

**No. 7130199**

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**Cable & Wireless Communications Plc**  
**Adopted on 26 January 2010**

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**ARTICLES OF ASSOCIATION**  
**of**  
**CABLE & WIRELESS COMMUNICATIONS PLC**  
**(Adopted on 26 January 2010)**

**1. EXCLUSION OF TABLE A**

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as, or in addition to, the regulations or articles of the company.

**2. DEFINITIONS**

(A) The following gives the meaning of certain words and expressions as they are used in these articles. However, the meaning given does not apply if it is not consistent with the context in which a word or expression appears. At the end of these articles there is a Glossary which explains various words and expressions which appear in the text. The Glossary is not part of the articles of association and does not affect their meaning.

<b>“Act”</b>	the Companies Act 2006;
<b>“address”</b>	includes any number or address used for the purposes of any communication by electronic means;
<b>“amount” (of a share)</b>	this refers to the nominal amount of the share;
<b>“these articles”</b>	means these articles of association as altered from time to time and the expression “this article” will be construed accordingly;
<b>“auditors”</b>	means the auditors from time to time of the company or, in the case of joint auditors, any one of them;
<b>“approved depositary”</b>	this means someone appointed: (a) to hold the company’s shares or any rights or



interests in any of the company's shares; and

- (b) to issue securities, documents of title or other documents which evidence that the holder of them owns or is entitled to receive the shares, rights or interests held by the approved depository.

A nominee acting for someone appointed to do these things will also be treated as an approved depository. But the arrangements for the approved depository to do the things described above must be approved by the directors. The trustees of any scheme or arrangements for or principally for the benefit of employees or former employees of the company and its subsidiaries may also be treated as an approved depository if the directors decide to allow this, either generally or in a particular case. References in the articles to an approved depository or to shares held by it refer only to an approved depository and to its shares held in its capacity as an approved depository;

<b>“B Shares”</b>	means B shares in the capital of the company to be issued by the company pursuant to the Scheme with the rights and subject to the restrictions set out in article 7(C);
<b>“certificated share”</b>	means a share which is recorded in the register as being held in certificated form;
<b>“chairman”</b>	means the chairman of the board of directors;
<b>“clear days”</b>	in relation to the period of notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;
<b>“Court”</b>	means the High Court of Justice in England and Wales;
<b>“directors”</b>	means the directors of the company or the directors present at a duly convened meeting of directors at which a quorum is present;
<b>“electronic form”</b>	has the meaning given to it in the Act;
<b>“electronic means”</b>	has the meaning given to it in the Act;
<b>“holder”</b>	in relation to any shares means the person whose name is entered in the register as the holder of those shares;
<b>“issuer –</b>	means a properly authenticated dematerialised instruction

<b>instruction”</b>	attributable to a participating issuer;
<b>“legislation”</b>	means every statute (and any orders, regulations or other subordinate legislation made under it) applying to the company;
<b>“Listing Rules”</b>	means the rules and regulations which are made from time to time by the relevant competent authority for the purposes of the regulation of the listing of the company’s securities;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“office”</b>	means the registered office of the company;
<b>“Official List”</b>	means the Official List of the UK Listing Authority;
<b>“Operator”</b>	has the meaning given to it in the Uncertificated Securities Regulations;
<b>“Operator-instruction”</b>	means a properly authenticated dematerialised instruction attributable to an Operator;
<b>“ordinary shareholder”</b>	means a holder of any ordinary shares;
<b>“ordinary shares”</b>	means any class of ordinary shares in the share capital of the company existing from time to time;
<b>“paid up”</b>	means paid up or credited as paid up;
<b>“participating issuer”</b>	has the meaning given to it in the Uncertificated Securities Regulations;
<b>“pay”</b>	includes any kind of reward or payment for services;
<b>“Preference Dividend”</b>	has the meaning given to it in article 7(B) of these articles;
<b>“Redeemable Preference Shares”</b>	means redeemable preference shares of £25,000 each in the capital of the company, of which two are in issue at the date of adoption of these articles;
<b>“register”</b>	means the company’s register of shareholders;
<b>“relevant system”</b>	relevant system, as defined in the Uncertificated Securities Regulations;

<b>“Scheme”</b>	means the scheme of arrangement of Cable and Wireless plc to be dated on or about 1 February 2010, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Cable and Wireless plc and the company, in relation to the acquisition by the company of Cable and Wireless plc;
<b>“seal”</b>	means any common or securities seal that the company may be permitted to have under the legislation;
<b>“secretary”</b>	means the secretary, or (if there are joint secretaries), any one of the joint secretaries, of the company and includes an assistant or deputy secretary and any person appointed by the directors to perform any of the duties of the secretary;
<b>“shareholder”</b>	means a holder of the company’s shares;
<b>“sterling”</b>	means the lawful currency of the United Kingdom;
<b>“US dollar”</b>	means the lawful currency of the United States of America;
<b>“subsidiary”</b>	has the meaning given to it in section 1159 of the Act;
<b>“subsidiary undertaking”</b>	has the meaning given to it in section 1162 of the Act;
<b>“treasury shares”</b>	has the meaning given to it in the legislation;
<b>“Uncertificated Securities Regulations”</b>	means the Uncertificated Securities Regulations 2001;
<b>“uncertificated share” or “participating security”</b>	means a share where the title to the share is recorded in the register as being held in uncertificated form and where that title may be transferred by means of a relevant system, as a result of the Uncertificated Securities Regulations;
<b>“UK Listing Authority”</b>	means the Financial Services Authority acting in its capacity as competent authority for the purposes of the Financial Services and Markets Act 2000;
<b>“United Kingdom”</b>	means Great Britain and Northern Ireland.

(B) References in these articles to a document being **“executed”** include references to its being executed under hand or under seal or by any other method and, in the case of a communication in electronic form, are to its being authenticated as specified in the Act or in such manner as approved by the directors.

- (C) References in these articles to “**writing**” and to any form of “**written**” communication include, subject to any terms and conditions decided on by the directors, references to any method of representing or reproducing words in a legible and non-transitory form whether sent or supplied in electronic form or otherwise.
- (D) Any words or expressions defined in the legislation in force when these articles or any part of these articles become effective will (if not inconsistent with the subject or context in which they appear) have the same meaning in these articles or that part save the word “company” which includes any body corporate.
- (E) When any legislation, or a specific provision of legislation, is referred to in these articles, this includes any amendment to such legislation or provision, as well as any later legislation in which the legislation or provision is included.
- (F) Where these articles give a power or authority to anybody, this power or authority can be used on any number of occasions, unless the way in which the word is used does not allow this meaning.
- (G) References to a meeting in these articles will not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.
- (H) Headings in these articles are only included for convenience. They do not affect the meanings of these articles.
- (I) Where these articles refer to a person who is entitled to a share by law, this includes a person who is entitled to the share as a result of the death or bankruptcy of a shareholder.
- (J) Where these articles refer to months or years, these are calendar months or years.
- (K) Where these articles refer to something in the singular, it includes a reference to the plural and vice versa and where the articles refer to the masculine gender, that includes the feminine.

### **3. FORM OF RESOLUTION**

Where anything can be done by passing an ordinary resolution, this can also be done by passing a special resolution.

### **4. OBJECTS**

Nothing in these articles shall constitute a restriction on the objects of the company to do (or omit to do) any act and, in accordance with section 31(1) of the Act, the company's objects are unrestricted.

### **5. LIMITED LIABILITY**

The liability of the shareholders is limited to the amount, if any, owed to the company for their shares.

## 6. NAME

The company's name may be changed by the directors.

## 7. RIGHTS ATTACHED TO SHARES

- (A) Subject to the legislation, the company can issue shares with any rights or restrictions attached to them as long as this is not restricted by any rights attached to existing shares. These rights or restrictions can be decided either by an ordinary resolution passed by the shareholders or by the directors as long as there is no conflict with any resolution passed by the shareholders. Subject to the foregoing, all shares in the company from time to time shall have the rights attaching to the relevant class as set out in these articles and shall rank equally with all other shares of the same class.
- (B) The Redeemable Preference Shares shall have the rights set out in this article 7(B):
- (i) the Redeemable Preference Shares may only be allotted as fully-paid or credited as fully-paid;
  - (ii) the profits of the company available for distribution shall be applied first in paying to the holder of the Redeemable Preference Shares, in cash, a cumulative fixed preferential dividend of 1 pence per annum in respect of each Redeemable Preference Share (the **Preference Dividend**). The Preference Dividend shall accrue on a daily basis from the date of issue of each Redeemable Preference Share to the date that Redeemable Preference Share is redeemed by the company and shall be paid annually on the last business day of July in each year. If the company is unable to pay the Preference Dividend in full on the date stipulated by reason of having insufficient available profits, then it shall on the date stipulated pay the same to the extent that it is lawfully able to do so. The holders of the Redeemable Preference Shares have no further or other right to participate in the profits of the company;
  - (iii) on a return of capital on the winding up of the company (but not otherwise), the assets of the company available for distribution shall be applied, in paying to the holders of the Redeemable Preference Shares, in priority to the holders of all other classes of shares in the company, an amount equal to the nominal value of each Redeemable Preference Share held by such holder and any accrued and unpaid Preference Dividend. The holders of the Redeemable Preference Shares do not have a further or other right to participate in the company's assets;
  - (iv) the holders of the Redeemable Preference Shares will have no right to receive notice of or attend or vote at any general meeting of the company unless a resolution is to be proposed:
    - (a) to wind up the company; or

- (b) which varies, modifies, alters or abrogates any of the rights attaching to the Redeemable Preference Shares,
  - (v) subject to the provisions of the legislation, the company may redeem any Redeemable Preference Share in issue at its nominal amount at any time specified by either the directors or the holder of that Redeemable Preference Share provided always that if the company shall at any time be unable in compliance with the provisions of the legislation to redeem such Redeemable Preference Share on the date specified by the directors or by the holder of such Redeemable Preference Share then the company shall redeem such share as soon as it is able to comply with such provisions of the legislation; and
  - (vi) subject to the provisions of the legislation, any notice of redemption served shall specify the date fixed for redemption and upon such date the holder of the relevant Redeemable Preference Share shall be bound to present the certificate in respect thereof in order that the same may be cancelled. Upon such delivery the company shall pay to such holder the amount due to him in respect of such redemption.
- (C) The B Shares shall have the rights set out in this article 7(C) and shall be subject to the transfer provisions set out in article 7(D):
  - (i) if the Reduction of Capital has become effective by the Demerger Long Stop Date, the B Shares shall be cancelled and each holder of B Shares shall be entitled to receive one Cable & Wireless Worldwide Share for every one B Share they hold at the Reduction of Capital Record Time;
  - (ii) if the Reduction of Capital has not become effective by the Demerger Long Stop Date, the directors shall take such steps as are necessary to effect the redenomination (if required), reorganisation and/or reclassification of each B Share into one ordinary share, ranking *pari passu* with all other ordinary shares in the capital of the company, and (if required) one deferred share.
  - (iii) a B Share
    - (a) does not entitle its holder to receive any dividend nor to have any other right of participation in the profits of the company;
    - (b) does not entitle its holder to receive a share certificate in respect of the relevant shareholding, save as required by law;
    - (c) unless a resolution to vary the rights of the B Shares is proposed, does not entitle its holder to receive notice of or attend, speak or vote at any general meeting of the company;
    - (d) if a resolution to vary the rights of the B Shares is proposed, entitles its holder to receive notice of and to attend (either in person or proxy) at

the general meeting of company at which such resolution is to be voted upon, and to vote on that resolution, but shall not entitle the holder to any other voting rights;

(e) entitles its holder on a return of capital on a winding-up (but not otherwise) to the repayment of the capital paid up on that share after payment to holders of all other classes of shares of the amount paid up on such shares and the further amount of US\$10,000,000 on each ordinary share, but shall have no further rights of participation in the company;

(f) does not entitle its holder to any further participation in the capital of the company.

(iv) the rights conferred upon the holders of B Shares shall not be deemed to be varied by the Reduction of Capital.

