

Company No. 432989

THE COMPANIES ACT 1929

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MEGGITT PLC

Incorporated on 11 April 1947

**As adopted by special resolution
passed on ~~25th April 2019~~ 2021**

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PRELIMINARY

1. **Interpretation**

(A) In the articles:

"**Act**" means the Companies Act 2006;

"**alternate director**" means the person appointed to that role pursuant to article 79 and "alternate" shall be construed accordingly;

"**articles**" means these articles of association as amended from time to time;

"**auditors**" means the auditors of the Company for the time being;

"**bankruptcy**" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

"**board**" means the board of directors of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present;

"**business day**" means a day (not being a Saturday or Sunday) on which clearing banks are open for business in London;

"**certificated**" means, in relation to a share, a share which is not in uncertificated form;

"**clear days**" means, in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"**company**" includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Act;

"**director**" means a director of the Company, and includes any person occupying the position of director, by whatever name called;

"**dividend**" means dividend or bonus;

"**electronic platform**" means any form of electronic platform and includes, without limitation, website addresses, application technology and conference systems;

"**entitled by transmission**" means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law;

"**executed**" includes, in relation to a document, execution under hand or under seal or by another method permitted by law;

"**FCA**" means the Financial Conduct Authority or its successors from time to time;

"**FSMA**" means the Financial Services and Markets Act 2000;

"**holder**" means, in relation to a share, the member whose name is entered in the register as the holder of that share;

"**hybrid general meeting**" means a general meeting held at a physical location where simultaneous participation is enabled via an electronic platform(s);

"**Listing Rules**" means the listing rules made by the FCA under Part VI of FSMA;

"**London Stock Exchange**" means London Stock Exchange plc;

"**member**" means, unless the context otherwise requires, a member of the Company;

"**office**" means the registered office of the Company;

"**paid**", "**paid up**" and "**paid-up**" include credited as paid or paid up;

"**physical general meeting**" means a general meeting that is not a hybrid general meeting;

"**place**" means, in relation to a general meeting, the place of a physical meeting and (in the case of a hybrid general meeting) the electronic platform(s) specified by the board in relation to such hybrid general meeting and, where relevant, references to the place of a general meeting include any combination of two or more such places;

"**qualifying person**" means an individual who is a member of the Company, a person authorised under section 323 of the Act to act as the representative of a corporation in relation to a meeting or a person appointed as proxy of a member in relation to the meeting;

"**register**" means, unless the context otherwise requires, the register of members kept pursuant to section 113 of the Act or the issuer register of members and Operator register of members maintained pursuant to Regulation 20 of the Uncertificated Securities Regulations 2001 and, where the context requires, any register maintained by the Company

or the Operator of persons holding any renounceable right of allotment of a share and cognate expressions shall be construed accordingly;

"**seal**" means, unless the context otherwise requires, the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Act;

"**secretary**" means the secretary of the Company and includes any assistant or deputy secretary and a person appointed by the board to perform the duties of the secretary;

"**uncertificated proxy instruction**" means an instruction or notification sent by means of a relevant system and received by such participant in that system acting on behalf of the Company as the board may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the board (subject always to the facilities and requirements of the relevant system concerned);

"**Uncertificated Securities Regulations**" means the Uncertificated Securities Regulations 2001, as amended from time to time, including any provisions of or under the Act which alter or replace such regulations;

"**uncertificated**" means, in relation to a share, a share title to which is recorded in the register as being held in uncertificated form and title to which, by virtue of the Uncertificated Securities Regulations, may be transferred by means of a relevant system; and

"**writing**" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- (B) The expressions "**issuer register of members**", "**Operator**", "**Operator-instruction**", "**Operator register of members**", "**participating issuer**", "**participating security**" and "**relevant system**" have the same meaning as in the Uncertificated Securities Regulations.
- (C) Unless the context otherwise requires words and expressions to which a particular meaning is given by the Act as in force when the articles are adopted, shall have the same meaning in the articles except where the word or expression is otherwise defined in the articles.
- (D) All references in the articles to the giving of instructions by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Uncertificated Securities Regulations. The giving of such instructions shall be subject to:
 - (i) the facilities and requirements of the relevant system;
 - (ii) the extent permitted by the Uncertificated Securities Regulations; and
 - (iii) the extent permitted by or practicable under the rules and practices from time to time of the Operator of the relevant system.
- (E) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special resolution is also effective for that purpose.

- (F) A member is "**present**" at a meeting if the member:
- (i) being an individual, attends a physical general meeting in person or attends a hybrid general meeting by means of one or more electronic platforms determined by the board in relation to that meeting;
 - (ii) being a corporation, attends a physical general meeting by its duly authorised representative, who attends in person, or attends a hybrid general meeting by means of one or more electronic platforms determined by the board in relation to that meeting by its duly authorised representative; or
 - (iii) attends by his or its duly appointed proxy, who attends a physical general meeting in person or attends a hybrid general meeting by means of one or more electronic platforms determined by the board in relation to that meeting.
- (G) The *ejusden generis* principle of construction shall not apply. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words.
- (H) The headings in the articles do not affect the interpretation of the articles.
- (I) References to a "**debenture**" include debenture stock.
- (J) References to any statutory provision or statute include all modifications thereto and all re-enactments thereof (with or without modification) and all subordinate legislation made thereunder in each case for the time being in force. This article does not affect the interpretation of article 1(C).
- (K) In the articles, words importing one gender shall include each gender and a reference to a "spouse" shall include a reference to a civil partner under the Civil Partnership Act 2004.

2. **Model articles or regulations**

No model articles or regulations contained in any statute or subordinate legislation, including the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended), apply as the regulations or articles of association of the Company.

LIABILITY OF MEMBERS

3. **Limited liability**

The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.

SHARE CAPITAL

4. **Allotment**

- (A) Subject to the Act and relevant authority of the Company in general meeting, the board has general and unconditional authority to allot (with or without conferring rights of

renunciation), grant options over, offer or otherwise deal with or dispose of unissued shares of the Company, or rights to subscribe for or convert any security into shares, to such persons, at such times and on such terms and conditions as the board may decide, except that no share may be issued at a discount.

- (B) The board may at any time after the allotment of a share but before a person has been entered in the register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on the terms and conditions the board thinks fit.

5. **Power to attach rights**

Subject to the Act and to the rights attached to existing shares, new shares may be allotted or issued with or have attached to them such rights or restrictions as the Company may by ordinary resolution decide, or, if no resolution is passed, as the board may decide.

6. **Redeemable shares**

Subject to the Act and to the rights attached to existing shares, shares may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed and the directors may determine the terms, conditions and manner of redemption of any such shares.

7. **Rights and restrictions attaching to Shares**

If rights and restrictions attached to shares are determined by ordinary resolution or by the directors pursuant to article 5 or 6, those rights and restrictions shall apply in place of any rights or restrictions that would otherwise apply by virtue of the Act in the absence of any provisions in the articles, as if those rights and restrictions were set out in the articles.

8. **Variation of rights**

- (A) Subject to the Act, the rights attached to a class of shares may be varied whether or not the Company is being wound up (i) in such manner (if any) as may be provided by those rights, or (ii) in the absence of provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class (excluding any share of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class validly held in accordance with the articles, but not otherwise.
- (B) The rights attached to a class of shares are not, unless otherwise expressly provided in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Act.

9. **Commission**

The Company may exercise all powers conferred or permitted by the Act of paying commission or brokerage. Subject to the Act, commission or brokerage may be satisfied by the payment of cash or the allotment of fully- or partly-paid shares or the grant of an option to call for an allotment of shares or by any combination of these methods.

10. **Trusts not recognised**

Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not recognise a person as holding a share on trust and is not bound by or otherwise compelled to recognise (even if it has notice of it) an equitable, contingent, future, partial or other claim to or interest in a share other than an absolute right in the holder to the whole of the share.

11. **Uncertificated Shares**

- (A) Subject to the Act and the Uncertificated Securities Regulations, the board may resolve that a class of shares is to become a participating security and that a class of shares shall cease to be a participating security.
- (B) Uncertificated shares of a class are not to be regarded as forming a separate class from certificated shares of that class.
- (C) A member may, in accordance with the Uncertificated Securities Regulations, change a share of a class which is a participating security from a certificated share to an uncertificated share and from an uncertificated share to a certificated share.
- (D) The Company may give notice to a member requiring the member to change uncertificated shares to certificated shares by the time stated in the notice. The notice may also state that the member may not change certificated shares to uncertificated shares. If the member does not comply with the notice, the board may authorise a person to change the uncertificated shares to certificated shares in the name and on behalf of the member.
- (E) While a class of shares is a participating security, the articles only apply to an uncertificated share of that class to the extent that they are consistent with:
 - (i) the holding of shares of that class in uncertificated form;
 - (ii) the transfer of title to shares of that class by means of a relevant system; and
 - (iii) the Uncertificated Securities Regulations.

SHARE CERTIFICATES

12. **Right to certificate**

- (A) Subject to the Act, the Uncertificated Securities Regulations, the rules of any relevant system and the articles, a person (except a person in respect of whom the Company is not required by law to issue a certificate) on becoming the holder of a share is entitled, unless the terms of issue of the shares provide otherwise, without charge, to receive within two months of allotment or the lodgement with the Company of a transfer to him of that share or within two months after the relevant Operator instruction is received by the Company (or within any other period as the terms of issue of the shares provide) one certificate for all the certificated shares of a class registered in his name or, in the case of certificated shares of more than one class being registered in his name, to a separate certificate for each class of shares.

- (B) Where a member (except a person to whom the Company is not required by law to issue a certificate) transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of certificated shares retained by him.
- (C) The Company is not bound to issue more than one certificate for certificated shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.
- (D) A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares and shall otherwise comply with the requirements of the FCA. It shall be issued under a seal, which may be affixed to or printed on it, or in such other manner as the board may approve, having regard to the terms of allotment or issue of the shares.

13. **Replacement certificates**

- (A) Where a member holds two or more certificates for shares of one class, the board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate for certificated shares of that class.
- (B) At the request of a member, the board may cancel a certificate and issue two or more in its place (representing certificated shares in such proportions as the member may specify), on surrender of the original certificate and on payment of such reasonable sum as the board may decide.
- (C) Where a certificate is worn out, defaced, lost or destroyed, the board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out-of-pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity and security as the board may decide, and on surrender of the original certificate (where it is worn out or defaced).

