy or as an additional Director.
- 20.7 The Board and the Company in general meeting each have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors does not at any time exceed the maximum number, if any, fixed by or in accordance with these articles. Subject to the provisions of the Statutes and of these articles, any Director so appointed by the Directors holds office only until the conclusion of the next following annual general meeting and is eligible for reappointment at that meeting. Any Director who retires under this article is not taken into account in determining the Directors who are to retire by rotation at such meeting.
- 20.8 Any contract of employment entered into by a Director with the Company may not include a term that it is to continue or may be continued, otherwise than at the instance of the Company, for a period exceeding two years during which the employment either cannot be terminated by the Company by notice or can be so terminated only in specified circumstances, unless such term is first approved by ordinary resolution of the Company.
- 20.9 There is no restriction as to the age of Directors except as required by the Statutes.

## **21. Disqualification and removal of directors**

- 21.1 The office of a Director must be vacated in any of the following events:
- 21.1.1 if, not being a Director who has agreed to serve as a Director for a fixed term, he resigns his office by notice in writing signed by him and authorised in such manner as the other Directors may require, sent to or left at the Office;
- 21.1.2 if he becomes bankrupt or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253, Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- 21.1.3 if, in England or elsewhere, an order is made by any court claiming jurisdiction on the ground, however formulated, of mental disorder for his detention or for the appointment of a guardian or receiver or other person, by whatever name called, to exercise powers with respect to his property or affairs;
- 21.1.4 if he is absent from meetings of the Directors for six successive months without leave, and his alternate Director, if any, has not during such

Company, may remove from such post any person so appointed. A person so appointed is not a Director for any of the purposes of these articles or of the Statutes, and accordingly is not a member of the Board or of any committee of the Board, nor is he entitled to be present at any meeting of the Board or of any such committee, except at the request of the Board or of such committee. If present at such request, he is not entitled to vote at such meeting.

### **23. Remuneration of directors**

- 23.1 The Directors are entitled to fees at such rate or rates as may from time to time be determined by the Board, but the aggregate fees of the Directors will not exceed £100,000 (one hundred thousand pounds) per annum, or such additional sum as may from time to time be determined by the Company by ordinary resolution. In the case of an executive Director, such fees are payable to him in addition to his remuneration as an executive Director.
- 23.2 The Company may, by ordinary resolution, also vote extra fees to the Directors which will, unless otherwise determined by the resolution by which it is voted, be divided among the Directors as they may agree, or failing agreement, equally. The Directors' fees are deemed to accrue from day to day.
- 23.3 Any Director who serves on any committee, or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, participation in profits or otherwise as the Board may determine.

### **24. Directors' expenses**

The Directors are also entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company or in attending and returning from meetings of the Board or of committees of the Board or general meetings.

### **25. Directors' interests**

- 25.1 A Director, including an alternate Director, may hold any other office or place of profit under the Company, other than the office of auditor, in conjunction with his office of Director and may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Board may determine.
- 25.2 Subject to the Statutes and to the provisions of these articles, no Director or intending Director, including an alternate Director, is disqualified by his office from contracting with the Company either with regard to his tenure of any other office or place of profit, or as seller, purchaser or otherwise. No such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way, whether directly or indirectly, interested, is liable to be avoided, nor is any Director so contracting or being so interested obliged to account to the Company for any profit realised by any such contract or arrangement by reason of the Director holding that office or of his fiduciary relationship with the Company.
- 25.3 Any Director, including an alternate Director, may continue to be or become a director or other officer or member of or otherwise interested in any other

- 25.9 Notwithstanding the provisions of articles 25.7 and 25.8 and 26, a Director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
- 25.9.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
  - 25.9.2 the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - 25.9.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant as the holder of such shares, debentures or other securities or in its underwriting or sub-underwriting;
  - 25.9.4 any contract, arrangement, transaction or other proposal concerning any other company in which he holds an interest not representing one per cent. or more of any class of the equity share capital (calculated exclusive of any shares of that class held as treasury shares) of such Company, or of any third Company through which his interest is derived, or of the voting rights available to members of the relevant Company, any such interest being deemed for the purpose of this article to be a material interest in all circumstances;
  - 25.9.5 any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by HM Revenue & Customs;
  - 25.9.6 any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries, which does not award him any privilege or benefit not awarded to the employees to whom such scheme relates; or
  - 25.9.7 any contract, arrangement, transaction or proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.
- 25.10 A Director may not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested, including fixing or varying the terms of his appointment or its termination.
- 25.11 Where proposals are under consideration concerning the appointment, including fixing or varying the terms of appointment, of two or more Directors to offices or employments with the Company or any company in which the Company is