(D) Whilst any B Share remains in issue:

(i) the transfer of any ordinary share in the capital of the company issued pursuant to the Scheme shall also effect the transfer of a corresponding B Share issued pursuant to the Scheme to the same transferee;

(ii) no B Share shall be capable of transfer at any time other than as a unit with a corresponding ordinary share issued pursuant to the Scheme;

(iii) an instrument of transfer in respect of a certificated ordinary share or B Share lodged with the company shall only be valid if it also transfers, or is accompanied by a second instrument of transfer transferring, to the same transferee, the same number of B Shares or ordinary shares (as the case may be);

(iv) the company is irrevocably authorised to appoint any person to act on behalf of any holder of B Shares, without obtaining the sanction of the holder, to execute any necessary transfer of any or all of such B Shares held by such holder for nil consideration to any person (the **transferee**) to whom such holder has, before the Reduction of Capital Record Time, either:

(a) lodged with the company an instrument of transfer in respect of ordinary shares issued pursuant to the Scheme but not also lodged an instrument of transfer in respect of corresponding B Shares, transferring such B Shares to the same transferee; or

(b) transferred uncertificated ordinary shares issued pursuant to the Scheme by means of a relevant system in accordance with the Uncertificated Securities Regulations, but not lodged with the company before the Reduction of Capital Record Time an instrument of transfer

transferring, to the same transferee, the same number of corresponding B Shares.

- (E) For the purposes of this article 6, the following terms shall have the following meanings:

**“Cable & Wireless Worldwide Share”** means one ordinary share in the share capital of Cable & Wireless Worldwide plc;

**“Circular”** means the Circular to shareholders of Cable and Wireless plc, including the Scheme, to published on or about 1 February 2010;

**“Demerger Long Stop Date”** means the date being 28 days after the company's ordinary shares are admitted to the Official list of the UK Listing Authority and to trading on the main market of the London Stock Exchange;

**“Reduction of Capital”** means the reduction of capital of the company pursuant to the Act, details of which are to be set out in the Circular; and

**“Reduction of Capital Record Time”** means the record time for the Reduction of Capital.

## **8. REDEEMABLE SHARES**

- (A) Subject to the legislation and to any rights attached to existing shares, the company can issue shares which can be redeemed. This can include shares which can be redeemed if the holders want to do so, as well as shares which the company can insist on redeeming.
- (B) The directors may determine the terms, conditions and manner of redemption of any redeemable shares which are issued.

## **9. VARIATION OF RIGHTS**

If the legislation allows this, the rights attached to any class of shares can be changed or abrogated if this is approved by a special resolution passed at a separate meeting of the holders of the relevant class of shares. This is called a “class meeting”.

The provisions of this article will apply to any change or abrogation of rights of shares forming part of a class. Each part of the class which is being treated differently is treated as a separate class in applying this article.

## **10. PARI PASSU ISSUES**

If new shares are created or issued which rank equally with any other existing shares, the rights of the existing shares will not be regarded as changed or abrogated unless the terms of the existing shares expressly say otherwise.



## 11. SHARE CAPITAL

- (A) There is no limit on the number of shares that may be allotted by the company, though the authority of the directors to allot shares and equity securities is regulated by article 12.
- (B) The directors can decide how to deal with any shares. They can allot shares on terms which includes the right to transfer the allotment to another person before any person has been entered on the register. This is known as the right to renounce the allotment. The directors can impose terms and conditions regarding rights to renounce. The directors may also offer the shares for sale, grant options to acquire them, allot them or dispose of the shares in any other way. The directors are free to decide whom they deal with, when they deal with the shares and the terms on which they deal with the shares. However, in making their decision they must take account of:
  - (i) the provisions of the legislation relating to authority, pre-emption rights and other matters;
  - (ii) any resolution of a general meeting which is passed under the legislation;
  - (iii) any rights attached to existing shares.

## 12. THE DIRECTORS' AUTHORITY TO ALLOT SHARES AND "EQUITY SECURITIES"

- (A) This article regulates the authority of the directors to allot, or grant rights in respect of, shares as required by section 549 of the Act and their power to allot equity securities for cash. This article will apply for the first time when the shareholders pass a resolution or resolutions at a general meeting to fix a prescribed period, one or more Section 551 Amounts and a Section 561 Amount by reference to this article.
- (B) The directors are authorised, generally and without conditions, under section 551 of the Act, to allot shares or to grant rights to subscribe for or to convert any security into shares. They are authorised to allot shares and grant rights for any prescribed period. The maximum amount of shares which the directors can allot and rights which they can grant in each prescribed period may be expressed as a single amount, or as two (or more) separate amounts for the same or different purposes, each of which is a "**Section 551 Amount**".
- (C) Under the directors' general authority in article 11(B), they have the power to allot equity securities, entirely paid for in cash, free of the restriction in section 561 of the Act. They have the power to allot them for any prescribed period. There is no maximum amount of equity securities which the directors can allot when the allotment is in connection with a rights issue. In all other cases, the maximum amount of equity securities which the directors can allot is the "**Section 561 Amount**".

(D) During any prescribed period, the directors can make offers and enter into agreements which would, or might, require shares or other securities to be allotted after that period has ended.

(E) For the purposes of this article:

(i) “**rights issue**” means an offer of equity securities which is open for a period decided on by the directors to the holders who are registered on a particular date (chosen by the directors) as holders of:

- (a) ordinary shares, in proportion to their holdings of ordinary shares; and
- (b) other classes of equity securities or non equity securities which give them the right to receive the offer in accordance with their rights.

However, the directors can do the following things (and the issue will still be treated as a rights issue for the purpose of this article if they do so):

- (c) sell any fractions of equity securities to which people would be entitled and keep the net proceeds for the company’s benefit or make other appropriate arrangements to deal with such fractions;
- (d) make the rights issue subject to any limits or restrictions which the directors think are necessary or appropriate to deal with legal or practical problems under the laws of any territory, or under the requirements of any recognised regulatory body, or stock exchange, in any territory or as a result of shares being represented by American Depositary Shares; or
- (e) treat a shareholder’s holdings in certificated form and uncertificated form as separate shareholdings.

(ii) “**prescribed period**” means a period of no more than five years fixed by the shareholders by passing a resolution at a general meeting. The shareholders can, by passing further resolutions, renew or extend this power for periods of no more than five years each. Such resolutions can take the form of:

- an ordinary resolution fixing a period under article 12(B); or
- a special resolution fixing a period under article 12(C); or
- a special resolution fixing identical periods under article 12(B) and 12(C); or
- a special resolution fixing different periods under article 12(B) and 12(C).

(F) The Section 551 Amounts for any prescribed period are those stated in a relevant resolution passed by the shareholders at a general meeting.

- (G) The Section 561 Amount for any prescribed period is that stated in a relevant special resolution passed by the shareholders at a general meeting.
- (H) In working out any maximum amounts of securities referred to in this article, the nominal value of rights to subscribe for shares, or to convert any securities into shares, will be taken as the nominal value of the shares which would be allotted if the subscription or conversion takes place.
- (I) Article 12(C) applies to a sale of shares which is treated as an allotment of shares because of Section 560(3) of the Act, but as if the words "Under the directors' general authority in article 12(B), they" were omitted and the words "The directors" were substituted.

### **13. PAYMENT OF COMMISSION**

In connection with any share issue, the company can use all the powers given by the legislation to pay commission or brokerage.

### **14. TRUST NOT RECOGNISED**

The company will only be affected by, or recognise, a current and absolute right to whole shares. The fact that any share, or any part of a share, may not be owned outright by the registered owner (for example, where a share is held by one person as a nominee or otherwise as a trustee for another person) is not of any concern to the company. This applies even if the company knows about the ownership of the share. The only exceptions to this are where the rights of the kind described are expressly given by these articles or are of a kind which the company has a legal duty to recognise.

### **15. UNCERTIFICATED SHARES**

- (A) Under the Uncertificated Securities Regulations, the directors can allow the ownership of any share to be evidenced without a share certificate and to be transferred through a relevant system.
- (B) If the company has any shares in issue which are in uncertificated form, these articles apply to those shares but only so far as they are consistent with:-
  - (i) the holding of shares in uncertificated form;
  - (ii) transferring shares by means of a relevant system; or
  - (iii) any provision of the Uncertificated Securities Regulations.
- (C) The directors can select and make arrangements for any class of shares to be a participating security, for the purposes of the Uncertificated Securities Regulations. As long as the directors comply with the Uncertificated Securities Regulations and the rules of the relevant system, they can also withdraw a class of shares from being a participating security.

- (D) Without prejudice to the generality of article 15(B) and notwithstanding anything contained in these articles, where any class of share is, for the time being, a participating security:-
- (i) the register relating to shares of that class shall be maintained at all times in the United Kingdom;
  - (ii) unless the directors otherwise determine, shares of that class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;
  - (iii) shares of that class may be changed from uncertificated to certificated form and from certificated to uncertificated form in accordance with the Uncertificated Securities Regulations;
  - (iv) the company shall comply with the provisions of regulations 25 and 26 of the Uncertificated Securities Regulations in relation to shares of that class;
  - (v) the provisions of these articles with respect to meetings of or including holders of shares of that class, including notices of such meeting, shall have effect subject to the provisions of regulation 41 of the Uncertificated Securities Regulations; and
  - (vi) article 16 shall not apply so as to require the company to issue a certificate to any person holding shares of that class in uncertificated form.
- (E) The company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations are regularly reconciled with the relevant Operator register of securities and are a complete and accurate copy of the particulars entered in the Operator register of securities. Accordingly, the company shall not be liable in respect of any act or thing done or omitted to be done by or on behalf of the company in reliance upon such assumption; in particular, any provision of these articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled).

## **16. RIGHT TO SHARE CERTIFICATES**

- (A) When a shareholder is first registered as the holder of any class of shares, he is entitled, free of charge, to one certificate for all of the certificated shares of that class which he holds. A certificate must state the number, class and any distinguishing numbers of the shares to which it relates and the amount paid up on those shares. If a shareholder holds certificated shares of more than one class, he is entitled to a separate share certificate for each class. This does not apply if the legislation allows the company not to issue share certificates.

- (B) If a shareholder gets more certificated shares of any class, he is entitled, without charge, to a certificate for the extra shares.
- (C) If a shareholder transfers some of the shares represented by a share certificate, he is entitled, free of charge, to a new certificate for the balance to the extent the balance is to be held in certificated form.
- (D) Where a certificated share is held jointly, the company does not have to issue more than one certificate for that share. When the company delivers a share certificate to one joint shareholder, this is treated as delivery to all of the joint shareholders.
- (E) The company can deliver a certificate to a broker or agent who is acting for a person who is buying the shares in a certificated form, or who is having the shares in certificated form transferred to him.
- (F) The time limit for the company to provide a share certificate under this article is as prescribed by the legislation.

## **17. REPLACEMENT OF SHARE CERTIFICATES**

- (A) If a shareholder has two or more share certificates for shares of the same class, he can ask the company for these to be cancelled and replaced by a single new certificate. The company must comply with this request.
- (B) A shareholder can ask the company for a new certificate if the original is:
  - (i) damaged or defaced; or
  - (ii) said to be lost, stolen or destroyed.
- (C) If a certificate has been damaged or defaced, the company can require the certificate to be returned to it before issuing a replacement. If a certificate is said to be lost, stolen or destroyed, the company can require satisfactory evidence of this and insist on receiving an indemnity before issuing a replacement.
- (D) The directors can require the shareholder to pay the company's exceptional out-of-pocket expenses incurred in connection with the issue of any certificates under this article.
- (E) Any one joint shareholder can request replacement certificates under this article.
- (F) A shareholder can ask the company to cancel and replace a single share certificate with two or more certificates in such proportions as the shareholder may specify, for the same total number of shares. The company may, but does not have to, comply with such a request.

## **18. EXECUTION OF SHARE CERTIFICATES**

Share certificates must be signed under a seal or in such other way as the directors decide. The directors can resolve that signatures on any share certificates can be applied to the certificates by mechanical, electronic or other means or can be printed on them or that the certificates need not be signed at all.

## **19. COMPANY'S LIEN ON SHARES NOT FULLY PAID**

The company has a lien on all partly paid shares. This lien has priority over claims of others to the shares. The lien is for any money owed to the company for the shares. The directors can decide to give up any lien which has arisen and can also decide to suspend any lien which would otherwise apply to particular shares. This lien also extends to dividends and other amounts payable in respect of the shares.

## **20. ENFORCING LIEN BY SALE**

If a shareholder fails to pay the company any amount due on his partly paid shares, the directors can enforce the company's lien by selling all or any of them in any way they decide. The directors cannot, however, sell the shares until all the following conditions are met:

- (i) the money owed by the shareholder must be payable immediately;
- (ii) the directors must have given notice to the shareholder. The notice must state the amount of money due, it must demand payment of this sum and state that the shareholders' shares may be sold if the money is not paid;
- (iii) the notice must have been served on the shareholder or on any person who is entitled to the shares by law and can be served in any way that the directors decide; and
- (iv) the money has not been paid by at least 14 clear days after the notice has been served.