LIEN

14. **Company's lien on shares not fully paid**

- (A) The Company has a first and paramount lien on every share (other than a fully-paid share) registered in the name of a member (whether solely or jointly with another person) for an amount payable in respect of the share, whether the due date for payment has arrived or not. The lien applies to all dividends from time to time declared or other amounts payable in respect of the share.
- (B) The board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this article. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

15. **Enforcement of lien by sale**

- (A) For the purpose of enforcing the lien, the board may sell shares subject to the lien in such manner as it may decide, if the due date for payment of the relevant amounts has arrived

and payment is not made within 14 clear days after the service of a notice in writing (stating, and demanding payment of, the amounts and giving notice of the intention to sell in default of payment) on the member concerned (or to a person entitled by transmission to the shares).

- (B) To give effect to a sale, the board may authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder of or the person entitled by transmission to the shares to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the sale.

16. **Application of proceeds of sale**

The net proceeds of a sale effected under article 15, after payment of the costs of the sale, shall be applied by the Company in or towards satisfaction of the amount in respect of which the lien exists. Any residue shall (on surrender to the Company for cancellation of the certificate for the shares sold, or the provision of an indemnity (with or without security) as to any lost or destroyed certificate required by the board and subject to a like lien for amounts not presently payable as existed on the shares before the sale) be paid to the member or a person entitled by transmission to the shares immediately before the sale.

CALLS ON SHARES

17. **Calls**

Subject to the terms of issue, the board may make calls on members in respect of amounts unpaid on the shares or a class of shares held by them respectively (whether in respect of nominal value or a premium) and not payable on a date fixed by or in accordance with the terms of issue. Each member shall (on receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called as required by the notice. A call may be made payable by instalments and may, at any time before receipt by the Company of an amount due, be revoked or postponed in whole or in part as the board may decide. A call is deemed made at the time when the resolution of the board authorising it is passed. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made. The joint holders of a share are jointly and severally liable for payment of a call in respect of that share.

18. **Power to differentiate**

The board may make arrangements on the allotment or issue of shares for a difference between the allottees or holders in the amounts and times of payment of a call on their shares.

19. **Interest on calls**

If the whole of the amount called is not paid on or before the date fixed for payment, the person by whom it is payable shall pay interest on the unpaid amount at such rate as may be fixed by the terms of allotment or issue of the share or, if no rate is fixed, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per

cent. per annum) as the board may decide, from and including the date fixed for payment until but excluding the date of actual payment and all costs, charges and expenses incurred by the Company by reason of the non-payment. The board may waive payment of the interest in whole or in part.

20. **Payment in advance**

The board may, if it thinks fit, receive from a member all or part of the amounts uncalled and unpaid on shares held by him. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made. The Company may pay interest on the amount paid in advance, or on so much of it as from time to time exceeds the amount called on the shares in respect of which the payment in advance has been made, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide.

21. **Amounts due on allotment treated as calls**

An amount which becomes payable in respect of a share on issue or allotment or on a date fixed pursuant to the terms of issue or allotment (whether in respect of nominal value or a premium) or as an instalment of a call is deemed to be a call. In case of non-payment, the provisions of the articles as to payment of interest and costs, charges and expenses, forfeiture or otherwise apply as if that amount has become payable by virtue of a call.

FORFEITURE

22. **Notice if call not paid**

If a member fails to pay the whole of a call or an instalment of a call on or before the date fixed for payment, the board may serve notice on the member or on a person entitled by transmission to the share in respect of which the call was made demanding payment, on a date not less than 14 clear days from the date of the notice, of the amount of the call outstanding and any interest that may have accrued on it and all costs, charges and expenses incurred by the Company by reason of the non-payment. The notice shall state (i) the place where payment is to be made, and (ii) that if the notice is not complied with the share in respect of which the call was made will be liable to be forfeited.

23. **Forfeiture for non-compliance**

If the notice referred to in article 22 is not complied with, a share in respect of which it is given may, at any time before the payment required by the notice (including interest, costs, charges and expenses) has been made, be forfeited by a resolution of the board. The forfeiture includes all dividends declared or other amounts payable in respect of the forfeited share and not paid before the forfeiture.

24. **Notice after forfeiture**

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by

transmission to the share but no forfeiture is invalidated by an omission to give notice. An entry of the fact and date of forfeiture shall be made in the register.

25. Disposal of forfeited shares

- (A) Until cancelled in accordance with the Act, a forfeited share and all rights attaching to it are deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before the forfeiture the holder thereof or to another person, on such terms and in such manner as the board may decide. Where for this purpose a forfeited share is to be transferred, the board may authorise a person to execute an instrument of transfer of the forfeited share to the transferee. The Company may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.
- (B) The board may before a forfeited share has been cancelled, sold, re-allotted or otherwise disposed of annul the forfeiture on such conditions as it thinks fit.
- (C) A statutory declaration by a director or the secretary that a share has been forfeited on the date stated in the declaration is conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. The declaration (subject if necessary to the execution of an instrument of transfer) constitutes good title to the share and the person to whom the share is sold, re-allotted or disposed of is not bound to see to the application of the consideration (if any). His title to the share is not affected by an irregularity in or invalidity of the proceedings connected with the forfeiture or disposal.

26. Arrears to be paid notwithstanding forfeiture

A person whose share has been forfeited ceases on forfeiture to be a member in respect of it and if that share is in certificated form, shall surrender to the Company for cancellation the certificate for the forfeited shares or shares. He remains liable to pay, and shall immediately pay to the Company, all calls, interest, costs, charges and expenses owing in respect of the share at the time of forfeiture, with interest, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment or issue of the share or, if no rate is fixed, at the rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide. The board may if it thinks fit enforce payment without allowance for the value of the share at the time of forfeiture or for consideration received on disposal.

27. Surrender

The board may accept the surrender of a share liable to be forfeited and in that case references in the articles to forfeiture include surrender.

UNTRACED SHAREHOLDERS

28. Power of sale

- (A) Subject to the Uncertificated Securities Regulations, the Company is entitled to sell a share of a member or of a person entitled by transmission, if:

- (i) there has been a period of 12 years during which at least three dividends (whether interim or final) in respect of the shares in questions have become due for payment (the "**relevant period**");
 - (ii) throughout the relevant period no cheque, order or warrant sent by the Company by post in a pre-paid envelope addressed to the holder of the share, or to the person entitled by transmission to the share, at his address on the register or other last-known address given by the member or other person has been cashed, no payment made by the Company by any other means permitted by article 119(A) has been claimed or accepted and no communication has been received by the Company from the member or person entitled by transmission (in his capacity as member or person entitled by transmission);
 - (iii) after expiry of the relevant period the Company has sent a notice of its intention to sell the share to that member or person entitled by transmission at his address on the register or other last-known address given by that member or person, stating the Company's intention to sell the share in accordance with this article;
 - (iv) before sending the sale notice referred to in paragraph (A)(iii), the Company is satisfied that it has taken such steps as it considers reasonable in the circumstances to trace the member or other person entitled, including engaging, if considered appropriate in relation to such share, a professional asset reunification company or other tracing agent; and
 - (v) the Company has not, during a further period of three months after the date on which the sale notice referred to in paragraph (A)(iii) was sent and before the exercise of the power of sale, received a communication from the member or person entitled by transmission (in his capacity as member or person entitled by transmission).
- (B) In addition to the power of sale conferred by paragraph (A), if during the relevant period or a further period ending on the date when all the requirements of paragraphs (A)(i) to (v) have been satisfied an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods and all the requirements of paragraphs (A) (i) to (v) (as if the words "throughout the relevant period" were omitted from paragraph (A)(ii) and the words "on expiry of the relevant period" were omitted from paragraph (A)(iii)) have been satisfied in respect of the additional share, the Company is entitled to sell the additional share.
- (C) To give effect to a sale pursuant to paragraphs (A) or (B), the board may authorise a person to execute an instrument of transfer of the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share to the purchaser or his nominee and in relation to an uncertificated share may require the Operator to convert the share into certificated form in accordance with the Uncertificated Securities Regulations. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity or invalidity in the proceedings connected with the sale of the share.

29. **Application of proceeds of sale**

- (A) The Company shall account to the member or other person entitled by transmission to the share for the net proceeds of sale by carrying all amounts received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of those amounts for the member or other person. Amounts carried to the separate account may either be employed in the business of the Company or invested as the board may think fit. No interest is payable on those amounts and the Company is not required to account for money earned on them.
- (B) If no valid claim for the proceeds of such sale has been received by the Company during a period of six years from the date on which the relevant shares were sold by the Company under article 28, the net proceeds of sale shall be forfeited and such former member or other person previously entitled to the share shall no longer be a creditor for the proceeds of sale and the Company will not be obliged to account to such persons for, or be liable to such persons in relation to, the proceeds of sale.

TRANSFER OF SHARES

30. **Form of transfer**

- (A) A member may transfer all or any of his certificated shares by instrument of transfer in writing in any usual form or in another form approved by the board, and the instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee.
- (B) A member may transfer all or any of his uncertificated shares in accordance with the Uncertificated Securities Regulations.
- (C) Subject to the provisions of the Uncertificated Securities Regulations, the transferor of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

31. **Right to refuse registration**

- (A) Subject to this article and article 66, shares of the Company are free from any restriction on transfer. In exceptional circumstances approved by the FCA, the board may refuse to register the transfer of certificated shares provided that such refusal would not disturb the market in those shares. Subject to the requirements of the Listing Rules, the board may, in its absolute discretion, refuse to register the transfer of a certificated share which is not fully paid or the transfer of a certificated share on which the Company has a lien.
- (B) The board may also, in its absolute discretion, refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied:
 - (i) it is in respect of only one class of shares;
 - (ii) it is in favour of a single transferee or renounee or not more than four joint transferees or renounees;

- (iii) it is duly stamped (if required); and
 - (iv) it is delivered for registration to 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 person to whom the Company is not required by sections 769, 776, 777 or 778 of the Act to issue a certificate, or in the case of a renunciation) and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.
- (C) If the board refuses to register the transfer of a certificated share it shall, as soon as reasonably practicable and in any event within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee together with its reasons for the refusal. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may, subject to article 135, be retained by the Company.
- (D) In accordance with and subject to the provisions of the Uncertificated Securities Regulations, the Operator of the relevant system shall register a transfer of title to any uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form but so that the Operator of the relevant system may refuse to register such a transfer in any circumstance permitted by the Uncertificated Securities Regulations.
- (E) In accordance with the Uncertificated Securities Regulations, if the Operator of the relevant system refuses to register the transfer of an uncertificated share or of any such uncertificated renounceable right of allotment of a share it shall, as soon as reasonably practicable and in any event within two months after the date on which the relevant system-member instruction or issuer instruction (as the case may be) was received by the Operator, send notice of the refusal to the relevant system-member or participating issuer (as the case may be) together with its reasons for the refusal.
- (F) In accordance with and subject to the provisions of the Uncertificated Securities Regulations, where title to an uncertificated share is transferred by means of a relevant system to a person who is to hold such share in certificated form thereafter, the Company as participating issuer shall register the transfer in accordance with the relevant Operator-instruction, but so that the Company may refuse to register such a transfer in any circumstance permitted by the Uncertificated Securities Regulations.
- (G) In accordance with the Uncertificated Securities Regulations, if the Company as participating issuer refuses to register the transfer of title to an uncertificated share transferred by means of a relevant system to a person who is to hold such share in certificated form thereafter, it shall, as soon as reasonably practicable and in any event within two months after the date on which the Operator-instruction was received by the Company, send notice of the refusal to the transferee together with its reasons for the refusal.