- 26.3.2 the Relevant Director and any other Director with a similar interest will be obliged to comply with any terms imposed by the Board from time to time in relation to the conflict;
- 26.3.3 the authority may also provide that where the Relevant Director, and any other Director with a similar interest, obtains information that is confidential to a third party, the Relevant Director or such other Director, as the case may be, will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- 26.3.4 the terms of the authority must be recorded in writing; and
- 26.3.5 the authority may be withdrawn by the Board at any time.

## 27. Proceedings of directors

- 27.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting are determined by a majority of votes. In case of an equality of votes, the chairman has a second or casting vote. A Director who is also an alternate Director is entitled, in the absence of the Director whom he is representing, to a separate vote on behalf of such Director in addition to his own vote. A Director may, and the Secretary on the requisition of a Director must, at any time call a meeting of the Board. It is not necessary to give notice of a Board meeting to any Director for the time being absent from the United Kingdom, except where an address for such notice has been given pursuant to article 27.2.
- 27.2 Notice of meetings of the Board is deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing or other means to him at his last known address or any other address (including an electronic address) given by him from time to time the Company for this purpose. A director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings will during his absence be sent in writing to him at his last known address or any other address (including an electronic address) given by him to the Company for this purpose, whether or not out of the United Kingdom.
- 27.3 The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number, is two. If a Board meeting is attended by a Director who is acting as an alternate for one or more other Directors, the Director or Directors for whom he is the alternate will be counted in the quorum despite their absence, and if on this basis there is a quorum the meeting may be held despite the fact that only one Director is physically present. A meeting of Directors for the time being at which a quorum is present is competent to exercise all powers and discretions for the time being exercisable by the Board.
- 27.4 All or any of the Directors, including alternates, or members of any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating is deemed to be present in person at the meeting and may vote or be counted in

Director, or that they or any of them were disqualified, or had vacated office, or were not entitled to vote.

## **28. Secretary**

- 28.1 Subject to the Statutes, the Secretary of the Company is appointed by the Board on such terms and for such periods as they may think fit, and the Board may so appoint one or more assistant or deputy Secretary. Any Secretary or assistant or deputy Secretary so appointed may at any time be removed from office by the Board, without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 28.2 Anything by the Statutes required or authorised to be done by the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by any assistant or deputy Secretary or, if there is no assistant or deputy Secretary capable of acting, by any officer of the Company authorised generally or specifically in that behalf by the Board. Any provision of the Statutes or of these articles requiring or authorising a thing to be done by a Director and Secretary is not satisfied by its being done by the same person acting both as Director and as, or in the place of, the Secretary.

## **29. Minutes**

- 29.1 The Board must ensure that minutes are made of:
- 29.1.1 all appointments of officers and committees made by the Board;
  - 29.1.2 the names of the Directors present at each meeting of the Board and of any committee of Directors and all business transacted at such meetings; and
  - 29.1.3 all orders, resolutions and proceedings at all meetings of the Company, of the holders of any class of shares in the Company and of the Board and of committees of the Board.
- 29.2 Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, is prima facie evidence of the matters stated in such minutes without any further proof.

## **30. Seal and authentication of documents**

- 30.1 The Board may exercise the powers conferred on the Company by section 40, CA 1985 or section 50, CA 2006 with regard to having an official seal solely for sealing documents creating or evidencing securities of the Company. Any such documents to which such official seal is affixed need not be signed by any person.
- 30.2 The Board must provide for the safe custody of the seal and the seal may never be used except by the authority of a resolution of the Board or of a committee of the Board authorised for that purpose by the Board. The Board may from time to time make such regulations as it thinks fit, subject to the provisions of these articles in relation to share and debenture certificates, determining the persons and the number of such persons who may sign every instrument to which the seal

reason of the payment of an interim dividend on any shares having deferred or non preferred rights.