The directors can authorise any person to sign a document transferring the shares. Any such transferee will not be bound to ensure that his purchase moneys are transferred to the person whose shares have been sold, nor will his ownership of the shares be affected by any irregularity or invalidity in relation to the sale to him.

## **21. APPLICATION OF PROCEEDS OF SALE**

If the directors sell any shares on which the company has a lien, the proceeds will first be used to pay the company's expenses associated with the sale. The remaining money will be used to pay off the amount which is then payable on the shares and any balance will be passed to the former shareholder or to any person who would otherwise be entitled to the shares by law. But the company's lien will also apply to any such balance to cover any money still due to the company in respect of the shares which is not immediately payable. The company has the same rights over the money as it had over the shares immediately

before they were sold. The company need not pay over anything until the certificate representing the shares sold has been delivered to the company for cancellation.

## **22. CALLS**

The directors can call on shareholders to pay any money which has not yet been paid to the company for their shares. This includes the nominal value of the shares and any premium which may be payable on those shares. If the terms of issue of the shares allow this, the directors can do any one or more of the following:

- (i) make calls at any time and as often as they think fit;
- (ii) decide when and where the money is to be paid;
- (iii) decide that the money may be paid by instalments; and/or
- (iv) revoke or postpone any call.

A shareholder who has received at least 14 clear days' notice giving details of the amount called and of the time and place for payment, must pay the call as required by the notice. A person remains liable to pay calls even after he has transferred the shares to which they relate.

## **23. TIMING OF CALLS**

A call is treated as having been made as soon as the directors have passed a resolution authorising it.

## **24. LIABILITY OF JOINT HOLDERS**

Joint shareholders are jointly and severally liable to pay any calls in respect of their shares. This means that any of them can be sued for all the money due on the shares or they can be sued together.

## **25. INTEREST DUE ON NON-PAYMENT**

Where a call is made and the money due remains unpaid, the shareholder will be liable to pay interest on the amount unpaid from the day it is due until it has actually been paid. The directors will decide on the annual rate of interest, which must not exceed 15 per cent. The shareholder will also be liable to pay all expenses incurred by the company as a result of the non-payment of the call. The directors can decide to forego payment of any or all of such interest or expenses.

## **26. SUMS DUE ON ALLOTMENT TREATED AS CALLS**

If the terms of a share require any money to be paid at the time of allotment, or at any other fixed date, the money due will be treated in the same way as a valid call for money on shares which is due on the same date. If this money is not paid, everything in these articles relating

to non-payment of calls applies. This includes articles which allow the company to forfeit or sell shares and to claim interest.

## **27. POWER TO DIFFERENTIATE**

On or before an issue of shares, the directors can decide that shareholders can be called on to pay different amounts or that they can be called on at different times.

## **28. PAYMENT OF CALLS IN ADVANCE**

The directors can accept payment in advance of some or all of the money from a shareholder before he is called on to pay that money. The directors can agree to pay interest at a rate (not exceeding (unless the company passes an ordinary resolution to allow a higher rate) 15 per cent per annum) fixed by the directors on money paid in advance until it would otherwise be due to the company.

## **29. NOTICE IF CALL OR INSTALMENT NOT PAID**

If a shareholder fails to pay a call or an instalment of a call when due, the directors can send the shareholder a notice requiring payment of the unpaid amount, together with any interest accrued and any expenses incurred by the company as a result of the failure to pay.

## **30. FORM OF NOTICE**

This notice must:

- (i) demand payment of the amount immediately payable, plus any interest and expenses;
- (ii) give the date by when the total amount due must be paid. This must be at least 14 clear days after the date of the notice;
- (iii) say where the payment must be made; and
- (iv) say that if the full amount demanded is not paid by the time and at the place stated, the company can forfeit the shares on which the call or instalment is outstanding.

The directors can accept the surrender of any share which would otherwise be forfeited. Where they do so, references in these articles to forfeiture include surrender.

## **31. FORFEITURE FOR NON-COMPLIANCE WITH NOTICE**

If the notice is not complied with, the shares it relates to can be forfeited at any time while any amount is still outstanding. This is done by the directors passing a resolution stating that the shares have been forfeited. The forfeiture will extend to all dividends and other sums payable in respect of the forfeited shares which have not been paid before the forfeiture.



### **32. NOTICE AFTER FORFEITURE**

After a share has been forfeited, the company will notify the person whose share has been forfeited. However, the share will still be forfeited even if such notice is not given. An entry of the notice and the date of forfeiture will be made in the register.

### **33. SALE OF FORFEITED SHARES**

(A) A forfeited share becomes the property of the company and the directors can sell or dispose of it on any terms and in any way that they decide. This can be with, or without, a credit for any amount previously paid up for the share. It can be sold or disposed of to any person, including the previous shareholder or the person who was previously entitled to the share by law. The directors can, if necessary, authorise any person to transfer a forfeited share.

(B) After a share has been forfeited, the directors can cancel the forfeiture, but only before the share has been sold or disposed of. This cancellation of forfeiture can be on any terms the directors decide.

### **34. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

When a person's shares have been forfeited, he will lose all rights as a shareholder in respect of those forfeited shares. He must return any share certificate for the forfeited shares to the company for cancellation. However, he will remain liable to pay calls which have been made, but not paid, before the shares were forfeited. He must also pay interest on the unpaid amount until it is paid. The directors can fix the annual rate of interest, but it must not be more than 15 per cent. The shareholder continues to be liable for all claims and demands which the company could have made relating to the forfeited share. He is not entitled to any credit for the value of the share when it was forfeited or for any consideration received on its disposal unless the directors decide to allow credit for all or any of that value. The directors can decide to waive payment of any or all amounts for which the shareholder would otherwise be liable under this article.

### **35. STATUTORY DECLARATION AS TO FORFEITURE**

(A) A director or the secretary can make a statutory declaration declaring:

- (i) that he is a director or the secretary of the company;
- (ii) that a share has been properly forfeited under the articles;
- (iii) when the share was forfeited; and
- (iv) if relevant, the date that the share was sold or disposed of.

The declaration will be evidence of these facts which cannot be disputed.

(B) If such a declaration is delivered to a new holder of a share along with a completed transfer form (if one is required), this gives the buyer good title. The new shareholder

does not need to take any steps to see how any money paid for the share is used. His ownership of the share will not be affected if the steps taken to forfeit, sell or dispose of the share were invalid or irregular, or if anything that should have been done was not done.

### **36. TRANSFER**

#### **(A) Certificated shares**

Unless these articles say otherwise, any shareholder can transfer some or all of his certificated shares to another person. A transfer of certificated shares must be made in writing and either in the usual standard form or in any other form approved by the directors.

#### **(B) Uncertificated shares**

Unless these articles say otherwise, any shareholder can transfer some or all of his uncertificated shares to another person. A transfer of uncertificated shares must be made by means of a relevant system and must comply with the Uncertificated Securities Regulations.

### **37. EXECUTION OF TRANSFER**

- (A) A share transfer form must be signed or made effective in some other way by, or on behalf of, the person making the transfer.
- (B) In the case of a transfer of a share held in certificated form, where the share is not fully paid, the share transfer form must also be signed or made effective in some other way by, or on behalf of, the person to whom the share is being transferred.
- (C) The person making a transfer will continue to be treated as a shareholder until the name of the person to whom the share is being transferred is put on the register for that share.
- (D) If the company registers a transfer of a share held in certificated form, it can keep the transfer form.
- (E) A transfer form must be properly stamped where this is required.

### **38. RIGHTS TO DECLINE REGISTRATION OF PARTLY PAID SHARES**

The directors can refuse to register the transfer of any shares which are not fully paid. However, if those shares are admitted to the Official List and to trading on the London Stock Exchange's market for listing securities, the directors may not exercise their powers in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

### **39. OTHER RIGHTS TO DECLINE REGISTRATION**

#### **(A) Certificated shares**

- (i) A share transfer form cannot be used to transfer more than one class of shares. Each class needs a separate form.
- (ii) Transfers cannot be in favour of more than four joint holders.
- (iii) The share transfer form must be delivered to the office, or any other place decided on by the directors. The transfer form must be accompanied by the share certificate relating to the shares being transferred, unless the transfer is being made by a person to whom the company was not required to, and did not, send a certificate. The directors can also ask (acting reasonably) for any other evidence to show that the person wishing to transfer the share is entitled to do so.

#### **(B) Uncertificated shares**

- (i) The directors can refuse to register a transfer of uncertificated shares in the circumstances set out in the Uncertificated Securities Regulations.
- (ii) Transfers cannot be in favour of more than four joint holders.

### **40. OVERSEAS BRANCH REGISTERS ETC.**

The company can use the powers given by the legislation to keep an overseas, local or other register, or to keep duplicate registers in any place. The directors can make and change any regulations previously made by them relating to any of such registers, as long as the legislation allows this.

### **41. NOTICE OF REFUSAL**

If the directors decide not to register a share transfer, they must notify the person to whom the shares were being transferred. This must be done no later than two months after the company receives the transfer (where the shares are held in certificated form) or the relevant Operator-instruction (where the shares are in uncertificated form).

### **42. NO FEE FOR REGISTRATION**

No fee is payable to the company for transferring shares or registering changes relating to the ownership of shares.

### **43. UNTRACED SHAREHOLDERS**

- (A) The company can sell any certificated shares at the best price reasonably obtainable at the time of the sale if:

- (i) during the 12 years before the earliest of the notices referred to in paragraph (ii) below, at least three dividends have become payable on the shares and no dividend has been claimed during that period;
- (ii) after the 12 year period, the company has published a notice, stating that it intends to sell the shares. This notice must have appeared in a national newspaper in the United Kingdom and in a local newspaper appearing in the area which includes the address held by the company for serving notices relating to those shares;
- (iii) during the 12 year period and for three months after the last of the notices referred to in paragraph (ii) above appear, the company has not heard from the shareholder or any person entitled to the shares by law; and
- (iv) the company has notified the London Stock Exchange that it intends to sell the shares.

If during the 12 year period referred to in paragraph (i) above, further shares have been issued in respect of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this article have been satisfied in regard to the further shares, the company may also sell the further shares.

- (B) To give effect to any sale pursuant to article 43(A), the directors may:
  - (i) appoint anyone to transfer the shares, where the shares are held in certificated form; or
  - (ii) do all acts and things it considers necessary or expedient to transfer the shares, where the shares are held in uncertificated form.
- (C) Any transfer made in accordance with article 43(B) shall be as effective as if it had been done by the holder of, or the person who is entitled to the shares by law. The person to whom the shares are transferred will not be bound to concern himself as to what is done with the purchase moneys nor will his ownership be affected even if the sale is irregular or invalid in any way.
- (D) The proceeds of sale will belong to the company, but it must pay an amount equal to the sale proceeds less the costs of the sale to the shareholder who could not be traced, or to the person who is entitled to his shares by law, if that shareholder, or person, asks for it.
- (E) After the sale, the company must record the name of the shareholder, or (if known) the person who would have been entitled to the shares by law, as a creditor for the money in its accounts. The company will not be a trustee of the money and will not be liable to pay interest on it. The company can use the money, and any money earned by using the money, for its business or in any other way that the directors decide.

#### **44. TRANSMISSION ON DEATH**

- (A) When a sole shareholder or shareholder who is the last survivor of a joint shareholder dies, his personal representatives will be the only people who the company will recognise as being entitled to his shares.
- (B) If a joint shareholder dies, the surviving joint shareholder or shareholders will be the only people who the company will recognise as being entitled to his shares.
- (C) However, this article does not discharge the estate of any shareholder from any liability.

#### **45. ENTRY OF TRANSMISSION IN REGISTER**

A person who becomes entitled to a share by law must provide any evidence of his entitlement which is reasonably required by the directors. The directors must note his entitlement in the register within two months of receiving such evidence.

#### **46. ELECTION OF PERSON ENTITLED BY TRANSMISSION**

- (A) A person who becomes entitled to a share by law can either be registered as the shareholder or choose another person to become the shareholder.
- (B) If a person who is entitled to a share by law wants to be registered as a shareholder, he must deliver or send a notice to the company saying that he has made this decision. He must sign this notice, which must be in the form specified by the directors. This notice will be treated as a transfer form. All the provisions of the articles about registering transfers of shares apply to it. The directors have the same power to refuse to register a person entitled to the shares by law as they would have had to refuse to register a transfer by the person who was previously entitled to the shares.
- (C) If a person who is entitled to a share by law wants the share to be transferred to another person, he must do this, in the case of a certificated share, by signing a transfer form to the person he has selected and, in the case of an uncertificated share, by using a relevant system. The directors have the same power to refuse to register the person selected as they would have had to refuse to register a transfer by the person who was previously entitled to the shares.