32. **Fees on registration**

No fee may be charged by the Company for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

TRANSMISSION OF SHARES

33. **On death**

- (A) The Company may recognise only the personal representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held jointly by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.
- (B) Nothing in the articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him.

34. **Election of person entitled by transmission**

- (A) A person becoming entitled by transmission to a share may, on production of any evidence the board may, subject to the Act, require, elect either to be registered as a member or to have a person nominated by him registered as a member.
- (B) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, (if it is a certificated share) he shall execute an instrument of transfer of the share to that person or (if it is an uncertificated share) procure that instructions are given by means of a relevant system to effect transfer of the share to that person or change the share to a certificated share and execute an instrument of transfer of the share to that person. All the provisions of the articles relating to the transfer of certificated shares apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event giving rise to a transmission of entitlement had not occurred.
- (C) The board may give notice requiring a person to make the election referred to in paragraph (A) above. If that notice is not complied with within 60 days, the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

35. **Rights on transmission**

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may, however, give a good discharge for dividends and other amounts payable in respect of the share and, subject to articles 34 and 119, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however, before he is registered as the holder of the share, entitled in respect of it to receive notice of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

FRACTIONS OF SHARES

36. **Fractions**

If, as the result of consolidation and division or sub-division of shares, members become entitled to fractions of a share, the board may on behalf of the members deal with the fractions as it thinks fit. Subject to the Act and to the Uncertificated Securities Regulations, the board may, in effecting divisions and/or consolidations, treat a member's shares held in certificated form and uncertificated form as separate holdings. In particular, the board may:

- (i) sell fractions of a share to a person (including, subject to the Act, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company). To give effect to a sale the board may authorise a person to execute an instrument of transfer of shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or
- (ii) subject to the Act, allot or issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such allotment or issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to article 126. In relation to the capitalisation the board may exercise all the powers conferred on it by article 126 without an ordinary resolution of the Company.

COMPANY NAME

37. **Change of company name**

Subject to the Act, the board may by resolution change the name of the Company.

GENERAL MEETINGS

38. **Annual general meeting**

Subject to the Act the Company shall hold an annual general meeting (as a physical general meeting or as a hybrid general meeting) in each period of 6 months beginning with the day

following its accounting reference date. Such meetings shall be convened by the board at such time and place as it thinks fit.

39. **Convening of general meetings by the board**

The board may convene a general meeting (as a physical general meeting or as a hybrid general meeting) whenever it thinks fit.

40. **Convening of general meetings by requirement of the members**

The board, on the requirement of members pursuant to the Act, shall call a general meeting (as a physical general meeting or as a hybrid general meeting): (i) within 21 days from the date on which the board becomes subject to the requirement; and (ii) to be held on a date not more than 28 days after the date of the notice convening the meeting. At a meeting convened on a requisition or by requisitionists no business may be transacted except that stated by the requisition or proposed by the board. A general meeting may also be convened in accordance with article 90.

41. **Hybrid general meetings**

- (A) The board may resolve to enable persons entitled to attend a hybrid general meeting to do so by simultaneous attendance by electronic means on the electronic platform(s) and pursuant to the arrangements specified in the notice of general meeting. The members or their proxies present shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the general meeting is satisfied that adequate facilities are available throughout the hybrid general meeting to ensure that members attending the hybrid general meeting who are not present together at the same place may, by electronic means, attend and speak and vote at it. The board may make arrangements for any documents which are required to be made available to the meeting to be accessible electronically to members or their proxies.
- (B) Nothing in these articles prevents a general meeting being held only at a physical location, however, a general meeting cannot be held solely on an electronic platform(s).

42. **Length and form of notice**

- (A) An annual general meeting shall be called by not less than 21 clear days' notice. All other general meetings shall be called by not less than 14 clear days' notice.
- (B) The notice of meeting shall be given to the members (other than any who, under the provisions of the articles or the terms of allotment or issue of shares, are not entitled to receive notice), to the directors and to the auditors.
- (C) The board may determine that persons entitled to receive notices of meeting are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being sent.

- (D) The notice of meeting shall also specify a time (which, if the Company is a participating issuer, shall not be more than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote

43. **Omission to send notice**

- (A) The accidental omission to give notice of meeting or to send, supply or make available any document or information relating to the meeting, or the non-receipt of any such notice, document or information by a person entitled to receive it does not invalidate the proceedings at a general meeting.
- (B) Where a notice of meeting published on a web-site in accordance with article 130 is by accident published in different places on the web-site or published for part only of the period from the date of the notification given under article 130 until the conclusion of the meeting to which the notice relates, the proceedings at such meeting are not thereby invalidated.

PROCEEDINGS AT GENERAL MEETINGS

44. **Quorum**

- (A) No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with the articles, which is not treated as part of the business of the meeting.
- (B) Subject to the Act, the quorum for a general meeting is for all purposes three qualifying persons present and entitled to vote.

45. **Procedure if quorum not present**

- (A) If a quorum is not present within thirty minutes from the time fixed for the start of the meeting or if there is no longer a quorum at any time during the meeting, the meeting, if convened by or on the requisition of members, is dissolved. In any other case it stands adjourned to such time (being not less than 14 days nor more than 28 days later) and place as the chairman (or, in default, the board) decides.
- (B) At an adjourned meeting the quorum is three qualifying persons present and entitled to vote. If a quorum is not present within five minutes from the time fixed for the start of the meeting, the adjourned meeting is dissolved.
- (C) Subject to paragraph (A), save where the time, date and place for the adjourned meeting has been specified for the purpose in the notice convening the meeting as referred to in paragraph (A) (in which case notice of the adjourned meeting need not be given), the Company shall give not less than seven clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

46. **Chairman**

- (A) The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at a general meeting. If there is no chairman or deputy chairman, or if at a meeting neither is present within fifteen minutes after the time fixed for the start of the meeting, or neither is willing to act, the directors present shall select one of their number to be chairman. If only one director is present and willing to act, he shall be chairman. In default, the members present in person and entitled to vote shall choose one of their number to be chairman.
- (B) Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman may take such action as he thinks fit to promote the orderly conduct of the business of the meeting as specified in the notice of meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final, as shall be his determination as to whether any matter is of such a nature.

47. **Director's right to attend and speak**

A director is entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares or debentures whether or not he is a member.

48. **Power to adjourn**

- (A) The chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn a meeting from time to time and from place to place or for an indefinite period.
- (B) Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to (i) secure the proper and orderly conduct of the meeting, or (ii) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting, or (iii) ensure that the business of the meeting is properly disposed of, or (iv) in relation to a hybrid general meeting, the electronic platforms or arrangements for that meeting become inadequate for the purpose of ensuring that members can participate properly and in an orderly and secure way.

49. **Notice of adjourned meeting**

- (A) Whenever a meeting is adjourned for 28 days or more or for an indefinite period, at least seven clear days' notice specifying the place, date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of the articles or the terms of allotment or issue of the shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances, it is not necessary to give notice of an adjourned meeting or of the business to be transacted at the adjourned meeting.
- (B) The board may determine that persons entitled to receive notice of an adjourned meeting in accordance with this article are those persons entered on the register at the close of

business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant notice of meeting is being sent.

- (C) The notice of an adjourned meeting given in accordance with this article shall also specify a time (which, if the Company is a participating issuer, shall not be more than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.

50. **Business at adjourned meeting**

No business may be transacted at an adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

51. **Accommodation of members at meeting**

- (A) If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a member who is unable to be accommodated is able to (i) participate in the business for which the meeting has been convened, and (ii) hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and (iii) be heard and seen by all other persons present in the same way.
- (B) The meeting shall be deemed to take place at the meeting place at which the chairman is present.
- (C) Article 48 shall apply to the interruption or adjournment of a meeting which is being held at more than one meeting place.

52. **Security**

- (A) The board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a physical general meeting including, without limitation, the searching of a person attending the physical general meeting and the restriction of the items of personal property that may be taken into the meeting place. The board is entitled to (i) refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions and (ii) eject from a meeting any person who causes the proceedings to become disorderly.
- (B) In the case of hybrid general meetings, the board and/or the chairman may make any arrangement and impose any requirement or restriction as is:

- (i) necessary to ensure the identification of those taking part and the security of the electronic communication; and
- (ii) proportionate to those objectives.

In this respect, the Company is able to authorise any voting application, system or facility for hybrid general meetings as it sees fit.

VOTING

53. **Method of voting**

- (A) At a physical general meeting, a resolution put to the vote of the meeting is decided by a show of hands unless (before or on the declaration of the result of the show of hands) a poll is duly demanded.
- (B) At a hybrid general meeting, a resolution put to the vote of the meeting is decided by a poll in such manner as the board and/or the chairman of the meeting in their sole discretion deems appropriate for the purposes of the meeting.
- (C) Subject to the Act, a poll may be demanded on any question by:
 - (i) the chairman of the meeting;
 - (ii) not less than five members present and entitled to vote on the resolution;
 - (iii) a member or members present representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares); or
 - (iv) a member or members present holding shares conferring a right to vote on the resolution, 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 (excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares).

For the purposes of (ii) above, a demand by a proxy counts as a demand by the member. For the purposes of (iii) above, a demand by a proxy counts as a demand by a member representing the voting rights that the proxy is authorised to exercise. For the purposes of (iv) above, a demand by a proxy counts as a demand by a member holding the shares to which those rights are attached.

- (D) Unless, in the case of a physical general meeting, a poll is demanded and the demand is not withdrawn, a declaration by the chairman that the resolution has been carried, or carried 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 proceedings, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. An entry in respect of such a declaration in minutes of the meeting recorded in accordance with section 355 of the Act is also conclusive evidence of that fact without such proof.

54. **Procedure on a poll**

- (A) If a poll is properly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be members, and may fix a time, date and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- (B) A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time, date and place as the chairman decides, either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand).
- (C) No notice need be given of a poll not taken immediately if the time, date and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time, date and place at which the poll is to be taken.
- (D) The demand for a poll in the case of a physical general meeting may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. In the case of a poll demanded before the declaration of the result of a show of hands and duly withdrawn, the meeting shall continue as if the demand has not been made.
- (E) The demand for a poll in the case of a physical general meeting (other than on the election of the chairman or on a question of adjournment) does not prevent the meeting continuing for the transaction of business other than the question on which a poll has been demanded.
- (F) On a poll taken at a general meeting of the Company, a member present and 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.