- 31.5 Subject to the provisions of the Statutes or as otherwise required by law, where any asset, business or property is bought by the Company as from a past date, whether such date is before or after the incorporation of the Company, the profits or losses attributable to it as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Except as stated, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue and it will not be obligatory to capitalise it or any part of it.
- 31.6 The Board may deduct from any dividend or other money payable to any member on or in respect of a share all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company. The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if, in respect of at least two consecutive dividends payable on those shares, the cheques or warrants have been returned undelivered or remain uncashed or, if following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder. Subject to the provisions of these articles, the Company must recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.
- 31.7 The Board may retain the dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares contained in these articles, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person becomes a member in respect of such shares or transfers them.
- 31.8 All dividends, interest or other sums payable and unclaimed for one year, after having been declared, may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company is not constituted a trustee in respect of them. No dividend will bear interest as against the Company.
- 31.9 Any dividend which has remained unclaimed for a period of 12 years from the date on which it becomes due for payment will, if the Board so resolves, be forfeited and cease to remain owing by the Company and will from then on belong to the Company absolutely.
- 31.10 Any dividend or other money payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled to it and, in the case of joint holders, to any one of such joint holders or, to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant will be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct and payment of the cheque or warrant is a good discharge to the Company. Every such cheque or warrant will be sent at the risk of the person entitled to the money.

stated. For such purpose, the Board will capitalise, out of any amount for the time being standing to the credit of any reserve or fund, including the profit and loss account, whether or not it is available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis; and

31.12.7 the additional ordinary shares when allotted will rank equally in all respects with the fully paid shares then in issue except that they will not be entitled to participate in the relevant dividend.

31.13 A general meeting declaring a dividend may, upon the recommendation of the Board, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of the Company or any other company, and the Board must give effect to such resolution. Where any difficulty arises in regard to the distribution, they may settle it as they think expedient and, in particular but without limitation, may issue fractional certificates and may fix the value for distribution of such specific assets or any part of them, and may determine that cash payments will be made to any members upon the basis of the value so fixed, in order to adjust the rights of members. They may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Board, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part of them, and otherwise as they think fit.

## 32. Reserves

32.1 Subject to the provisions of the Statutes, the directors may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company, including any premiums received upon the issue of debentures or other securities of the Company, such sums as they think proper as a reserve or reserves.

32.2 All sums standing to reserve may be applied from time to time at the discretion of the directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the Company or for such other purposes as the directors may decide are conducive to the objects of the Company or any of them. Pending their application such sums may either be employed in the business of the Company or be invested in such investments as the directors think fit.

32.3 The directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve has been divided, as they think fit. Any sum which the directors may carry to reserve out of the unrealised profits of the Company will not be mixed with any reserve to which profits available for distribution have been carried. The directors may also without placing them to reserve carry forward any profits which they may think it not prudent to divide.

#### 34. Record dates

Notwithstanding any other provision of these articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