#### **47. RIGHTS OF A PERSON ENTITLED BY TRANSMISSION**

- (A) A person who is entitled to a share by law is entitled to any dividends or other money relating to the share, even though he is not registered as the holder of the share on supplying to the company evidence the directors reasonably require to show his title to the share. However, the directors can send a written notice to the person saying the person must either be registered as the holder of the share or transfer the share to some other person. If the person entitled to a share by law does not do this within

60 days of the notice, the directors can withhold all dividends or other money relating to the share until he does.

(B) Unless he is registered as the holder of the share, the person entitled to a share by law is not entitled to:

- (i) attend or vote at shareholders' meetings; or
- (ii) exercise any of the other rights of being a shareholder in relation to these meetings,

unless the directors decide to allow this.

#### **48. FRACTIONS**

(A) If any shares are consolidated or consolidated and then divided, the directors have power to deal with any fractions of shares which result. If the directors decide to sell any shares representing fractions, they can do so for the best price reasonably obtainable and distribute the net proceeds of the sale among shareholders in proportion to their fractional entitlements. The directors can arrange for any shares representing fractions to be entered in the register as certificated shares if they consider that this makes it easier to sell them. The directors can sell those shares to anyone, including the company if the legislation allows, and can authorise any person to transfer or deliver the shares to the buyer or in accordance with the buyer's instructions. The buyer does not have to take any steps to see how any money he is paying is used and his ownership will not be affected if the sale is irregular or invalid in any way.

(B) When the directors consolidate or divide shares, they can treat certificated and uncertificated shares which a shareholder holds as separate shareholdings, as far as the legislation allows this.

#### **49. REDUCTION OF CAPITAL**

The company may reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in accordance with the legislation.

#### **50. SEPARATE GENERAL MEETINGS**

If a separate general meeting of holders of shares of a class is called otherwise than for changing or abrogating the rights of the shares of that class, the provisions of these articles relating to general meetings will apply to such a meeting with any necessary changes as set out in the legislation or otherwise. For the purposes of this article, a general meeting where ordinary shareholders are the only shareholders who can attend and vote in their capacity as shareholders will also constitute a separate general meeting of the holders of the ordinary shares.

## **51. NOTICE OF GENERAL MEETINGS**

- (A) Notice must be given for every general meeting in accordance with the legislation.
- (B) All shareholders must be given notice of every general meeting. The only exception is those shareholders who are not entitled to receive a notice because of:
  - (i) a provision in these articles; or
  - (ii) the terms of issue of the shares they hold.

Notice must also be given to the auditors and the directors.

- (C) A shareholder who attends any general meeting either in person or by proxy is considered to have received notice of that meeting and, if required, of the purpose for which it was called.

## **52. OMISSION OR NON-RECEIPT OF NOTICE**

If any notice or any other document relating to any meeting or other proceeding is accidentally not sent, or is not received, the meeting or other proceeding will not be invalid as a result. In this article references to notice or any other document includes communications in electronic form and documents made available on a web site or sites in accordance with the legislation and these articles.

## **53. POSTPONEMENT OF GENERAL MEETINGS**

If the directors consider that it is impracticable or unreasonable to hold a general meeting on the date or at the time or place stated in the notice calling the meeting, they can move or postpone the meeting (or do both). If the directors do this, an announcement of the date, time and place of the rearranged meeting will, if practicable, be published in at least two national newspapers in the United Kingdom. Notice of the business of the meeting does not need to be given again. The directors must take reasonable steps to ensure that any shareholder trying to attend the meeting at the original time and place is informed of the new arrangements. If a meeting is rearranged in this way, appointments of proxy are valid if they are received as required by these articles not less than 48 hours before the time of the rearranged meeting. The directors can also move or postpone the rearranged meeting (or do both) under this article.

## **54. QUORUM**

Before a general meeting starts to do business there must be a quorum present. Unless these articles say otherwise, a quorum for all purposes is two people who are entitled to vote. They can be shareholders who are personally present or proxies for shareholders or a combination of both. If a quorum is not present, a chairman of the meeting can still be chosen and this will not be treated as a part of the business of the meeting.

## **55. PROCEDURE IF QUORUM NOT PRESENT**

- (A) This article applies if a quorum is not present within five minutes of the time fixed for a general meeting to start or within any longer period not exceeding one hour which the chairman of the meeting can decide.
- (B) If the meeting was called by shareholders it will be cancelled. Any other meeting will be adjourned to the same day in the next week, at the same time and place, unless the directors decide to adjourn it to another day (which must be not less than 14 or more than 28 days later) and to another time or place. In this article references to written notice include communications in electronic form and documents made available on a web site or sites in accordance with the legislation and these articles.
- (C) One shareholder present in person or by proxy will constitute a quorum at any adjourned meeting and any notice of an adjourned meeting will say this.

## **56. SPECIAL BUSINESS AT GENERAL MEETINGS**

All the things which take place at a general meeting are regarded as “special” except for the following things if done at an annual general meeting:

- (i) the declaration of dividends;
- (ii) the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents which are required to be annexed to the accounts;
- (iii) any requirement of any legislation to consider separately a report on directors’ remuneration;
- (iv) the re-appointment of directors;
- (v) the appointment of the auditors (unless the legislation requires special notice of the resolution); and
- (vi) fixing or determining the method of fixing the remuneration of the auditors.

## **57. CHAIRMAN OF GENERAL MEETING**

- (A) The chairman will be the chairman of the meeting at every general meeting, if he is willing and able to take the chair.
- (B) If the company does not have a chairman, or if he is not willing and able to take the chair, a deputy chairman of the board of directors will chair the meeting if he is willing and able to take the chair. If more than one deputy chairman is present they will agree between themselves who will take the chair and if they cannot agree, the deputy chairman who has been a director longest will take the chair.



- (C) If the company does not have a chairman or a deputy chairman, or if neither the chairman nor deputy chairman is willing and able to chair the meeting, after waiting five minutes from the time that meeting is due to start, the directors who are present will choose one of themselves to act as the chairman of the meeting. If there is only one director present, he will be the chairman of the meeting, if he agrees.
- (D) If there is no director willing and able to be the chairman of the meeting, then the shareholders who are personally present at the meeting and entitled to vote will decide which one of them is to be the chairman of the meeting.

#### **58. SECURITY ARRANGEMENTS, ORDERLY CONDUCT AND CONFIDENTIAL INFORMATION**

- (A) The directors can put in place arrangements, both before and during any general meeting, which they consider to be appropriate for the proper and orderly conduct of the general meeting and the safety of people attending it. This authority includes power to refuse entry to, or remove from, meetings people who fail to comply with the arrangements.
- (B) The chairman of a meeting can take any action he considers appropriate for proper and orderly conduct at a general meeting. The chairman's decision on points of order, matters of procedure or on matters that arise incidentally from the business of a meeting is final, as is the chairman's decision on whether a point or matter is of this nature.
- (C) No shareholder at a general meeting is entitled to require disclosure of or any information about any detail of the company's trading, or any matter that is or may be in the nature of a trade secret, commercial secret or secret process, or that may relate to the conduct of the business of the company, if the directors decide it would be inexpedient in the interests of the company to make that information public.

#### **59. OVERFLOW GENERAL MEETINGS**

- (A) The directors can make arrangements for simultaneous attendance and participation in general meetings by shareholders and proxies entitled to attend such meetings at places other than the place specified in the notice convening the meeting ("**the specified place**").
- (B) Any arrangements for simultaneous attendance at other places will operate so that any shareholders and proxies excluded from attendance at the specified place are able to attend at one or more of the other places. For the purpose of all other provisions of these articles, any such meeting will be treated as being held and taking place at the specified place.
- (C) The right of any shareholder or proxy otherwise entitled to attend a general meeting at the specified place shall be subject to any arrangements that the directors can, at their discretion, make from time to time (whether before or after the date of the notice convening the meeting) to facilitate the organisation and administration of any general

meeting by requiring any such person (selected on such basis as the directors may at their discretion decide) to attend the meeting at one or more of the other places.

## **60. ENTITLEMENT TO ATTEND AND SPEAK**

Each director can attend and speak at any general meeting. The chairman of a meeting can also allow anyone else to attend and speak where he considers that this will help the business of the meeting.

## **61. ADJOURNMENTS**

- (A) The chairman of a meeting can adjourn the meeting before or after it has started, and whether or not a quorum is present, if he considers that:
- (i) there is not enough room for the number of shareholders who wish to attend the meeting;
  - (ii) the behaviour of anyone present prevents, or is likely to prevent, the business of the meeting being carried out in an orderly way; or
  - (iii) an adjournment is necessary for any other reason, so that the business of the meeting can be properly carried out.

The chairman of the meeting does not need the consent of the meeting to adjourn it for any of these reasons to a time, date and place which he decides. He can also adjourn the meeting to a later time on the same day or indefinitely. If a meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned meeting.

- (B) The chairman of a meeting can also adjourn a meeting which has a quorum present if this is agreed by the meeting. This can be to a time, date and place proposed by the chairman of the meeting or the adjournment can be indefinite. The chairman of the meeting must adjourn the meeting if the meeting directs him to. In these circumstances the meeting will decide how long the adjournment will be and where it will adjourn to. If a meeting is adjourned indefinitely, the directors will fix the time, date and place of the adjourned meeting.
- (C) A reconvened meeting can only deal with business that could have been dealt with at the meeting which was adjourned.

## **62. NOTICE OF ADJOURNMENT**

Where a meeting is adjourned indefinitely or for more than three months, notice of the adjourned meeting must be given in the same way as was required for the original meeting. Except where these articles require it, there is no need to give notice of the adjourned meeting or of the business to be considered there.

### **63. AMENDMENTS TO RESOLUTIONS**

- (A) Amendments can be proposed to any resolution if they are clerical amendments or amendments to correct some other obvious error in the resolution.
- (B) No other amendments can be proposed to any special resolution.
- (C) Amendments to an ordinary resolution which are within the scope of the resolution can be proposed if:
  - (i) notice of the proposed amendment is delivered to the office at least two working days before the date of the meeting, or adjourned meeting; or
  - (ii) the chairman of the meeting decides that the amendment is appropriate for consideration by the meeting.

No other amendment can be proposed to an ordinary resolution.

### **64. AMENDMENTS RULED OUT OF ORDER**

If the chairman of a meeting rules that a proposed amendment to any resolution under consideration is out of order, any error in that ruling will not affect the validity of a vote on the original resolution.

### **65. VOTING OF SHAREHOLDERS**

Shareholders who are present in person or by proxy at a general meeting can vote on a show of hands. Each shareholder and proxy will have one vote each on a show of hands. On a poll, every shareholder present in person or by proxy will have one vote for every share he holds. This is subject to any special rights or restrictions which are given to any class of shares by, or under, these articles.

### **66. METHOD OF VOTING**

- (A) A resolution put to the vote at any general meeting will be decided on a poll unless the chairman of the meeting decides, before the result of the poll is declared, that a resolution should be decided on a show of hands. Where a resolution is to be decided on a show of hands, a poll may be demanded when, or before, the chairman of the meeting declares the result of the show of hands. A poll can be demanded by:
  - (i) the chairman of the meeting;
  - (ii) at least two shareholders at the meeting who are entitled to vote (or their proxies);
  - (iii) one or more shareholders at the meeting who are entitled to vote (or their proxies) and who have between them at least ten per cent. of the total votes of all shareholders who have the right to vote at the meeting (excluding any

voting rights attached to any shares in the company held as treasury shares);  
or

one or more shareholders who have shares which allow them to vote at the meeting (or their proxies) and on which the total amount which has been paid up on these shares is at least ten per cent. of the total sum paid up on all shares which give the right to vote at the meeting (excluding any voting rights attached to any shares in the company held as treasury shares)

- (B) A demand for a poll can be withdrawn if the chairman of the meeting agrees to this at any time before the earlier to occur of the close of the meeting and the time when the poll is taken.
- (C) Where a resolution is to be decided on a show of hands, if no poll is demanded or a demand for a poll is withdrawn, any declaration by the chairman of the meeting of the result of a vote on that resolution by a show of hands will stand as conclusive evidence of the result without proof of the number or proportion of the votes recorded for or against the resolution.