55. **Votes of members**

- (A) Subject to special terms as to voting on which shares have been issued, or a suspension or abrogation of voting rights pursuant to the articles, on a vote on a resolution:
 - (i) on a show of hands at a physical general meeting:
 - (a) every member present in person and entitled to vote on the resolution has one vote; and
 - (b) every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote, except where:
 - (1) that proxy has been duly appointed by more than one member entitled to vote on the resolution; and
 - (2) the proxy has been instructed:

(A) by one or more of those members to vote for the resolution and by one or more of those members to vote against the resolution; or

(B) by one or more of those members to vote in the same way on the resolution (whether for or against) and one or more of those members has permitted the proxy discretion as to how to vote,

in which case, the proxy has one vote for and one vote against the resolution; and

(ii) on a poll taken at a meeting, every member present and entitled to vote has one vote for every ordinary share of which he is the holder.

(B) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority is determined by the order in which the names of the holders stand in the register.

(C) A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands (at a physical general meeting) or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator bonis or other person may, on a poll, vote by proxy if evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is received at the office, the office of the Company's registrars (or at another place specified in accordance with the articles for the appointment of a proxy) within the time limits prescribed by the articles for the appointment of a proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

56. **No casting vote**

In the case of an equality of votes whether on a show of hands or on a poll, the chairman of the physical general meeting at which the show of hands takes place or, in the case of a physical general meeting or a hybrid general meeting, at which the poll is demanded shall not be entitled to a casting vote.

57. **Restriction on voting rights for unpaid calls etc.**

Unless the board otherwise decides, no member is entitled in respect of a share held by him 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 class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, if a call or other amount due and payable in respect of the share is unpaid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of the non-payment.

58. **Voting by proxy**

- (A) Subject to paragraph (B) below, an instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the board) executed under the hand of the appointor or his duly constituted attorney or, if the appointor is a company, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign.
- (B) Subject to the Act, the board may accept the appointment of a proxy received by electronic means on such terms and subject to such conditions as it considers fit. The appointment of a proxy received by electronic means is not subject to the requirements of paragraph (A) above. The board may require the production of such reasonable evidence as it considers necessary to determine:
 - (i) the identity of the member and the proxy; and
 - (ii) where the proxy is appointed by a person acting on behalf of the member, the authority of that person to make the appointment.
- (C) A member may appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote (both on a show of hands and on a poll) on a resolution or amendment of a resolution, or on other business arising, at a meeting or meetings of the Company. Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to exercise all such rights, as the proxy thinks fit.
- (D) A proxy need not be a member.
- (E) A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to different shares held by the member. When two or more valid but differing instruments of proxy are delivered or received for the same share for use at the same meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that share.
- (F) Delivery or receipt of an instrument of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- (G) An instrument of proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. An instrument of proxy is valid for 12 months from the date of execution or, in the case of an appointment of proxy delivered by electronic means, for the duration specified by the board.
- (H) Subject to the Act and the requirements of the FCA, the Company may send an instrument of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting. If sent the instrument shall provide for three-way voting on all resolutions (other than procedural resolutions) set out in the notice of meeting.

59. **Deposit of proxy**

(A) An instrument of proxy, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, shall be:

- (i) subject to paragraphs (iii) and (iv), in the case of an instrument in hard copy form, deposited at the office, or another place in the United Kingdom specified in the notice convening the meeting or in an instrument of proxy or other accompanying document sent by the Company in relation to the meeting, not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote;
- (ii) subject to paragraphs (iii) and (iv), in the case of an appointment of a proxy sent by electronic means, where the Company has given an electronic address:
 - (a) in the notice convening the meeting; or
 - (b) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
 - (c) in any invitation sent by electronic means to appoint a proxy issued by the Company in relation to the meeting; or
 - (d) on a website maintained by or on behalf of the Company on which any information relating to the meeting is required by the Act to be kept, received at such address not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the meeting at which the person named in the form of appointment of proxy proposes to vote;
- (iii) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, deposited or received as required by paragraphs (i) or (ii) not less than 24 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- (iv) in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the secretary or to a director.

An instrument of proxy not deposited or received in accordance with this article is invalid.

(B) Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the board may from time to time permit appointments of a proxy to be made by electronic means in the form of an uncertificated proxy instruction and may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction to be so made. The board may in addition prescribe the method of determining the time at which any such uncertificated proxy instruction (and/or other

instruction or notification) is to be treated as received by the Company or a participant acting on its behalf. The board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

60. **Validity of actions by proxy or representative of a corporation**

(A) The Company is not obliged to verify that a proxy or representative of a corporation has acted in accordance with the terms of his appointment and any failure to so act in accordance with the terms of his appointment shall not affect the validity of any proceedings at a meeting of the Company.

(B) The termination of the authority of a person to act as proxy or as the duly authorised representative of a member which is a corporation does not affect whether he counts in deciding whether there is a quorum at a meeting, the validity of anything he does as chairman of a meeting, the validity of a poll demanded by him at a meeting, or the validity of a vote given by that person unless notice of the termination was received by the Company at the office or, in the case of a proxy, any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of proxy was sent by electronic means, at the address at which the form of appointment was received, not later than the last time at which an appointment of proxy should have been delivered or received in order to be valid for use at the relevant meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for use on the holding of the poll at which the vote is cast.

61. **Corporate representatives**

In accordance with the Act, a corporation which is a member may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the Company (a "**representative**"). A director, the secretary or other person authorised for the purpose by the secretary may require a representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

62. **Objections to and error in voting**

No objection may be made to the qualification of a voter or to the counting of, or failure to count, a vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. An objection properly made shall be referred to the chairman and only invalidates the result of the voting on any resolution if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman is conclusive and binding on all concerned.

63. **Amendments to special resolutions**

No amendment to a resolution duly proposed as a special resolution (other than an amendment to correct a patent error) may be considered or voted on.

64. **Amendments to ordinary resolutions**

- (A) No amendment to a resolution duly proposed as an ordinary resolution (other than an amendment to correct a patent error) may be considered or voted on unless either:
- (i) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office; or
 - (ii) the chairman in his absolute discretion decides that an amendment may be considered or voted on.
- (B) If an amendment proposed to a resolution (whether a special resolution or an ordinary resolution) under consideration is ruled out of order by the chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

65. **Class meetings**

Save for the circumstances set out in s.334(2), s.334(2A) and s.334(3) of the Act, a separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as a general meeting, except that:

- (i) no member, other than a director, is entitled to notice of it or to attend unless he is a holder of shares of that class;
- (ii) no vote may be given except in respect of a share of that class;
- (iii) the quorum at the meeting is two qualifying persons present and entitled to vote holding, representing or authorised to exercise voting rights in respect of, at least one-third in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares);
- (iv) the quorum at an adjourned meeting is two qualifying persons present and entitled to vote holding, representing or authorised to exercise voting rights in respect of, shares of that class; and
- (v) any holder of shares of that class present and entitled to vote may demand a poll.

For the purposes of sub-paragraph (iii) above, where a person is present by one or more proxies, he is treated as holding only the shares in respect of which any such proxy is authorised to exercise voting rights.

66. **Failure to disclose interests in shares**

- (A) Having regard to the requirements of the Listing Rules, where notice is served by the Company under section 793 of the Act (a "**section 793 notice**") on a member, or another person appearing to be interested in shares held by that member, and the member or other person has failed in relation to any shares (the "**default shares**", which expression includes any shares allotted or issued after the date of the section 793 notice in respect of those shares) to give the Company the information required within the prescribed period from

the date of the section 793 notice, the following sanctions apply, unless the board otherwise decides:

- (i) 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; and
 - (ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class (excluding any share of their class held as treasury shares):
 - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member is not entitled to elect, pursuant to article 125, to receive shares instead of a dividend; and
 - (b) no transfer of any certificated default shares shall be registered unless the transfer is an excepted transfer or:
 - (i) the member is not himself in default in supplying the information required; and
 - (ii) the member proves to the satisfaction of the board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.
- (B) For the purpose of enforcing the sanction in paragraph (A)(ii)(b), the board may give notice to the member requiring the member to change default shares held in uncertificated form to certificated form by the time stated in the notice. The notice may also state that the member may not change any default shares held in certificated form to uncertificated form. If the member does not comply with the notice, the board may require the Operator to convert default shares held in uncertificated form into certificated form in the name and on behalf of the member in accordance with the Uncertificated Securities Regulations.
- (C) The sanctions under paragraph (A) cease to apply seven days after the earlier of:
- (i) receipt by the Company of notice of an excepted transfer, but only in relation to the shares transferred; and
 - (ii) receipt by the Company, in a form satisfactory to the board, of all the information required by the section 793 notice.
- (D) Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of paragraphs (A) or (B).
- (E) For the purposes of this article 66:

- (i) a person, other than the member holding a share, is treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the member or, pursuant to a section 793 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;
 - (ii) "**interested**" is construed as it is for the purpose of section 793 of the Act;
 - (iii) reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it, and (b) 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;
 - (iv) the "**prescribed period**" means 14 days;
 - (v) an "**excepted transfer**" means, in relation to shares held by a member:
 - (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Act); or
 - (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in FSMA) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or
 - (c) a transfer which is shown to the satisfaction of the board to be made in consequence of a 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.
- (F) The provisions of this article are in addition and without prejudice to the provisions of the Act.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

67. **Number of directors**

Unless and until otherwise decided by the Company by ordinary resolution the number of directors is not subject to a maximum but must not be less than two.

68. **Power of the Company to appoint directors**

Subject to the articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed a maximum number fixed in accordance with the articles.

69. **Power of the board to appoint directors**

Without prejudice to the power of the Company to appoint a person to be a director pursuant to the articles, the board may appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed a maximum number fixed in accordance with the articles.

70. **Appointment of executive directors**

Subject to the Act, the board may appoint one or more of its body to hold employment or executive office with the Company for such term and on any other conditions (subject to the Act) the board thinks fit. The board may revoke or terminate an appointment, without prejudice to a claim for damages for breach of contract.

71. **Eligibility of new directors**

(A) No person other than a director retiring may be appointed or reappointed a director at a general meeting unless:

- (i) he is recommended by the board; or
- (ii) not less than seven nor more than 42 days before the date fixed for the meeting, notice has been given to the Company by a member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall (a) state the particulars which would, if the proposed director were appointed or reappointed, be required to be included in the Company's register of directors, (b) be accompanied by notice given by the proposed director of his willingness to be appointed or reappointed, and (c) be lodged at the office.

(B) A director need not be a member.