#### 35. Notices

- 35.1 A notice or other document or information to be sent to or by any person under these articles (other than a notice calling a meeting of the Board or of a committee of the Board) must be in writing or sent using electronic communication to an electronic address notified for that purpose to the person sending the notice or other document or information.
- 35.2 A notice or other document or information may be delivered or sent to a member or another person by the Company personally or by letter. Any letter must be sent by first class post and addressed to such member or other person at the postal address in the Register (or at another address notified for the purpose) or left at that address in any envelope addressed to that member or other person. Electronic communications may be used for sending a notice or other document or information to a member or other person where that member or other person has agreed, or is deemed to have agreed, to the use of electronic communication and has specified an electronic address for this purpose. A notice or other document or information may be sent to a member or other person by the Company by placing it on a website and sending the member or other person concerned notification of the availability of the notice, document or information on the website, where the member or other person has agreed, or is deemed, as provided by the Statutes, to have agreed to having such notices, documents or information sent to him in that manner.
- 35.3 Without prejudice to article 35.2, the Company may send or supply a notice or any other document or information that is required or authorised to be sent or supplied to a member or any other person by the Company by any provision of the Statutes, or pursuant to these articles or to any other rule or regulation to which the Company may be subject, in electronic form or by making it available on a website, and the provisions of schedule 5 to CA 2006 will apply whether or not any such notice, document or information is required or authorised by the Statutes to be sent or supplied.
- 35.4 Any notice or other document or information to be sent to a member or other person may be sent by reference to the Register or the Company's other records as they stand at any time within the period of 15 days before the notice or other document or information is sent and no change in the Register or the Company's other records after that time will invalidate the sending of the notice or other document or information.
- 35.5 In the case of joint holders of a share, a notice or other document or information will be sent to whichever of them is named first in the Register and a notice or other document or information sent in this way is sufficiently sent to all the joint holders.

of the bankrupt member at an address in the United Kingdom or electronic address supplied for that purpose by the person claiming or be entitled by transmission. Until an address has been supplied, a notice or other document or information may be sent in any manner in which it might have been sent if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this article 35.11 is sufficient notice to all other persons interested in the share.

- 35.12 If, by reason of the suspension or curtailment of postal or electronic communication services in the United Kingdom, the Company is unable effectively to convene a general meeting by notice sent through the post or by electronic communication, or to send any other document or information by post or by electronic communication, the Board may, if it thinks fit and as an alternative to any other method of service permitted by these articles, send notice of the meeting or the other document or information to members affected by the suspension or curtailment by a notice advertised in at least one United Kingdom national newspaper. Such notice or other document or information will be deemed to have been duly received by affected members who are entitled to receive it at noon on the day when the advertisement appears. In any such case the Company must send confirmatory copies of the notice or other document or information by post or by electronic communication, as appropriate, to such affected members if at least five days prior to the meeting, or any other appropriate date in connection with the document or information, the posting of notices or other documents or information or the sending of them by electronic communications again becomes practicable.

### **36. Untraced shareholders**

- 36.1 The Company is entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if:
- 36.1.1 during a period of 12 years the Company has paid at least three dividends, whether interim or final in respect of the share in question and all cheques and warrants in respect of any such dividend sent in the manner authorised by these articles by the Company have been returned undelivered or remained uncashed and no communication has been received by the Company from the member or the person entitled by transmission;
  - 36.1.2 the Company has, at the expiry of the period of 12 years, by advertisement in both a United Kingdom national daily newspaper and in a newspaper circulating in the area which includes the address held by the Company for sending notices relating to the share in question or the last known address of the member or other person entitled by transmission, giving notice of its intention to sell the share;
  - 36.1.3 the Company has not, during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale, received any communication from the member or person entitled by transmission; and

to make any payment, in respect of any shares held either jointly or solely by a member or in respect of any dividends or other money due or payable or accruing due or which may become due or payable to such members by the Company or in respect of any such shares or for or on account or in respect of any member in consequence of:

- 38.1.1 the death or bankruptcy of such member;
- 38.1.2 the non payment of any income tax or other tax by such member; or
- 38.1.3 the non payment of any inheritance tax or any estate, probate, succession, death, stamp or other duty by the executors or administrators or other legal personal representatives of such member or by or out of his estate.

38.2 In the circumstances described in article 38.1 the Company:

- 38.2.1 will be fully indemnified by such member or his executors or administrators or his other legal personal representatives from all liability arising by virtue of such law; and
- 38.2.2 may recover as a debt due from such member or his executors or administrators or his other legal personal representatives wherever constituted or residing, any money paid by the Company under or in consequence of any such law, together with interest on it at the rate of ten per cent. per annum from the date of payment to the date of repayment.

38.3 Nothing contained in articles 38.1 and 38.2 prejudices or affects any right or remedy which any law may confer or purport to confer on the Company and, as between the Company and every such member as is referred to in article 38.1, his executors, administrators or other legal personal representatives, and estate wherever constituted or situated, any right or remedy which such law confers or purports to confer on the Company will be enforceable by the Company.