#### **67. PROCEDURE ON A POLL**

The chairman of the meeting can decide when, where and how a poll will be taken. The chairman of the meeting may appoint scrutineers. The result will be treated as the decision of the meeting at which the resolution was put to shareholders, even if the poll is taken after the meeting.

#### **68. WHEN POLL TO BE TAKEN**

A poll on a vote to elect the chairman of the meeting, or to adjourn a meeting, must be taken immediately at the meeting. Any other poll can either be taken at the meeting or, if demanded at the meeting, either immediately or within 30 days from the date it was demanded and at a time and place decided on by the chairman of the meeting. It is not necessary to give notice for a poll which is not taken immediately.

#### **69. CONTINUANCE OF OTHER BUSINESS AFTER POLL DEMAND**

A demand for a poll on a particular matter will not stop a meeting from continuing to deal with other matters.

#### **70. VOTES ON A POLL**

On a poll a shareholder can vote either in person or by his proxy. A shareholder can appoint more than one proxy to attend on the same occasion. A shareholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

#### **71. CHAIRMAN NOT TO HAVE CASTING VOTE**

Where equal votes are cast at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to an additional or casting vote.

## **72. VOTES OF JOINT HOLDERS**

If more than one joint shareholder votes (including voting by proxy), the only vote which will count is the vote of the person whose name is listed before the other joint shareholders on the register for the share.

## **73. VOTING ON BEHALF OF INCAPABLE SHAREHOLDER**

This article applies where a court or official claiming jurisdiction to protect people who are unable to manage their own affairs has made an order about the shareholder. The person appointed to act for that shareholder can vote for him. He can also exercise any other rights of the shareholder relating to meetings. This includes appointing a proxy, voting on a show of hands and voting on a poll. Before the representative does so however, such evidence of his authority as the directors require must be received at the office not later than the latest time at which proxy forms must be received to be valid for use at the relevant meeting or on the holding of the relevant poll. If a different place for the receipt of the proxy forms which are not communications in electronic form is specified, the evidence must instead be received at that address.

## **74. NO RIGHT TO VOTE WHERE SUMS OVERDUE ON SHARES**

Unless the directors decide otherwise, a shareholder cannot vote shares at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company or exercise any other right conferred by membership in relation to general meetings if he has not paid all amounts relating to those shares which are due at the time of the meeting.

## **75. OBJECTIONS OR ERRORS IN VOTING**

If:

- (i) any objection to the right of any person to vote is made;
- (ii) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (iii) any votes are not counted which ought to have been counted,

the objection or error must be raised or pointed out at the meeting (or the adjourned meeting) at which the vote objected to is cast or at which the error occurs. If a vote is not disallowed at a meeting, it is valid for all purposes and if a vote is not counted at a meeting, this will not affect the decision of the meeting. Any objection or error must be raised with or pointed out to the chairman of the meeting and will only affect the decision of the meeting if the chairman decides that the objection or error may have affected the decision of the meeting. The chairman's decision is final.

**76. FAILURE TO COMPLY WITH A NOTICE UNDER SECTION 793 OF THE COMPANIES ACT**

- (A) This article applies if any shareholder, or any person appearing to be interested in shares held by such holder, has been properly served with a notice under section 793 of the Act, requiring information about interests in shares, and has failed for a period of 14 days to supply to the company the information required by that notice. Then the directors can in their absolute discretion give notice (a “**direction notice**”) to the shareholder, that the shareholder is not (for so long as the failure continues) entitled to attend or vote either personally or by proxy at a shareholders’ meeting or to exercise any other right in relation to a shareholders’ meeting or to exercise any other right in relation to shareholders’ meetings as holder of:
- (i) the shares in relation to which the default occurred (“**default shares**”);
  - (ii) any further shares which are issued in respect of default shares; and
  - (iii) any other shares held by the shareholder holding the default shares.
- (B) Any person who acquires shares subject to restrictions under article 76(A) is subject to the same restrictions, unless:
- (i) the transfer was an approved transfer (as such expression is defined at article 76(K); or
  - (ii) the transfer was by a shareholder who was not himself in default in supplying the information required by the notice under article 76(A) and a signed declaration as referred to in article 76(C) is provided.
- (C) Where the default shares represent 0.25 per cent or more of the existing shares of a class (excluding any shares of that class held as treasury shares), the direction notice may also state that:
- (i) any dividend or part of a dividend or other money which would otherwise be payable on the default shares shall be retained by the company (without any liability to pay interest when such money is finally paid to the shareholder); and/or
  - (ii) the shareholder shall not be entitled to elect to receive shares in place of dividends withheld; and/or
  - (iii) (subject to the requirements of the relevant system in relation to shares in uncertificated form) no transfer of any of the shares held by the shareholder shall be registered unless:
    - (a) **either** the transfer is an approved transfer;

- (b) **or** the shareholder is not himself in default as regards supplying the information required; and (in this case)
    - (i) the transfer is of part only of his holding; and
    - (ii) when presented for registration, the transfer is accompanied by a signed declaration by the shareholder. This declaration must be in a form satisfactory to the directors and state that after due and careful enquiry the shareholder is satisfied that none of the shares included in the transfer are default shares (and for the purposes of ensuring that article 76(C) can apply to all shares held by the holder, the company may, in accordance with the Uncertificated Securities Regulations, issue a written notification to the Operator requiring the conversion into certificated form of any shares held by the holder in uncertificated form).
- (D) Any direction notice may treat certificated and uncertificated shares of a shareholder as separate holdings and either apply only to certificated shares or make different provision for certificated and uncertificated shares. In the case of shares in uncertificated form the directors can only use their discretion to prevent transfer if this is allowed by the Uncertificated Securities Regulations.
- (E) The company must send a copy of the direction notice to each other person who appears to be interested in the shares covered by the notice, but if it fails to do so, this does not invalidate the direction notice.
- (F) Once a direction notice has been given, the directors are free to cancel it or exclude any shares from it at any time they think fit, but otherwise it has the effect which it states while the default resulting in the notice continues. In addition, a direction notice ceases to apply when the directors decide that the default resulting in the notice has been cured (which they must do within one week of the default being cured). The company must give the shareholder immediate written notice of the directors' decision.
- (G) A direction notice also ceases to apply to any shares which are transferred by a shareholder in a transfer which would be permitted under article 76(C) even where a direction notice restricts transfers.
- (H) Where a person who appears to be interested in shares has been served with a notice under section 793 of the Act and the shares in which he appears to be interested are held by an approved depository, this article shall be treated as applying only to the shares which are held by the approved depository in which that person appears to be interested and not (so far as a person's apparent interest is concerned) to any other shares held by the approved depository.
- (I) Where the shareholder on which a notice under section 793 of the Act is served is an approved depository, the obligations of the approved depository as a shareholder will

be limited to disclosing to the company any information relating to any person who appears to be interested in the shares held by it which has been recorded by it in accordance with the arrangement under which it was appointed as an approved depositary.

- (J) For the purposes of this article a person is treated as appearing to be interested in any shares if the shareholder holding such shares has been served with a notice under section 793 of the Act and:
- (a) the shareholder has named such person as being so interested; or
  - (b) (after taking into account the response of the shareholder to such notice and any other relevant information) the company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.
- (K) For the purposes of this article a transfer of shares is an “**approved transfer**” if:
- (a) it is a transfer of shares to an offeror under an acceptance of a takeover offer (as defined in section 974 of the Act); or
  - (b) the directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the shareholder or with any person appearing to be interested in the shares. This includes such a sale made through a recognised stock exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the company’s shares are normally traded. For this purpose any associate (as that term is defined in section 435 of the Insolvency Act 1986) is included amongst the persons who are connected with the shareholder or any person appearing to be interested in the shares.
- (L) This article does not restrict in any way the provisions of the legislation which apply to failures to comply with notices under section 793 of the Act.

## **77. FORM AND EXECUTION OF PROXIES**

- (A) A proxy form can be in any form which the directors approve. A proxy form gives the proxy the authority to demand a poll or join others in demanding a poll vote on any amendment to a resolution put to the meeting. Unless it says otherwise, a proxy form is valid for the meeting to which it relates and also for any adjournment of that meeting. A shareholder may appoint more than one proxy for a meeting as long as each proxy is appointed for a different share or shares held by him. References in these articles to the appointment of a single proxy include the appointment of multiple proxies. A proxy need not be a shareholder.
- (B) A proxy form must be in writing and executed by the shareholder appointing the proxy, or by an attorney who must have written authority to execute the form. Where



the proxy is appointed by a company, the proxy form should either be sealed by that company or executed by someone authorised to execute it.

## **78. RECEIPT OF PROXIES**

- (A) Proxy forms which are not sent by electronic means must be received at the office, or at any other place stated in the notice of meeting or in the form itself, at least:
- (i) 48 hours before a meeting or an adjourned meeting; or
  - (ii) 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting.

If such a proxy form is signed by an attorney, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or an office copy) must be received with the proxy form, unless the power of attorney has already been registered with the company.

- (B) Proxy forms which are sent by electronic means must be received at an address specified in the notice of meeting or in the form itself or in any invitation contained in a communication in electronic form to appoint a proxy issued by the company in relation to the meeting, at least:
- (i) 48 hours before a meeting or an adjourned meeting; or
  - (ii) 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting.

If such a proxy form is signed by an attorney, the power of attorney or other authority relied on to sign it (or a copy which has been certified by a notary or an office copy) must be received at the office, or at any other place stated in the notice of meeting or in the form itself, at least 48 hours before a meeting or an adjourned meeting or 24 hours before a poll is taken if the poll is not taken on the same day as the meeting or adjourned meeting.

- (C) The directors may specify in the notice of meeting or in the proxy form itself that the time periods set out in articles 78(A) and 78(B) exclude any part of a day that is not a working day (as defined in section 1173(1) of the Act).
- (D) If the above requirements are not complied with, the proxy will not be able to act for the person who appointed him.
- (E) If more than one valid proxy form is received in respect of the same share for use at the same meeting, the one which is received last (regardless of the date on which it is signed) will be treated as the valid form. If it is not possible to determine the order of receipt, none of the forms will be treated as valid.

- (F) If a proxy form which relates to several meetings has been properly delivered or sent for one meeting, or adjourned meeting, it does not need to be delivered or sent again for any later meeting which the proxy form covers.

## **79. MAXIMUM VALIDITY OF PROXY**

A proxy form will cease to be valid 12 months from the date of its receipt. But it will be valid if it is used at an adjourned meeting, or on a poll after a meeting or an adjourned meeting even after 12 months, if it was valid for the original meeting.

## **80. CANCELLATION OF PROXY'S AUTHORITY**

Any vote cast in the way a proxy form authorises or any demand for a poll made by a proxy will be valid even though:

- (i) the person who appointed the proxy has died or is of unsound mind;
- (ii) the proxy form has been revoked;
- (iii) the authority of the person who signed the proxy form for the shareholder has been revoked; or
- (iv) the share in respect of which the proxy has been given, has been transferred.

However, this does not apply if:

- (i) in the case of proxy forms which are not communications by electronic means, written notice of the relevant fact has been received at the office (or at any other place stated in the notice of meeting or in the proxy form itself) at least:
  - (a) 48 hours before the meeting or adjourned meeting; or
  - (b) 24 hours before a poll is taken, if the poll is not taken on the day of the meeting or adjourned meeting;
- (ii) in the case of proxy forms which are communications by electronic means, written notice of the relevant fact has been received at an address specified in the notice of meeting (or in the proxy form itself or in any invitation contained in an communication in electronic form to appoint a proxy issued by the company in relation to the meeting), at least:
  - (a) 48 hours before the meeting or adjourned meeting; or
  - (b) 24 hours before a poll is taken, if the poll is not taken on the day of the meeting or adjourned meeting.

The time periods set out in this article shall exclude any part of a day that is not a working day (as defined in section 1173(1) of the Act) if the directors have specified that this should be the case under article 78(C).

## 81. SHAREHOLDERS WHICH ARE COMPANIES

- (A) A shareholder which is a company can appoint any person or persons it chooses to act as its representative or representatives at a shareholders' meeting.
- (B) The directors may require the company to provide evidence of the appointment under article 81(A), but the directors do not have to do so.