72. **Voting on resolution for appointment**

A resolution for the appointment of two or more persons as directors by a single resolution is void unless an ordinary resolution that the resolution for appointment is proposed in this way has first been agreed to by the meeting without a vote being given against it.

73. **Annual retirement of directors**

At each annual general meeting held after the adoption of these articles every director who held office on the date seven days before the date of the notice of annual general meeting shall retire from office. A retiring director shall be eligible for reappointment, and a director who is reappointed will be treated as continuing in office without a break.

74. **Position of retiring director**

A director who retires at an annual general meeting may, if willing to act, be reappointed by members. Subject to articles 75(B) and (C), if he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

75. **Deemed reappointment**

- (A) Subject to articles 75(B) and (C), at an annual general meeting at which a director retires, the Company may fill the vacancy and, if it does not do so, the retiring director is, if willing, deemed reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.
- (B) If:
- (i) any resolution or resolutions for the appointment or reappointment of the persons eligible for appointment or reappointment as directors are put to the annual general meeting and lost; and
 - (ii) at the end of that meeting the number of directors is fewer than any minimum number of directors required under article 67, all retiring directors who stood for reappointment at that meeting (the "**retiring directors**") shall be deemed to have been reappointed as directors and shall remain in office, but the retiring directors:
 - (a) may only act for the purposes of filling vacancies and convening general meetings of the Company and may only perform such duties as are appropriate to maintain the Company as a going concern and to comply with the Company's legal and regulatory obligations; and
 - (b) shall convene a general meeting as soon as reasonably practical following the meeting referred to in article 75(B)(i) and they shall retire from office at that meeting if the number of directors appointed or ratified by the Company at that meeting is equal to or more than the minimum number of directors required under article 67.
- (C) If at the end of the general meeting convened under article 75(B)(ii) the number of directors is fewer than any minimum number of directors required under article 67, the provisions of article 75(B) shall also apply in respect of such meeting.

76. **No retirement on account of age**

No person is incapable of being appointed a director by reason of his having reached the age of 70 or another age.

77. **Removal by ordinary resolution**

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove a director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract) and may (subject to the articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. A person appointed in this way is treated, for the purposes of determining the time at which he or another director is to retire, as if he had become a director on the date on which the person in whose place he is appointed was last appointed or reappointed a director.

78. **Vacation of office by director**

- (A) Without prejudice to the provisions for retirement contained in the articles, the office of a director is vacated if:
- (i) the period expires, if he has been appointed for a fixed period;
 - (ii) he resigns by notice delivered to the secretary at the office or tendered at a board meeting;
 - (iii) he ceases to be a director by virtue of a provision of the Act, is removed from office pursuant to the articles or becomes prohibited by law from being a director;
 - (iv) he becomes bankrupt, has an interim receiving order made against him, makes an arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
 - (v) by reason of his mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
 - (vi) a registered medical practitioner who has examined him gives a written opinion to the Company that he has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - (vii) both he and his alternate director appointed pursuant to the provisions of the articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated; or
 - (viii) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors (without prejudice to a claim for damages for breach of contract).
- (B) A resolution of the board declaring a director to have vacated office under the terms of this article is conclusive as to the fact and grounds of vacation stated in the resolution.
- (C) If the office of a director is vacated for any reason, he shall cease to be a member of any committee of the board.

ALTERNATE DIRECTORS

79. **Appointment**

- (A) A director (other than an alternate director) may by notice delivered to the secretary at the office, the office of the Company's registrars or in any other manner approved by the board, appoint as his alternate director:
- (i) another director, or
 - (ii) another person approved by the board and willing to act.

No appointment of an alternate director who is not already a director is effective until his consent to act as a director in the form prescribed by the Act has been received at the office.

- (B) An alternate director need not be a member and is not counted in reckoning the number of directors for the purpose of article 67.

80. **Revocation of appointment**

A director may by notice delivered to the secretary at the office revoke the appointment of his alternate director and, subject to the provisions of article 81, appoint another person in his place. If a director ceases to hold the office of director or if he dies, the appointment of his alternate director automatically ceases. If a director retires but is reappointed at the meeting at which his retirement takes effect, a valid appointment of an alternate director which was in force immediately before his retirement continues to operate after his reappointment as if he has not retired. The appointment of an alternate director ceases on the happening of an event which, if he were a director otherwise appointed, would cause him to vacate office.

81. **Participation in board meetings**

An alternate director is, if he gives the Company an address in the United Kingdom at which notices may be served on him or an address at which notices may be served on him by electronic means, entitled to receive notice of all meetings of the board and all committees of the board of which his appointor is a member and, in the absence from those meetings of his appointor, to attend and vote at the meetings and to exercise all the powers, rights, duties and authorities of his appointor. A director acting as alternate director has a separate vote at meetings of the board and committees of the board for each director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

82. **Responsibility**

A person acting as an alternate director is an officer of the Company, is alone responsible to the Company for his acts and defaults, and is not deemed to be the agent of his appointor.

REMUNERATION, EXPENSES AND PENSIONS

83. **Directors' fees**

- (A) Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the directors (but not alternate directors) for their services as directors such amount of aggregate fees as the board decides (not exceeding £1,000,000 per annum or such larger amount as the Company may by ordinary resolution decide). The aggregate fees shall be divided among the directors in such proportions as the board decides or, if no decision is made, equally. A fee payable to a director pursuant to this article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the articles and accrues from day to day.
- (B) Subject to the Act and to the articles and the requirements of the Listing Rules, the board may arrange for part of a fee payable to a director under this article to be provided in the

form of fully paid shares in the capital of the Company. The amount of the fee payable in this way shall be at the discretion of the board and shall be applied in the purchase or subscription of shares on behalf of the relevant director. In the case of a subscription of shares, the subscription price per share shall be deemed to be the closing middle market quotation for a fully paid share of the Company of that class as published in the Daily Official List of the London Stock Exchange (or such other quotation derived from such other source as the board may deem appropriate) on the day of subscription.

84. **Additional remuneration**

A director who, at the request of the board, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the board may decide.

85. **Expenses**

A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director, including expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures. Subject to the Act, the directors shall have the power to make arrangements to provide a director with funds to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to properly perform his duties as an officer of the Company or to enable him to avoid incurring any such expenditure.

86. **Remuneration and expenses of alternate directors**

An alternate director is not entitled to a fee from the Company for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him under article 87 had he been a director.

87. **Directors' pensions and other benefits**

- (A) The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for a person who is or has at any time been a director of (i) the Company, or (ii) a company which is or was a subsidiary undertaking of the Company, or (iii) a company which is or was allied to or associated with the Company or a subsidiary undertaking of the Company, or (iv) a predecessor in business of the Company or of a subsidiary undertaking of the Company (and for any member of his family, including a spouse or former spouse, or a person who is or was dependent on him). For this purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may arrange for this to be done by the Company alone or in conjunction with another person.

- (B) A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under paragraph (A) and is not obliged to account for it to the Company.

88. **Remuneration of executive directors**

The salary or remuneration of a director appointed to hold employment or executive office in accordance with the articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the board, and may be in addition to or instead of a fee payable to him for his services as director pursuant to the articles.

POWERS AND DUTIES OF THE BOARD

89. **Powers of the board**

Subject to the Act, the articles and to directions given by special resolution of the Company, the business of the Company is managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the articles and no direction given by the Company invalidate a prior act of the board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of the articles giving specific powers to the board do not limit the general powers given by this article.

90. **Powers of directors being less than minimum required number**

If the number of directors is less than the minimum prescribed by the articles or decided by the Company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office (subject to the articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

91. **Powers of executive directors**

The board may delegate to a director holding executive office any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. The board may at any time revoke the delegation or alter its terms and conditions.

92. **Delegation to committees**

The board may delegate any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more directors and (if thought fit) one or more other persons. In particular, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated

powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter its terms and conditions or discharge the committee in whole or in part. Where a provision of the articles refers to the exercise of a power, authority or discretion by the board (including the power to pay fees, remuneration, additional remuneration, expenses and pensions and other benefits pursuant to articles 70, 83 or 87) and that power, authority or discretion has been delegated by the board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

93. **Local management**

The board may establish local or divisional boards or agencies for managing the affairs of the Company in a specified locality, either in the United Kingdom or elsewhere, and may appoint persons to be members of a local or divisional board or agency, and may fix their remuneration. The board may delegate to a local or divisional board or agency any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, the board may grant the power to sub-delegate, may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional board or agency and may authorise the members of a local or divisional board or agency (or any of them) to fill a vacancy or to act despite a vacancy. The board may at any time revoke or alter the terms and conditions of the appointment or delegation. Subject to terms and conditions imposed by the board, the proceedings of a local or divisional board or agency with two or more members are governed by those articles that regulate the proceedings of the board, so far as applicable.

94. **Power of attorney**

The board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes, for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation.

95. **Associate directors**

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word "director" or attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word "director" in the designation or title of an office or employment does not imply that the person is, or is deemed to be, or is empowered to act as, a director for any of the purposes of the Act or the articles.

96. **Exercise of voting powers**

Subject to article 99, the board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit

(including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

97. **Provision for employees**

The board may exercise the powers conferred on the Company by the Act to make provision for the benefit of a person employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family, including a spouse or former spouse, or any person who is or was dependent on him) in connection with the cessation or the transfer to a person of the whole or part of the undertaking of the Company or the subsidiary undertaking.

98. **Registers**

Subject to the Act and the Uncertificated Securities Regulations, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas, local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register.

99. **Borrowing powers**

- (A) The board may exercise all the powers of the Company to borrow money, and to mortgage, or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital for the time being, and subject to the Act, to issue debentures, debenture stock and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.
- (B) The board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to three times the adjusted capital and reserves of the Group.
- (C) For the purpose of the foregoing restriction:
 - (i) the "**adjusted capital and reserves**" means the aggregate from time to time of:
 - (a) the amount paid up or credited as paid up on the issued share capital of the Company; and
 - (b) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve and any credit balance on profit and loss account) all as shown by the then latest audited balance sheet but after deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up

share capital, share premium account or capital redemption reserve since the date of such audited balance sheet;

(ii) "**borrowings**" shall be deemed to include not only borrowings but also the following except insofar as otherwise taken into account:

- (a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which is not for the time being owned by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group, not being acceptances of trade bills for the purchase of goods in the ordinary course of business;
- (b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group not being acceptances of trade bills for the purchase of goods in the ordinary course of business;
- (c) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group;
- (d) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group; and
- (e) any premium payable on repayment on any borrowing or deemed borrowing;

but shall be deemed not to include:

- (f) borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and
- (g) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;

(iii) when the aggregate principal amount of borrowings required to be taken into account for the purposes of this article on any particular date is being ascertained:

- (a) any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on such date in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London six months before such date if thereby such aggregate

amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business); and

- (b) where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the Company or by reason of default) on such date is less than the amount that would otherwise be taken into account in respect of such borrowing for the purpose of this article, the amount of such borrowing to be taken into account for the purpose of this article shall be such lesser amount;
 - (iv) "**audited balance sheet**" shall mean the audited balance sheet of the Company prepared for the purposes of the Act unless at the date of the then latest such balance sheet there shall have been prepared for such purposes and audited a consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Act); and in the latter event "audited balance sheet" shall mean such audited consolidated balance sheet of the Company and such subsidiaries, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries;
 - (v) the Company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Act; if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this article; and
 - (vi) "**the Group**" means the Company and its subsidiaries (if any).
- (D) A certificate or report by the auditors of the Company as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this article.
- (E) Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this article is observed and no borrowing incurred or security given in excess of such limit shall be valid or ineffectual, except in the case of express notice to the lender or the recipient of the security given that the limit hereby imposed had been or was thereby exceeded.

100. **Register of charges**

The Company shall keep a register of charges in accordance with the Act and the fee to be paid by a person other than a creditor or member for each inspection of the register of charges is the maximum sum prescribed by the Act or, failing which, decided by the board.

101. **Directors' interests**

Directors' interests other than in relation to transactions or arrangements with the Company - authorisation under section 175 of the Act

- (A) The board may authorise any matter proposed to it which would, if not so authorised, involve a breach of duty by a director under section 175 of the Act.
- (B) Any authorisation under paragraph (A) will be effective only if:
 - (i) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other director interested in the matter under consideration; and
 - (ii) the matter was agreed to without such director voting or would have been agreed to if the vote of such director had not been counted.
- (C) The board may give any authorisation under paragraph (A) upon such terms as it thinks fit. The board may vary or terminate any such authorisation at any time.
- (D) For the purposes of this article 101, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

Confidential information and attendance at board meetings

- (E) A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person. In particular the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act because he:
 - (i) fails to disclose any such information to the board or to any director or other officer or employee of the Company; and/or
 - (ii) does not use or apply any such information in performing his duties as a director of the Company.

However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this paragraph (E) applies only if the existence of that relationship has been authorised by the board pursuant to paragraph (A).

- (F) Where the existence of a director's relationship with another person has been authorised by the board pursuant to paragraph (A) and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act because he:
 - (i) absents himself from meetings of the board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise; and/or

- (ii) makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser on his behalf,

for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists.

- (G) The provisions of paragraphs (E) and (F) are without prejudice to any equitable principle or rule of law which may excuse the director from:
 - (i) disclosing information, in circumstances where disclosure would otherwise be required under these articles; or
 - (ii) attending meetings or discussions or receiving documents and information as referred to in paragraph (F), in circumstances where such attendance or receiving such documents and information would otherwise be required under these articles.

Declaration of interests in proposed or existing transactions or arrangements with the Company

- (H) A director who is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement.
- (I) A director who is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable, unless the interest has already been declared under paragraph (H) above.
- (J) Any declaration required by paragraph (H) or (I) must be made at a meeting of the directors or by notice in writing in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act.
- (K) If a declaration made under paragraph (H) or (I) above proves to be, or becomes, inaccurate or incomplete, a further declaration must be made under paragraph (H) or (I), as appropriate.
- (L) A director need not declare an interest under this article 101:
 - (i) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - (ii) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware);
 - (iii) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the directors or by a committee of the directors appointed for the purpose under these articles; or

- (iv) if the director is not aware of his interest or is not aware of the transaction or arrangement in question (and for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware).

Ability to enter into transactions and arrangements with the Company notwithstanding interest

- (M) Subject to the provisions of the Act and provided that he has declared to the board the nature and extent of any direct or indirect interest of his in accordance with this article 101 or where paragraph (L) applies and no declaration of interest is required, a director notwithstanding his office:
 - (i) may be a party to, or otherwise be interested in, any transaction or arrangement with the Company or in which the Company is otherwise directly or indirectly interested;
 - (ii) may act by himself or through his firm in a professional capacity for the Company (otherwise than as auditor), and in any such case on such terms as to remuneration and otherwise as the board may decide; and
 - (iii) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise be interested in, any body corporate in which the Company is otherwise directly or indirectly interested.

Remuneration and benefits

- (N) A director shall not, by reason of his office, be accountable to the Company for any remuneration or other benefit which he derives from any office or employment or from any transaction or arrangement or from any interest in any body corporate:
 - (i) the acceptance, entry into or existence of which has been authorised by the board pursuant to paragraph (A) (subject, in any such case, to any terms upon which such authorisation was given); or
 - (ii) which he is permitted to hold or enter into by virtue of paragraph (M) or otherwise pursuant to these articles,

nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act. No transaction or arrangement authorised or permitted pursuant to paragraphs (A) or (M) or otherwise pursuant to these articles shall be liable to be avoided on the ground of any such interest or benefit.

General voting and quorum requirements

- (O) Save as otherwise provided by these articles, a director shall not vote at a meeting of the board or of a committee of the board on any resolution concerning a matter in which he has a direct or indirect interest which is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company), but this prohibition does not apply to a resolution concerning any of the following matters:

- (i) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (ii) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the director has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
 - (iii) a transaction or arrangement concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (iv) a transaction or arrangement to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he or any person connected with him is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise (a "relevant company"), if he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the Act) representing one per cent. or more of either any class of the equity share capital (excluding any shares of that class held as treasury shares) in the relevant company or of the voting rights available to members of the relevant company;
 - (v) a transaction or arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings (including any pension fund or retirement, death or disability scheme) which does not award him a privilege or benefit not generally awarded to the employees to whom it relates; and
 - (vi) a transaction or arrangement concerning the purchase or maintenance of any insurance policy for the benefit of directors or for the benefit of persons including directors.
- (P) A director may not vote on or be counted in the quorum in relation to a resolution of the board or committee of the board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is (directly or indirectly) interested. Where proposals are under consideration concerning the appointment (including, without limitation, fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or a company in which the Company is (directly or indirectly) interested, such proposals shall be divided and a separate resolution considered in relation to each director. In that case, each of the directors concerned (if not otherwise debarred from voting under this article) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (Q) If a question arises at a meeting as to the materiality of a director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a director (other than the chairman) to vote or be counted in a quorum and the question is not resolved by his

voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the director concerned is conclusive and binding on all concerned.

- (R) If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.
- (S) For the purposes of this article 101, in relation to an alternate director, the interest of his appointor is treated as the interest of the alternate director in addition to any interest which the alternate director otherwise has. This article 103 applies to an alternate director as if he were a director otherwise appointed.

Miscellaneous

- (T) Subject to the Act, the Company may by ordinary resolution suspend or relax the provisions of this article 101 to any extent or ratify any transaction or arrangement not properly authorised by reason of a contravention of this article 101.

PROCEEDINGS OF DIRECTORS AND COMMITTEES

102. **Board meetings**

Subject to the articles, the board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

103. **Notice of board meetings**

A director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by word of mouth or by electronic means to an address given by him to the Company for that purpose or sent in writing to him at his last-known address or another address given by him to the Company for that purpose. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. A director absent or intending to be absent from the United Kingdom may request that notices of board meetings during his absence be sent to him in hard copy form or by electronic means to an address given by him to the Company for that purpose. If no request is made (and/or if no such non-United Kingdom address is given) it is not necessary to give notice of a board meeting to a director who is absent from the United Kingdom.

104. **Quorum**

The quorum necessary for the transaction of business may be decided by the board and until otherwise decided is two directors present in person or by alternate director. A duly convened meeting of the board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board.

105. **Chairman of board**

The board may appoint one of its body as chairman to preside at every board meeting at which he is present and one or more deputy chairmen and decide the period for which he is or they are to hold office (and may at any time remove him or them from office). If no chairman or deputy chairman is elected, or if at a meeting neither the chairman nor a deputy chairman is present within five minutes of the time fixed for the start of the meeting, the directors and alternate directors (in the absence of their appointors) present shall choose one of their number to be chairman. If two or more deputy chairmen are present, the senior of them shall act as chairman, seniority being determined by length of office since their last appointment or reappointment. As between two or more who have held office for an equal length of time, the deputy chairman to act as chairman shall be decided by those directors and alternate directors (in the absence of their appointors) present. A chairman or deputy chairman may hold executive office or employment with the Company.

106. **Voting**

Questions arising at a meeting of the board are determined by a majority of votes. In case of an equality of votes the chairman has a second or casting vote.

107. **Participation by telephone**

A director or his alternate director may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the board or a committee of the board is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

108. **Resolution in writing**

A resolution in writing, signed by all or a majority of the directors entitled to notice of a meeting of the directors, who would have been entitled to vote on the resolution at the meeting, and not being less than a quorum, or by all of the members of a committee entitled to receive notice of a committee meeting, who would have been entitled to vote on the resolution at the meeting and not being less than a quorum, shall be as valid and effectual as if it had been passed at a meeting of the directors or such committee (as the case may be) duly called and constituted and may consist of several documents in the like form each signed by one or more of the said directors or the said members of such committee. For the purpose of this article, the signature of an alternate director (if any) entitled to notice of a meeting of directors shall suffice in lieu of the signature of the director appointing him, and the resolution in writing need not be executed by an alternate director if it is executed by his appointor.

109. **Proceedings of committees**

- (A) Proceedings of committees of the board shall be conducted in accordance with regulations prescribed by the board (if any). Subject to those regulations and article 109(B), proceedings shall be conducted in accordance with applicable provisions of the articles regulating the proceedings of the board.
- (B) Where the board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed directors, it is not necessary to give notice of a meeting of that committee to directors other than the director or directors who form the committee.

110. **Minutes of proceedings**

- (A) The board shall cause minutes to be made in books kept for the purpose of:
 - (i) all appointments of officers and committees made by the board and of any remuneration fixed by the board; and
 - (ii) the names of directors present at every meeting of the board, committees of the board, the Company or the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.
- (B) 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, minutes are receivable as prima facie evidence of the matters stated in them.
- (C) The board shall cause records to be made in books kept for the purpose of all directors' written resolutions.
- (D) All such minutes and written resolutions must be kept for at least 10 years from the date of the meeting or written resolution, as the case may be.

111. **Validity of proceedings of board or committee**

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director, alternate director or member of a committee are, notwithstanding that it is afterwards discovered that there was a defect in the appointment of a person or persons acting, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a director, alternate director or member of a committee and entitled to vote.

SECRETARY AND AUTHENTICATION OF DOCUMENTS

112. **Secretary**

- (A) Subject to the Act, the board shall appoint a secretary or joint secretaries and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including remuneration) as it thinks fit. The board may remove a person appointed pursuant to this article from office and appoint another or others in his place.