## 82. APPROVED DEPOSITARIES

- (A) Subject to these articles and the legislation, an approved depositary can appoint as its proxy or proxies in relation to any ordinary shares which it holds, anyone it thinks fit and can decide how and on what terms to appoint them. Each appointment must state the number of ordinary shares to which it relates. The total number of ordinary shares in respect of which appointments exist at any time must not be more than the total number of ordinary shares (the depositary shares) which are registered in the name of the approved depositary or its nominee at that time.
- (B) The approved depositary must keep a register (the "**proxy register**") of each person it has appointed as a proxy under article 82(A) (an "**appointed proxy**") and the number of depositary shares (his "**appointed number**") to which the appointment relates. The directors will decide what information about each appointed proxy is to be recorded in the proxy register. Any person authorised by the company may inspect the proxy register during usual business hours and the approved depositary will give such person any information which he requests as to the contents of the proxy register.
- (C) An appointed proxy may only attend a general meeting if he provides the company with written evidence of his appointment as such. This must be in a form agreed between the directors and the approved depositary.
- (D) Subject to the legislation and to these articles, and so long as the approved depositary or a nominee of the approved depositary holds at least his appointed number of ordinary shares, an appointed proxy is entitled to attend a general meeting which holders of ordinary shares are entitled to attend, and he is entitled to the same rights, and subject to the same obligations, in relation to his appointed number of depositary shares as if he had been validly appointed in accordance with articles 77 and 78 by the registered holder of these shares as its proxy in relation to those shares.
- (E) For the purposes of determining who is entitled as an appointed proxy to exercise the rights conferred by article 82(D) and the number of depositary shares in respect of which a person is to be treated as having been appointed as an appointed proxy for these purposes, the approved depositary can decide that the appointed proxies who are so entitled are the people entered in the proxy register at a time and on a date (a "**record time**") agreed between the approved depositary and the company.

- (F) When a record time is decided for a particular purpose:-
- (i) an appointed proxy is to be treated as having been appointed for that purpose for the number of shares appearing against his name in the proxy register as at the record time; and
  - (ii) changes to entries in the proxy register after the record time will be ignored for this purpose.
- (G) The company is entitled to treat any person entered in the proxy register as an appointed proxy as the only person (other than the approved depositary) who has any interest in the depositary shares in respect of which the appointed proxy has been appointed.
- (H) If any question arises as to whether any particular person or persons has or have been validly appointed to vote (or exercise any other right) in respect of any shares (for example because the total number of shares in respect of which appointments are recorded in the proxy register is more than the number of depositary shares) this question will, if it arises at or in relation to a general meeting be determined by the chairman of the general meeting. His decision (which can include declining to recognise a particular appointment or appointments as valid) will also, if made in good faith, be final and binding on all persons interested.
- (I) If a question of the type described in article 82(H) arises in any circumstances other than at or in relation to a general meeting, the question will be determined by the directors. Their decision (which can include declining to recognise a particular appointment or appointments as valid) will also, if made in good faith, be final and binding on all persons interested.

### **83. NUMBER OF DIRECTORS**

The company must have a minimum of five directors and a maximum of twenty directors (disregarding alternate directors). The shareholders can change the minimum or maximum by passing an ordinary resolution.

### **84. AGE OF DIRECTORS**

Provisions of the legislation which, read with the articles, would restrict the appointment of a director or require him to stop being a director because he has reached a particular age do not apply to the company. This includes restrictions and requirements involving special formalities once an age limit is reached.

### **85. POWER OF COMPANY TO ELECT DIRECTORS**

Subject to these articles, the company can, by passing an ordinary resolution, elect any willing person to be a director, either as an extra director or to fill a vacancy where a director has stopped being a director for some reason.

## **86. POWER OF DIRECTORS TO APPOINT DIRECTORS**

Subject to these articles, the directors can appoint any willing person to be a director, either as an extra director or as a replacement for another director. Any director appointed in this way must retire from office at the first annual general meeting held after his appointment. A director who retires in this way is then eligible for election.

## **87. IDENTITY OF DIRECTORS TO RETIRE BY ROTATION AT ANNUAL GENERAL MEETING**

- (A) At each of the first two annual general meetings following the adoption of these articles, one-third of the directors who are then in office or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office but shall be eligible for reappointment; but, if there is only one director who is subject to retirement by rotation, he shall retire.
- (B) Subject to the provisions of the Act, the directors to retire by rotation pursuant to (A) above shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- (C) At each annual general meeting thereafter, directors who were in office at the time of the two previous annual general meetings and who have not been elected or re-elected in that period, and who have not otherwise ceased to be a director and been re-elected by general meeting of the company, must retire by rotation.

## **88. FILLING VACANCIES**

Subject to these articles, at the general meeting at which a director retires, shareholders can pass an ordinary resolution to re-elect the director or to elect some other eligible person in his place.

## **89. POWER OF REMOVAL BY ORDINARY RESOLUTION**

The company can pass an ordinary resolution to remove a director from office even though his time in office has not ended if special notice of the resolution has been given where required by the legislation. The company can (subject to these articles) elect a person to replace a director who has been removed in this way by passing an ordinary resolution. If a director is removed in this way, it will not affect any claim which he may have for damages for breach of any contract of service which he may have.

## **90. PERSONS ELIGIBLE AS DIRECTORS**

- (A) The only people who can be elected as directors at a general meeting are the following:
  - (i) directors retiring at the meeting;

- (ii) anyone recommended by the directors; and
  - (iii) anyone who has been proposed by a shareholder who is entitled to attend and vote at the general meeting.
- (B) A shareholder proposing a director in accordance with article 90(A)(iii) must deliver to the office at least 7 clear days before the general meeting, but not more than 42 clear days before the meeting, a signed letter stating that he intends to propose another person for election as director and written confirmation from the person to be proposed that he is willing to be elected.

## **91. POSITION OF RETIRING DIRECTORS**

A director retiring at a general meeting retires at the end of that meeting or (if earlier) when a resolution is passed to elect another person in the director's place. Where a retiring director is elected or re-elected, he continues as a director without a break.

## **92. VACATION OF OFFICE BY DIRECTORS**

- (A) Any director automatically stops being a director if:
- (i) he gives the company a written notice of resignation;
  - (ii) he gives the company a written notice in which he offers to resign and the directors decide to accept this offer;
  - (iii) all of the other directors (who must comprise at least three people) pass a resolution or sign a written notice requiring the director to cease to hold office. The resolution or notice may consist of several documents in the same form signed by one or more directors;
  - (iv) he is or has been suffering from mental ill health and the directors pass a resolution removing the director from office;
  - (v) he has missed directors' meetings for a continuous period of six months without permission of the directors and the directors pass a resolution removing the director from office;
  - (vi) a bankruptcy order is made against him or he makes any arrangement or composition with his creditors;
  - (vii) he is prohibited from being a director under the legislation; or
  - (viii) he ceases to be a director under the legislation or he is removed from office under these articles.
- (B) If a director stops being a director for any reason he will also automatically cease to be a member of any committee of the directors.

- (C) If the chairman or deputy chairman stops being a director for any reason, he will also automatically cease to hold the position of chairman or deputy chairman.
- (D) In this article references to written notice include the use of communications in electronic form subject to any terms and conditions decided on by the directors.

### **93. ALTERNATE DIRECTORS**

- (A) Any director can appoint any person (including another director) to act in his place (called an “**alternate director**”). That appointment requires the approval of the directors, unless previously approved by the directors or unless the appointee is another director. A director appoints an alternate director by delivering a signed written notice of appointment to the office or by tabling it at a meeting of the directors. The directors may approve any other method of appointment.
- (B) The appointment of an alternate director ends on the happening of any event which, if he were a director, would cause him to vacate that office. It also ends if his appointor stops being a director, unless that director retires at a general meeting at which he is re-elected. A director can also remove his alternate director by a written notice delivered to the office or tabled at a meeting of the directors. This notice must also be copied to the alternate director, but will be effective whether or not it has been received by the alternate director.
- (C) An alternate director is entitled to receive notices of meetings of the directors, except when absent from the United Kingdom. He is entitled to attend and vote as a director at any meeting at which the director appointing him is not personally present and generally at that meeting is entitled to perform all of the functions of his appointor as a director. The provisions of the articles regulating the meeting apply as if he (instead of his appointor) were a director. If he is himself a director or attends any meeting as an alternate director, for more than one director, he can vote cumulatively for himself and for each other director he represents but he cannot be counted more than once for the purposes of the quorum. An alternate director's signature to any resolution in writing of the directors is as effective as the signature of his appointor. If the directors decide to allow this, this article also applies in a similar fashion to any meeting of a committee of which his appointor is a member. Except as set out in this article, an alternate director:
  - (i) does not have power to act as a director;
  - (ii) is not deemed to be a director for the purposes of these articles; and
  - (iii) is not deemed to be the agent of his appointor.
- (D) An alternate director is entitled to contract and be interested in and benefit from contracts, transactions or arrangements and to be repaid expenses and to be indemnified to the same extent as if he were a director. However, he is not entitled to receive from the company as an alternate director any pay, except for that part (if any)

of the pay otherwise payable to his appointor as his appointor may tell the company in writing to pay to his alternate director.

- (E) An alternate director must provide the particulars, and sign any form for public filing, which the legislation requires relating to his appointment.

#### **94. EXECUTIVE DIRECTORS**

- (A) The directors or any committee authorised by the directors can appoint a director to any executive position, on such terms and for such period (subject to the provisions of the Companies Act) as they think fit. They can also terminate or vary an appointment at any time. The directors or any committee authorised by the directors will decide how much remuneration a director appointed to an executive office will receive (whether as salary, commission, profit share or any other form of remuneration) and whether this is in addition to or in place of his fees as a director.
- (B) The appointment of any director to the position of chief executive, deputy chief executive, managing or joint managing director, or deputy or assistant managing director shall cease automatically if he is no longer a director. If any other executive director is no longer a director his executive appointment will not automatically cease unless that was a condition of the resolution appointing him or a condition of the contract under which he was employed.
- (C) If the directors terminate the appointment or it automatically terminates as a result of article 94(B), the termination will not affect any right of the company or the director in relation to any breach of any employment contract which may be involved in the termination.

#### **95. DIRECTORS' FEES**

The total fees paid to all of the directors (excluding any payments made under any other provision of these articles) must not exceed:

- (i) £2,000,000 a year; or
- (ii) any higher sum decided on by an ordinary resolution at a general meeting.

It is for the directors to decide how much to pay each director by way of fees under this article.

#### **96. ADDITIONAL FEES**

The directors or any committee authorised by the directors can award extra fees to any director who holds an executive position (including the position of chairman or deputy chairman whether or not such position is held in an executive capacity) or who serves on any committee or who, in their view, performs any special or extra services for the company. Extra fees can take the form of salary, commission, profit-sharing or other benefits (and can be paid partly in one way and partly in another). This is all decided by the directors.



## 97. EXPENSES

The company can pay the reasonable travel, hotel and incidental expenses of each director incurred in attending and returning from general meetings, meetings of the directors or committees of the directors or any other meetings which as a director he is entitled to attend. The company will pay all other expenses properly and reasonably incurred by each director in connection with the company's business or in the performance of his duties as a director.

## 98. DIRECTORS' PENSIONS AND OTHER BENEFITS

- (A) The directors or any committee authorised by the directors can decide whether to provide pensions, annual payments, insurance, gratuities or other benefits to any people who are, or were, directors or employees of the company or of any subsidiary undertaking or acquired company or business. The directors or any committee authorised by the directors may extend these arrangements to any relation or dependant of such a person. This includes present or former spouse. The directors can also decide to contribute to a scheme or fund or to pay premiums to a third party for these purposes.
- (B) A director or former director will not be accountable to the company or the shareholders for any benefit provided pursuant to this article. Anyone receiving such a benefit will not be disqualified from being or becoming a director of the company.

## 99. CONFLICTS OF INTEREST

- (A) If a situation arises in which a director has, or can have, an interest that conflicts, or possibly may conflict, with the interests of the company (a "**Relevant Situation**") the directors may, for the purposes of section 175 of the Act, resolve to authorise:
  - (i) if a Relevant Situation arises from the appointment or proposed appointment of a person as a director of the company, the appointment of the director and the Relevant Situation, subject to any limits or conditions which the directors may determine;
  - (ii) if the Relevant Situation arises in circumstances other than as set out in article 99(A)(i), the Relevant Situation and the continuing performance by the director of his duties, subject to any limits or conditions which the directors may determine,

and any such authorisation will be subject only to any limits or conditions which the directors expressly impose.

- (B) The interested director, and any other director with a similar interest, cannot vote, or be counted in the quorum, on a resolution to authorise his interest under article 99(A).
- (C) Any reference in article 99(A) to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

- (D) Any limits or conditions determined by the directors under article 99(A) may be imposed at the time of authorisation or may be imposed or varied subsequently and may include (without limitation):
- (i) whether the interested director(s) may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
  - (ii) the exclusion of the interested director(s) from all information and discussion by the company of the Relevant Situation; and
  - (iii) the imposition of a specific duty of confidentiality for any confidential information of the company relating to the Relevant Situation.
- (E) An interested director must act in accordance with any limits or obligations imposed by the directors under article 99(A).
- (F) Subject to article 99(B), any authorisation under article 99(A) shall be dealt with in the same way as any other matter that may be decided by the directors under these articles.
- (G) Any authorisation of a Relevant Situation given by the directors under article 99(A) may provide that, where the interested director obtains (other than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose it to the company or to use it in relation to the company's affairs in circumstances where to do so would amount to a breach of that confidence.
- (H) Whilst there is a Relevant Situation, the general duties which the interested director owes to the company under sections 171 to 177 of the Act will not be infringed if he:
- (i) absents himself from meetings of the directors or from the discussion of any matter at a meeting relating to the Relevant Situation; and/or
  - (ii) makes arrangements for papers to be received and read by a professional adviser on his behalf which may relate to the Relevant Situation; and/or
  - (iii) behaves in any other way authorised by any guidance which may be issued by the directors from time to time.

## **100. PERMITTED INTERESTS AND VOTING**

- (A) If the legislation allows and he has disclosed the nature and extent of his interest to the directors in accordance with the legislation and these articles, a director can do any one or more of the following:
- (i) have any kind of interest in a contract with or involving the company;
  - (ii) have any kind of interest in a contract with or involving another company in which the company has an interest;

- (iii) alone, or through some firm with which he is associated, do paid professional work for the company (other than as auditor);
  - (iv) hold a position (other than auditor) in the company as well as being a director; and
  - (v) have any kind of interest in a company in which the company has an interest (including holding a position in that company or being a shareholder of that company).
- (B) A director does not have to hand over to the company any benefit he receives or profit he makes as a result of anything authorised under article 99(A) or allowed under article 100(A) and this shall not be a breach of his duty under section 176 of the Act.
- (C) When a director knows that there is a Relevant Situation, or he is otherwise interested in a contract with the company, he must tell the other directors in accordance with section 177 of the Act.
- (D) Unless these articles say otherwise and subject to the terms of any authorisation under article 99(A), a director cannot vote on a resolution about a contract in which he has a material interest (and if he does vote, his vote will not be counted). For this purpose, interests of a person who is connected with a director are added to the interests of the director. Interests purely as a result of an interest in the company's shares, debentures or other securities are disregarded. If a director cannot vote on a resolution, the director cannot be counted in the quorum when the directors vote on that resolution.
- (E) However, a director can vote, and be counted in the quorum, on a resolution about any of the following things, as long as the only material interest he has in it is included in the following list:
- (i) a resolution about giving him any security or any guarantee or indemnity for any money which he, or any other person, has lent at the request, or for the benefit, of the company or any of its subsidiary undertakings;
  - (ii) a resolution about giving him any security or any guarantee or indemnity for any liability which he, or any other person, has incurred at the request, or for the benefit of, the company or any of its subsidiary undertakings;
  - (iii) a resolution about giving any security or any guarantee or indemnity to any other person for a debt or obligation which is owed by the company or any of its subsidiary undertakings, to that other person, if the director has taken responsibility for some or all of that debt or obligation. The director can take this responsibility by giving a guarantee, indemnity or security;
  - (iv) a resolution about a proposal or contract relating to an offer of any shares or debentures or other securities for subscription or purchase by the company or any of its subsidiary undertakings, if the director takes part because he is a

holder of shares, debentures or other securities, or if he takes part in the underwriting or sub-underwriting of the offer;

- (v) a resolution about a contract involving any other company if the director (together with any person connected with the director), has an interest of any kind in that company (including an interest by holding any position in that company, or by being a shareholder of that company). This does not apply if he knows that he owns one per cent. or more of that company;
  - (vi) a resolution about a contract relating to an arrangement for the benefit of employees of the company or any of its subsidiary undertakings which only gives him benefits which are also generally given to the employees to whom the arrangement relates;
  - (vii) a resolution about a contract relating to any insurance which the company can buy or renew for the benefit of directors or of a group of people which includes directors; or
  - (viii) a resolution about a contract relating to a pension, superannuation or similar scheme or a retirement, death or disability benefits scheme or employees' share scheme, which gives the director benefits which are also generally given to the employees to whom the scheme relates.
- (F) A director cannot vote or be counted in the quorum on a resolution relating to appointing that director to a position with the company or a company in which the company has an interest or the terms or termination of the appointment.
- (G) This paragraph applies if the directors are considering proposals about appointing two or more directors to positions with the company or any company in which the company has an interest. It also applies if the directors are considering setting or changing the terms of their appointment. These proposals can be split up to deal with each director separately. If this is done, each director can vote and be included in the quorum for each resolution, unless the resolution either concerns him or relates to the appointment of another director to a position in a company in which the company has an interest and he owns one per cent or more of it.
- (H) Subject to the legislation and these articles, the directors can exercise or arrange for the exercise of the voting rights attached to any shares in another company held by the company and the voting rights which they have as directors of that company in any way that they decide. This includes voting in favour of a resolution appointing any of them as directors or officers of that company and deciding their remuneration. They can also vote and be counted in the quorum as directors of the company in connection with any of these things.
- (I) If a question comes up at a meeting about whether a director (other than the chairman of the meeting) has a material interest, or whether he can vote or be counted in the quorum, and the director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the

chairman of the meeting. The chairman of the meeting's ruling about any other director is final and conclusive, unless the nature and extent of the director's interests have not been fairly disclosed to the directors. If the question comes up about the chairman of the meeting, the question must be referred to the directors. The chairman cannot vote on the question but can be counted in the quorum. The directors' resolution about the chairman is conclusive, unless the nature and extent of the chairman's interests have not been fairly disclosed to the directors.

(J) In this article:

- (i) a reference to a contract includes a reference to an existing or proposed contract, transaction or arrangement;
- (ii) a director will be treated as owning one per cent or more of a company if he (together with persons connected with him) holds an interest in shares representing one per cent or more of a class of equity share capital (excluding any shares of that class held as treasury shares) or the voting rights of that company. For the purposes of this paragraph, the following are to be ignored:
  - (a) any shares held by the director as bare or custodian trustee and in which he has no beneficial interest;
  - (b) any shares comprised in a trust in which his interest is in reversion or remainder if and so long as some other person is entitled to receive the income of the trust; and
  - (c) any shares comprised in an authorised unit trust scheme in which he is interested only as a unitholder.
- (iii) where a company in which a director owns one per cent or more is materially interested in a contract, the director will also be treated as being materially interested in that contract;
- (iv) interests which are unknown to the director and which it is unreasonable to expect him to know about are ignored; and
- (v) a person is connected with a director if connected applying the rules in section 252 of the Act.

(K) Subject to the legislation, the company can by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any contract which has not been properly authorised in accordance with this article.

## **101. GENERAL POWERS OF COMPANY VESTED IN DIRECTORS**

(A) The directors will manage the company's business. They can use all the company's powers except where these articles or the legislation say that powers can only be used by the shareholders voting to do so at a general meeting. The general

management powers under this article are not limited in any way by specific powers given to the directors by other articles.

- (B) The directors are, however, subject to:
- (i) the provisions of the legislation;
  - (ii) the requirements of these articles; and
  - (iii) any regulations laid down by the shareholders by passing a special resolution at a general meeting.
- (C) If a change is made to these articles or if the shareholders lay down any regulation relating to something which the directors have already done which was within their powers, that change or regulation cannot invalidate the directors' previous action.

## 102. BORROWING POWERS

- (A) Subject as provided in this article and to the provisions of legislation, the directors may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking property and assets (present and future) and uncalled capital, and 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 directors shall restrict the borrowings of the company and exercise all rights exercisable by the company in relation to its subsidiaries so as to secure (as regards subsidiaries, so far as by such exercise it can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the **group** (which expression in this article means the company and its subsidiaries for the time being) and for the time being owing (subject as set out below) to persons outside the group, less all moneys (including, without limitation, any cash and cash equivalents) held by the group, shall not at any time, without the previous sanction of an ordinary resolution of the company in general meeting, exceed the higher of (i) an amount equal to three times the adjusted capital and reserves; and (ii) US\$3 billion. To the extent that this limit has been exceeded because of currency changes, there shall be no breach of this article until the expiry of a period of 182 days from the time when the excess came to the notice of the directors.
- (C) For the purposes of this article, "adjusted capital and reserves" means a sum equal to the aggregate for the time being of:
- (i) the issued and paid-up share capital of the company including amounts credited as or treated as paid up; and
  - (ii) the amount standing to the credit of the capital and reserves of the group (including without limitation any share premium account, capital redemption

reserve or other reserve), after adding or deducting any balance outstanding to the credit or debit of the profit and loss account of the group;

as shown by a consolidation of the latest audited balance sheets of the group but after excluding reserves and any balances on profit and loss account of companies other than the group and after:

- (i) making such adjustments as may be appropriate in respect of any variation of paid-up share capital or any such capital reserves effected since the date of the relevant balance sheet and so that for this purpose if any issue or proposed issue of shares by the company for cash has been underwritten then such shares shall be treated as issued and the amount (including any premium) of the subscription moneys payable in respect of such shares (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be treated as already paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (ii) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the group (otherwise than attributable to the company or to a subsidiary) out of profits earned up to and including the date of the relevant balance sheet (except as already provided for in such balance sheet);
- (iii) making such adjustments as may be appropriate in respect of any variation in the interests of the company in its subsidiaries since the date of the relevant balance sheet of the company;
- (iv) making all such adjustments, if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, as would be appropriate if such transaction had been carried into effect; and
- (v) excluding minority interests in subsidiaries.

The determination of the auditors as to the amount of the adjusted capital and reserves at any time shall be conclusive evidence to all concerned and for the purposes of their calculations the auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless, for the purposes of this article, the directors may act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves at any time and if as a result the limit imposed by this article is inadvertently exceeded an amount of borrowed moneys equal to the excess may be disregarded until the expiry of a period of 122 days after the date on which the directors became aware that such a situation has or may have arisen.

Save as otherwise provided in this article, the latest audited balance sheet adopted as the main or principal balance sheet of the company or any of its subsidiaries, whether prepared on a historical cost basis or a current cost accounting basis or on

any other generally accepted accounting principles, shall be definitive for the purposes of establishing the adjusted capital and reserves.

- (D) For the purposes of calculating the adjusted capital and reserves the following provisions shall apply:
- (i) there shall be treated, subject as set out below, as having been borrowed and to be outstanding as borrowed money of the relevant member of the group (but only to the extent that the same would not otherwise fall to be taken into account):
    - (a) the principal amount of any debentures issued by any member of the group which are not beneficially owned within the group;
    - (b) the amounts raised by the acceptance of bills (not being acceptances of trade bills for the purchase or sale of goods in the ordinary course of trading) by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the group;
    - (c) the nominal amount of any issued and paid-up share capital (except ordinary share capital) of any subsidiary of the company which is not for the time being beneficially owned by any member of the group;
    - (d) the nominal amount of any other issued and paid-up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which, or borrowed moneys the indebtedness in respect of which, are for the time being beneficially owned within the group) the redemption or repayment of which is guaranteed or wholly or (to the extent the same is partly secured) partly secured by any member of the group; and
    - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;
  - (ii) Moneys borrowed by any member of the group for the purposes of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves fall to be taken into account;
  - (iii) Any amounts borrowed by any member of the group to finance any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credit Guarantee Department of the Department of Trade and Industry or other institution or body carrying on a similar business shall not be treated as borrowed moneys;



- (iv) Moneys borrowed (including share capital to which paragraph (D)(i)(c) above applies) by a partly-owned subsidiary and not owing to another member of the group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion of the borrower and moneys borrowed (including such share capital) by a member of the group from and owing to a partly-owned subsidiary shall be taken into account to the extent of a proportion thereof equal to the minority proportion of the lender; for these purposes "minority proportion" shall mean the proportion of the issued ordinary share capital of the partly-owned subsidiary which is not attributable to any member of the group;
- (v) For the avoidance of doubt it is hereby expressly provided that for the purposes of the foregoing limit the following sums shall be deemed not to be borrowed moneys of the group;
  - (a) sums which, but for the provisions of this paragraph (v), would be borrowed moneys of any member of the group at the time of, and for a period of six months after, such company becoming a subsidiary of the company;
  - (b) sums advanced or paid to any member of the group (or their agent or nominee) by customers of any member of the group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the group or any guarantees or indemnities given by any member of the group in relation thereto;
  - (c) sums which fall to be treated as borrowed moneys of any member of the group by reason only of any current statement of standard accounting practice or other accountancy principle or practice;
- (vi) Borrowed moneys of any member of the group expressed in or calculated by reference to a currency other than US dollars or a combination of currencies including a currency or currencies other than US dollars shall (as regards the currency or currencies other than US dollars) be converted into US dollars by reference to the rates of exchange used for the conversion of such currencies in the latest audited balance sheet of the relevant member of the group or, if any relevant currency was not thereby involved, by reference to the relevant rate of exchange or approximate rate of exchange on the date of such latest audited balance sheet and determined on such basis as the auditors may determine or approve.