- (B) Any provision of the Act or of the articles requiring or authorising a thing to be done by or to a director and the secretary is not satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

113. **Authentication of documents**

A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including the articles) and resolutions passed by the Company or holders of a class of shares or the board or a committee of the board and books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts.

SEALS

114. **Safe custody**

The board shall provide for the safe custody of every seal.

115. **Application of seals**

A seal may be used only by the authority of a resolution of the board or of a committee of the board. The board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share certificate, on which the seal may be printed) either generally or in relation to a particular instrument or type of instrument. The board may also decide, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical means. Unless otherwise decided by the board:

- (i) share certificates and certificates issued in respect of debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed; and
- (ii) every other instrument to which a seal is affixed shall be signed by one director and by the secretary or a second director, or by one director in the presence of a witness who attests his signature.

DIVIDENDS AND OTHER PAYMENTS

116. **Declaration of dividends**

Subject to the Act and the articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the board.

117. **Interim dividends**

Subject to the Act, the board may declare and pay such interim dividends (including a dividend payable at a fixed rate) as appear to it to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on shares with preferred rights, unless at the time of

payment a preferential dividend is in arrears. If the board acts in good faith, it does not incur any liability to the holders of shares conferring preferred rights for a loss they may suffer by the lawful payment of an interim dividend on shares ranking after those with preferred rights.

118. **Entitlement to dividends**

- (A) Except as otherwise provided by the rights attached to shares, a dividend shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this article as paid up on the share. Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- (B) Except as otherwise provided by the rights attached to shares, dividends may be declared or paid in any currency. The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company and any other person to bear any costs involved.

119. **Method of payment**

- (A) Any dividend or other moneys payable in respect of a share may be paid (whether in sterling or foreign currency) by such method or combination of methods as the board, in its absolute discretion, may decide. Different methods of payment may apply to different holders or groups of holders. Without limiting any other method of payment that the board may decide, the board may decide that payment shall be made wholly or partly:
 - (iii) in cash;
 - (iv) by transfer to a bank or building society account specified by the dividend recipient in writing or as the directors otherwise decide;
 - (v) by sending a cheque, warrant or money order made payable to the dividend recipient by post to the dividend recipient at the dividend recipient's registered address (if the dividend recipient is a holder of the share), or (in any other case) to an address specified by the dividend recipient in writing or as the directors otherwise decide;
 - (vi) by sending a cheque, warrant or money order made payable to such person by post to such person at such address as the dividend recipient has specified in writing or as the directors otherwise decide;
 - (vii) by means of a relevant system in respect of an uncertificated share in such manner as may be consistent with the facilities and requirements of the relevant system or as the directors may otherwise decide; or
 - (viii) by any electronic or other means of payment as the directors agree with the dividend recipient either in writing or by such other means as the directors decide.

(B) If the board decides in accordance with article 119(A) that more than one method of payment of a dividend or other moneys payable in respect of a share may be used to pay any holder or group of holders, the Company may notify the relevant holders:

- (i) of the methods of payment decided by the board; and
- (ii) that the holders may nominate one of these methods of payment in writing or in such other manner as the board may decide,

and if any holder does not nominate a method of payment pursuant to paragraph (ii) of this article, the dividend or other moneys may be paid by such method as the board may decide.

(C) If the board decides in accordance with article 119(A) that only one method of payment of a dividend or other moneys payable in respect of a share may be used to pay any holder or group of holders, the Company may notify the relevant holders accordingly.

(D) Without prejudice to article 66, the board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until that person (or that person's transferee) becomes the holder of that share.

(E) Payment of any dividend or other sum which is a distribution is made at the risk of the distribution recipient. The Company is not responsible for a payment which is lost or delayed. Payment, in accordance with the articles, of any cheque, warrant or money order by the bank upon which it is drawn, or the transfer of funds by any means, or (in respect of an uncertificated share) the making of payment by means of a relevant system, shall be a good discharge to the Company.

(F) In the event that:

- (i) a distribution recipient does not specify an address, or does not specify an account of a type prescribed by the directors, or other details necessary in order to make a payment of a dividend or other distribution by the means by which the directors have decided in accordance with this article that a payment is to be made, or by which the distribution recipient has elected to receive payment, and such address or details are necessary in order for the Company to make the relevant payment in accordance with such decision or election; or
- (ii) if payment cannot be made by the Company using the details provided by the distribution recipient,

then the dividend or other distribution shall be treated as unclaimed for the purposes of these articles.

(G) In the articles, the "**dividend recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:

- (i) the holder of the share;
- (ii) if the share has two or more joint holders, the senior holder;

- (iii) if the holder is no longer entitled to the share by reason of death the transmittee (or, where two or more person are jointly entitled by transmission to the share, to any one transmittee and that person shall be able to give effective receipt for payment); or
- (iv) in any case, to a person that the person or persons entitled to payment may direct in writing.

120. **Dividends not to bear interest**

No dividend or other amount payable by the Company in respect of a share bears interest as against the Company unless otherwise provided by the rights attached to the share.

121. **Calls or debts may be deducted from dividends etc.**

The board may deduct from a dividend or other amounts payable to a person in respect of a share amounts due from him to the Company on account of a call or otherwise in relation to a share.

122. **Unclaimed dividends etc.**

All unclaimed dividends, interest or other amounts payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. Dividends unclaimed for a period of 12 years from the date they became due for payment are forfeited and cease to remain owing by the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

123. **Uncashed dividends**

If, in respect of a dividend or other amount payable in respect of a share, on any one occasion:

- (i) a cheque, warrant or order is returned undelivered or left uncashed, or
- (ii) a transfer made by a bank or other funds transfer system is not accepted,

and reasonable enquiries have failed to establish another address or account of the person entitled to the payment, the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to that person until he notifies the Company of an address or account to be used for that purpose. If the cheque, warrant or order is returned undelivered or left uncashed or transfer not accepted on two consecutive occasions, the Company may exercise this power without making any such enquiries.

124. **Payment of dividends in specie**

Without prejudice to article 66, the board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Where a difficulty arises in connection with the

distribution, the board may settle it as it thinks fit and in particular may issue fractional certificates (or ignore fractions), may fix the value for distribution of the specific assets (or any part of them), may decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution, and may vest assets in trustees on trust for the persons entitled to the dividend as may seem expedient to the board.

125. Payment of scrip dividends

- (A) Subject to the Act, the board may, with the prior sanction of an ordinary resolution, implement and maintain in accordance with the terms and conditions of such resolution, but otherwise as the board may determine from time to time, a share dividend or distribution reinvestment plan or plans for the benefit of the holders of ordinary shares of the Company whereby such holders may be given one or more of the following options namely:
- (i) instead of taking the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any ordinary shares held by them, either to invest such cash in subscribing for unissued ordinary shares in the capital of the Company payable in full or by instalments or in paying up in full or by instalments any unpaid or partly paid ordinary shares held by them on the terms of any such plan; or
 - (ii) instead of taking the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any ordinary shares held by them, to elect to receive new ordinary shares in the capital of the Company credited as fully paid on the terms and conditions of any such plan; or
 - (iii) to forgo their entitlement to any dividend (or any part thereof) declared or payable on all or any ordinary shares held by them and to take instead fully paid bonus ordinary shares on the terms and conditions of any such plan; or
 - (iv) any other option in respect of the whole or any part of any dividend on all or any ordinary shares held by them as the board shall determine.
- (B) The board may in their discretion modify, suspend or terminate any such plan which is in operation.
- (C) For the purpose of any such plan the board may capitalise out of such of the sums standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or any other undistributable reserve) or any part of the profits available for distribution under the provisions of the Act and which could otherwise have been applied in paying dividends in cash as the board may determine, a sum equal to the aggregate nominal amount of any ordinary shares to be allotted under any such plan and shall apply the same in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution credited as fully paid up to and amongst the holders of ordinary shares entitled to the same. The board may do all acts and things considered necessary or expedient to give effect to any such capitalisation and may authorise any person on behalf of all the holders of ordinary shares entitled to the same to enter into an

agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

- (D) No fraction of any share shall be allotted. The board may make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company.
- (E) The board shall notify the holders of ordinary shares of the terms and conditions of any such plan and shall make available or provide to them forms of election so that they may exercise the rights granted.
- (F) The power conferred under this article and by any authority given by the members shall not be exercised unless the Company shall then have:
 - (i) sufficient unissued shares in the capital of the Company capable of being issued as ordinary shares to give effect to the terms of any such plan; and
 - (ii) if any shares are to be allotted other than for cash, sufficient profits available for distribution or reserves standing to the credit of an appropriate account to give effect to the terms of any such plan.
- (G) The board may in their discretion on any occasion determine that any such plan shall not be made available to the holders of ordinary shares resident within or beyond specified territories or jurisdictions or in respect of ordinary shares held by an Employee Share Scheme Trustee (meaning a trustee (acting in its capacity as such) of any Employees' Share Scheme (which expression shall bear the meaning ascribed to it by Section 1166 of the Act) established by the Company or any other scheme or arrangements principally for the benefit of employees of the Company and/or its subsidiaries which has been approved by the Company in general meeting).

126. **Capitalisation of profits**

Subject to the Act, the board may, with the authority of an ordinary resolution of the Company:

- (i) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;
- (ii) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of ordinary shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
 - (a) paying up the amounts (if any) for the time being unpaid on shares held by them respectively, or
 - (b) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the members (or as they may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (iii) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, where shares or debentures become distributable in fractions, the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company);
- (iv) authorise a person to enter (on behalf of all the members concerned) an agreement with the Company providing for either:
 - (a) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or
 - (b) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,an agreement made under the authority being effective and binding on all those members; and
- (v) generally do all acts and things required to give effect to the resolution.

127. Record dates

Notwithstanding any other provision of the articles, but subject to the Act and rights attached to shares, the Company or the board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

ACCOUNTS

128. Inspection of accounts

- (A) The board shall ensure that accounting records are kept in accordance with the Act.
- (B) The accounting records shall be kept at the office or, subject to the Act, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) has the

right to inspect an accounting record or other document except if a right is conferred by the Act or he is authorised by the board or by an ordinary resolution of the Company.

129. Accounts to be sent to members etc

(A) In respect of each financial year, a copy of the Company's annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and the auditable part of the directors' remuneration report shall be sent or supplied to:

- (i) every member (whether or not entitled to receive notices of general meetings),
- (ii) every holder of debentures (whether or not entitled to receive notices of general meetings), and
- (iii) every other person who is entitled to receive notices of general meetings,

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Act. This article does not require copies of the documents to which it applies to be sent or supplied to:

- (a) a member or holder of debentures of whose address the Company is unaware, or
- (b) more than one of the joint holders of shares or debentures.

(B) The board may determine that persons entitled to receive a copy of the Company's annual accounts, the directors' report, the directors' remuneration report, the auditors' report on those accounts and the auditable part of the directors' remuneration report are those persons entered on the register at the close of business on a day determined by the board, provided that, if the Company is a participating issuer, the day determined by the board may not be more than 21 days before the day that the relevant copies are being sent.

(C) Where permitted by the Act, a summary financial statement derived from the Company's annual accounts, the directors' report and the directors' remuneration report in the form and containing the information prescribed by the Act may be sent or supplied to a person in place of the documents required to be sent or supplied by article 129(A).

NOTICES

130. Notices and communications to be sent by the Company

Save where these articles expressly require otherwise, a notice, document or information to be sent or supplied may be sent or supplied in accordance with the Act (whether authorised or required to be sent or supplied by the Act or otherwise) in hard copy, in electronic form by means of a website.

131. Notice of general meeting by advertisement

If by reason of the suspension or curtailment of postal services in the United Kingdom the Company is unable effectively to convene a general meeting by notices sent by post, subject to the Act, the board may, in its absolute discretion and as an alternative to any other method of service permitted by the articles, resolve to convene a general meeting by a notice advertised in at least one leading United Kingdom national newspaper. In this

case the Company shall send confirmatory copies of the notice to those members by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

132. Evidence of service

- (A) A notice, document or information addressed to a member at his registered address or address for service in the United Kingdom is, if sent by post, deemed to be given within 24 hours if pre paid as first class post and within 48 hours if pre-paid as second class post after it has been posted, and in proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre paid and posted.
- (B) A notice or other document sent by electronic means to an address specified for the purpose by the member sent in accordance with the articles is deemed to be given to or required by the intended recipient at the expiration of 24 hours after the time it was sent. In proving service it is sufficient to prove that the communication was properly addressed and sent.
- (C) A notice, document or information sent or supplied by means of a website is deemed to have been given to or received by the intended recipient when (i) the material was first made available on the website or (ii) if later, where the recipient received (or in accordance with this article, is deemed to have received) notification of the fact that the material was available on the website.
- (D) A notice or document not sent by post but delivered by hand (which includes delivery by courier) a registered address or address for service in the United Kingdom is deemed to be given on the day it is left.
- (E) Where notice is given by newspaper advertisements, the notice is deemed to be given to all members and other persons entitled to receive it at noon on the day when the advertisements appear or, if they appear on different days, at noon on the last of the days when the advertisements appear.
- (F) A notice, document or information served or delivered by the Company by any other means authorised in writing by the member concerned is deemed to be served when the Company has taken the action it has been authorised to take for that purpose.
- (G) A member present at a meeting of the holders of a class of shares is deemed to have received due notice of the meeting and, where required of the purposes for which it was called.

133. Notice binding on transferees etc.

A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 793 of the Act) which, before his name is entered in the register, has been properly served on a person from whom he derives his title.

134. Notice in case of joint holders and entitlement by transmission

- (A) In the case of joint holders of a share, a notice, document or information shall be validly sent or supplied to all joint holders if sent or supplied to whichever of them is named first

in the register in respect of the joint holding. Anything to be agreed or specified in relation to a notice, document or information to be sent or supplied to joint holders, may be agreed or specified by the joint holder who is named first in the register in respect of the joint holding.

- (B) Where a person is entitled by transmission to a share, the Company may give a notice or other document to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by similar designation) at an address in the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this article is sufficient notice to all other persons interested in the share.

MISCELLANEOUS

135. **Destruction of documents**

- (A) The Company may destroy:
- (i) a share certificate which has been cancelled at any time after one year from the date of cancellation;
 - (ii) a mandate for the payment of dividends or other amounts or a variation or cancellation of a mandate or a notification of change of name or address at any time after two years from the date the mandate, variation, cancellation or notification was recorded by the Company;
 - (iii) an instrument of transfer of shares (including a document constituting the renunciation of an allotment of shares) which has been registered at any time after six years from the date of registration; and
 - (iv) any other document on the basis of which any entry in the register is made at any time after ten years from the date an entry in the register was first made in respect of it.
- (B) It is presumed conclusively in favour of the Company that every share certificate destroyed was a valid certificate validly cancelled, that every instrument of transfer destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company, but:
- (i) the provisions of this article apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document is relevant to a claim;
 - (ii) nothing contained in this article imposes on the Company liability in respect of the destruction of a document earlier than provided for in this article or in any case where the conditions of this article are not fulfilled; and

- (iii) references in this article to the destruction of a document include reference to its disposal in any manner.

136. **Winding up**

On a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds. For this purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

137. **Indemnity of officers, funding directors' defence costs and power to purchase insurance**

- (A) To the extent permitted by the Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in relation to the Company or its affairs provided that such indemnity shall not apply in respect of any liability incurred by him:

- (i) to the Company or to any associated company; or
- (ii) to pay a fine imposed in criminal proceedings; or
- (iii) to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising);
or
- (iv) in defending any criminal proceedings in which he is convicted; or
- (v) in defending any civil proceedings brought by the Company, or an associated company, in which judgment is given against him; or
- (vi) in connection with any application under any of the following provisions in which the court refuses to grant him relief, namely:
 - (a) section 661(3) or (4) of the Act (acquisition of shares by innocent nominee);
or
 - (b) section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct).

- (B) In article 137(A)(iv), (v) or (vi) the reference to a conviction, judgment or refusal of relief is a reference to one that has become final. A conviction, judgment or refusal of relief becomes final:

- (i) if not appealed against, at the end of the period for bringing an appeal, or
- (ii) if appealed against, at the time when the appeal (or any further appeal) is disposed of.

An appeal is disposed of:

- (iii) if it is determined and the period for bringing any further appeal has ended, or
 - (iv) if it is abandoned or otherwise ceases to have effect.
- (C) In article 137, "**associated company**", in relation to the Company, means a company which is a subsidiary of the Company, or a holding company of or a subsidiary of any holding company of the Company.
- (D) Without prejudice to article 137(A) or to any indemnity to which a director may otherwise be entitled, and to the extent permitted by the Act and otherwise upon such terms and subject to such conditions as the board may in its absolute discretion think fit, the board shall have the power to make arrangements to provide a director with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with an application under section 661(3) or (4) of the Act (acquisition of shares by innocent nominee) or section 1157 of the Act (general power to grant relief in case of honest and reasonable conduct) or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority or to enable a director to avoid incurring any such expenditure.
- (E) Where at any meeting of the board or a committee of the board any arrangement falling within paragraph (D) above is to be considered, a director shall be entitled to vote and be counted in the quorum at such meeting unless the terms of such arrangement confers upon such director a benefit not generally available to any other director; in that event, the interest of such director in such arrangement shall be deemed to be a material interest for the purposes of article 101 and he shall not be so entitled to vote or be counted in the quorum.
- (F) To the extent permitted by the Act, the board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is or was:
- (i) a director, alternate director, secretary or auditor of the Company or of a company which is or was a subsidiary undertaking of the Company or in which the Company has or had an interest (whether direct or indirect); or
 - (ii) trustee of a retirement benefits scheme or other trust in which a person referred to in sub-paragraph (F)(i) above is or has been interested,
- indemnifying him and keeping him indemnified against liability for negligence, default, breach of duty or breach of trust or other liability which may lawfully be insured against by the Company.

138. **Discovery and Secrecy**

No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company, and which in the opinion of the directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

139. **Scheme of Arrangement**

- (A) In this article 139, references to the “Scheme” are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated [16 August] 2021 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company, Parker-Hannifin Corporation (“Parker”)) and (save as defined in this article) terms defined in the Scheme shall have the same meanings in this article.
- (B) Notwithstanding any other provisions in these articles, if the Company issues or transfers out of treasury any Meggitt Shares (other than to Parker, any subsidiary of Parker, any parent undertaking of Parker or any subsidiary of such parent undertaking, or any nominee of Parker or of any such company (each a “Parker Company”)) on or after the date of the adoption of this article 139 and prior to the Scheme Record Time (as defined in the Scheme) such Meggitt Shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or subsequent holder or holders of such Meggitt Shares shall be bound by the Scheme accordingly.
- (C) Notwithstanding any other provision of these articles, subject to the Scheme becoming Effective, any shares issued, transferred out of treasury or transferred pursuant to paragraph (D) below, to any person (other than a Parker Company) at or after the Scheme Record Time (a “New Member”) (each a “Post-Scheme Share”) shall be issued or transferred on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue or transfer (but subject to the terms of paragraphs (D) and (E) below)), be immediately transferred to Parker (or such person as it may direct) (the “Purchaser”), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of Parker to the New Member of an amount in cash for each Post-Scheme Share equal to the consideration to which a New Member would have been entitled had such Post-Scheme Share been a Scheme Share.
- (D) Any person who is beneficially entitled to shares issued or transferred to a New Member (other than, for the avoidance of doubt, a person who becomes beneficially entitled to shares by virtue of a transfer pursuant to this paragraph (D)) may, prior to the issue or transfer of Post-Scheme Shares to the New Member pursuant to the exercise of an option or satisfaction of an award under one of the Meggitt Share Plans (as defined in the Scheme), give not less than two Business Days’ written notice to the Company in such manner as the board shall prescribe of his or her intention to transfer the beneficial ownership of some or all of such Post-Scheme Shares to his or her spouse or civil partner and may, if such notice has been validly given, on or before such Post-Scheme Shares being issued or transferred to him or her, immediately transfer to his or her spouse or civil partner

beneficial ownership of any such Post-Scheme Shares, provided that such Post-Scheme Shares (including both legal and beneficial ownership thereof) will then be immediately transferred to the Purchaser pursuant to paragraph (C) above. If notice has been validly given pursuant to this paragraph (D) but the beneficial owner does not immediately transfer to his or her spouse or civil partner the beneficial ownership of the Post-Scheme Shares in respect of which notice was given, both the legal and beneficial ownership of the Post-Scheme Shares in respect of which notice was given will be transferred to the Purchaser and/or its nominees pursuant to paragraph (C) above. If notice is not given pursuant to this paragraph (D), both the legal and beneficial ownership of the Post-Scheme Shares will be immediately transferred to the Purchaser pursuant to paragraph (C) above.

- (E) On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date (as defined in the Scheme), the value of the consideration per Post-Scheme Share to be paid under paragraph (C) shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this article to Meggitt Shares shall, following such adjustment, be construed accordingly.
- (F) To give effect to any transfer of Post-Scheme Shares required pursuant to paragraph (C) and/or paragraph (D) above, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to paragraph (C) above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares as soon as practicable and in any event no later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.
- (G) If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) clause 6(B) of the Scheme, this article 139 shall cease to be of any effect.
- ~~(A)~~(H) Notwithstanding any other provision of these articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominee(s) pursuant to the Scheme.