No person dealing with the company or any of its subsidiaries shall be concerned to see or enquire whether the limit imposed by the provisions of this article is observed and no debt incurred or security given in respect of moneys borrowed in excess of the limit hereby imposed shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the limit hereby imposed has been or would thereby be exceeded.

### **103. AGENTS**

- (A) The directors can appoint any one or more persons as the company's attorney or attorneys by granting a power of attorney or by authorising them in some other way. Attorneys can either be appointed directly by the directors or the directors can give someone else the power to select attorneys. The directors or the persons who are authorised by them to select attorneys can decide on the purposes, powers, authorities and discretions of attorneys. But they cannot give an attorney any power, authority or discretion which the directors do not have under these articles.
- (B) The directors can decide how long a power of attorney will last for and attach any conditions to it. The power of attorney can include any provisions which the directors decide on for the protection and convenience of anybody dealing with the attorney. The power of attorney can allow the attorney to grant any or all of his power, authority or discretion to any other person.
- (C) The directors can:
- (i) delegate any of their authority, power or discretions to any local board or local committee (which may be inside or outside the United Kingdom) or to any manager or agent of the company;
  - (ii) decide on the pay and benefits of those appointed under this article 103;
  - (iii) allow local boards, committees, managers or agents to delegate to another person;
  - (iv) allow the members of local boards or committees to fill any vacancies on them and to continue to act even if there are vacancies on them;
  - (v) remove any people they have appointed in any of these ways; and
  - (vi) cancel or change anything that they have delegated, although this will not affect anybody who acts in good faith who has not had any notice of any cancellation or change.

Any appointment or delegation by the directors which is referred to in this article can be on any conditions decided on by the directors.

- (D) The ability of the directors to delegate under this article applies to all their powers and is not limited because certain articles refer to powers being exercised by the directors or by a committee authorised by the directors while other articles do not.

### **104. DELEGATION TO INDIVIDUAL DIRECTORS**

- (A) The directors can give a director any of the powers which they have jointly as directors (with power to sub-delegate). These powers can be given on terms and conditions decided on by the directors either in parallel with, or in place of, the powers of the directors acting jointly.

- (B) The directors can change the basis on which such powers are given or withdraw such powers. If a person deals with an individual director in good faith without knowledge of the change or withdrawal, he will not be affected by it.
- (C) The ability of the directors to delegate under this article applies to all their powers and is not limited because certain articles refer to powers being exercised by the directors or by a committee authorised by the directors while other articles do not.

#### **105. JOB TITLE**

The directors may appoint any person to any office or employment with a title including the word "Director" and may terminate any such appointment or the use of any such title. The inclusion of these words in a person's job title does not mean that he is a director, or that he has any authority to act as a director or to be deemed to be a director for the purposes of these articles. He shall not be entitled to attend or be present at any meeting of the directors unless this is required by the directors.

#### **106. PROVISIONS FOR EMPLOYEES**

The directors can exercise the powers under the legislation to make provision for the benefit of employees or former employees of the company or any of its subsidiaries in connection with the cessation or transfer of the whole or part of the business of the company or that subsidiary.

#### **107. DIRECTORS' MEETINGS**

The directors can decide when and where to have meetings and how they will be conducted. They can also adjourn their meetings. A directors' meeting can be called by any director or by the secretary. The secretary must also call a directors' meeting if asked to do so by a director.

#### **108. NOTICE OF DIRECTORS' MEETINGS**

Directors' meetings are called by giving notice to all the directors in a form or to an address specified by them for the purpose from time to time. Notice can be given personally, by word of mouth or in writing. Any director can waive notice of any directors' meeting, including one which has already taken place, and shall be treated as having waived notice if he has not supplied the necessary information to the company to ensure receipt.

#### **109. QUORUM**

If no other quorum is fixed, three directors are a quorum. If a director ceases to be a director at a board meeting, he can continue to be present and to act as a director and be counted in the quorum until the end of the meeting if no other director objects and if otherwise a quorum of directors would not be present.

#### **110. DIRECTORS BELOW MINIMUM THROUGH VACANCIES**

The directors can continue to act even if one or more of them stops being a director. But if the number of directors falls below the minimum which applies under these articles (including any change to that minimum number approved by an ordinary resolution of shareholders), the remaining director(s) can only act either:

- (i) to appoint further director(s) to make up the shortfall; or
- (ii) to convene a general meeting for the purpose of appointing extra director(s),

but not for any other purpose. If no director or directors are willing or able to act under this article, any two shareholders can call a general meeting to appoint extra director(s).

#### **111. APPOINTMENT OF CHAIRMAN**

The directors can appoint any director as chairman or as one or more deputy chairman for such periods as the directors decide. If the chairman is at a directors' meeting, he will chair it. In his absence, the chair will be taken by a deputy chairman, if one is present. If more than one deputy chairman is present, the deputy chairman longest in office will take the chair, unless the directors decide otherwise. If there is no chairman or deputy chairman present within five minutes of the time when the directors' meeting is due to start, the directors who are present can choose which one of them will be the chairman of the meeting.

#### **112. COMPETENCE OF MEETINGS**

A directors' meeting at which a quorum is present can exercise all the powers and discretions of the directors.

#### **113. VOTING**

Matters to be decided at a directors' meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting has a second, casting vote.

#### **114. DELEGATION TO COMMITTEES**

- (A) The directors can delegate any of their powers or discretions to committees of one or more persons including one or more non-directors. This includes powers or discretions relating to directors' pay or giving benefits to directors. If the directors have delegated any power or discretion to a committee, any references in these articles to using that power or discretion include its use by the committee. Any committee may consist of any persons selected by the directors and must comply with any regulations laid down by the directors.
- (B) Unless the directors decide not to allow this, any committee can sub-delegate any of its powers or discretions to sub-committees. Reference in these articles to committees include sub-committees permitted under this article.

- (C) If a committee consists of more than one person, the articles which regulate directors' meetings and their procedure will also apply to committee meetings (if they can apply to committee meetings), unless these are inconsistent with any regulations for the committee which have been laid down under this article.
- (D) The ability of the directors to delegate under this article applies to all their powers and discretions and is not limited because certain articles refer to powers and discretions being exercised by committees authorised by directors while other articles do not.

#### **115. PARTICIPATION IN MEETINGS BY TELEPHONE**

All or any of the directors or members of a committee can take part in a meeting of the directors or a committee by way of a conference telephone or any communication equipment which allows everybody to take part in the meeting by being able to hear each of the other people at the meeting and by being able to speak to all of them at the same time. A person taking part in this way will be treated as being present at the meeting and will be entitled to vote and be counted in the quorum. Such meetings will be treated as taking place where most of the participants are or where the chairman of the meeting is if no more than one participant is in each place.

#### **116. RESOLUTION IN WRITING**

Consent to a resolution in writing must be given by all of the directors who at the time are entitled to receive notice of a directors' meeting and who would be entitled to vote on the resolution at a directors' meeting, and who together meet the quorum requirement for directors' meetings. This kind of resolution is just as valid and effective as a resolution passed by those directors at a meeting which is properly called and held. The resolution can be passed using several copies of a document if each document is signed by one or more directors.

#### **117. VALIDITY OF ACTS OF DIRECTORS OR COMMITTEE**

Everything which is done by any directors' meeting, or by a committee of the directors, or by a person acting as a director, or as a member of a committee, will be valid even if it is discovered later that any director, or person acting as a director, or as a member of a committee was not properly appointed. This also applies if it is discovered later that anyone was disqualified from being a director, or had ceased to be a director or was not entitled to vote. In any of these cases, anything done will be as valid as if there was no defect or irregularity of the kind referred to in this article.

#### **118. APPOINTMENT AND REMOVAL OF THE SECRETARY**

- (A) Subject to the legislation, the directors can appoint the secretary for such term and upon such conditions as they see fit.
- (B) The directors can appoint one or more people to be deputy or assistant secretary. Where there is no company secretary or if for any reason he is not capable of doing what is required of him, anything which the legislation requires or allows to be done

by or to the company secretary may be done by or to any deputy or assistant secretary.

- (C) And any person so appointed under this article (including any deputy or assistant secretary) can be removed by the directors, but this does not affect any claim for damages against the company for breach of any contract between him and the company.

#### **119. USE OF SEALS**

- (A) The directors can use all powers given by the legislation relating to seals. This includes the power to have a seal for securities.
- (B) The directors must arrange for every seal of the company to be kept safe.
- (C) A seal can only be used with the authority of the directors or a committee authorised by the directors.
- (D) Subject as otherwise provided in these articles, every document which is sealed using the common seal must be signed by at least one authorised person in the presence of a witness who attests the signature. An authorised person for this purpose is: (i) any director; (ii) the secretary; or (iii) any other person authorised by the directors for the purpose of signing documents to which the seal is applied.
- (E) Any document to which the securities seal is applied need not be signed unless the directors decide otherwise or the legislation requires otherwise.
- (F) The directors can resolve that the requirement for any counter-signature in this article can be dispensed with on any occasion.

#### **120. MINUTES**

The directors must keep minutes of all shareholders' meetings, directors' meetings and meetings of committees of the directors. The minutes must include the names of the directors present. If the minutes appear to be signed by the chairman of the particular meeting or by the chairman of the following meeting, they are sufficient evidence of the facts they contain.

#### **121. DECLARATION OF DIVIDENDS BY THE COMPANY**

The company's shareholders can declare dividends by passing an ordinary resolution. No such dividend can exceed the amount recommended by the directors.

#### **122. PAYMENT OF INTERIM AND FIXED DIVIDENDS BY DIRECTORS**

Subject to the legislation, if the directors consider that the financial position of the company justifies such payments, they can:

- (i) pay the fixed or other dividends on any class of shares on the dates prescribed for the payment of those dividends; and
- (ii) pay interim dividends on shares of any class of any amounts and on any dates and for any periods which they decide.

If the directors act in good faith, they will not be liable for any loss that any shareholders may suffer because a lawful dividend has been paid on other shares which rank equally with or behind their shares.

### **123. CALCULATION AND CURRENCY OF DIVIDENDS**

- (A) All dividends will be divided and paid in proportions based on the amounts which have been paid up on the shares during any period for which the dividend is paid. Sums which have been paid up in advance of calls will not count as paid up for this purpose. If the terms of any share say that it will be entitled to a dividend as if it were a fully paid up, or partly paid up share from a particular date (in the past or future), it will be entitled to a dividend on this basis. This article applies unless these articles, the rights attached to any shares, or the terms of any shares, say otherwise.
- (B) Unless the rights attached to any shares, the terms of any shares or these articles say otherwise, a dividend or any other money payable in respect of a share can be declared or paid in any currency decided by the directors, using an exchange rate selected by the directors for any currency conversions required. Unless the directors otherwise determine in relation to any or all dividend payments, where a dividend is calculated in US dollars such dividend payment shall nevertheless be made in sterling except and to the extent that a shareholder informs the company, in accordance with notification procedures put in place by the company, it wishes to receive payment in US dollars. The directors can also decide how any costs relating to the choice of currency will be met.

### **124. AMOUNTS DUE ON SHARES CAN BE DEDUCTED FROM DIVIDENDS**

If a shareholder owes the company any money for calls on shares or money in any other way relating to his shares, the directors can deduct any of this money from any dividend or other money payable to the shareholder on or in respect of any share held by him. Money deducted in this way can be used to pay amounts owed to the company.

### **125. NO INTEREST ON DIVIDENDS**

Unless the rights attached to any shares, or the terms of any shares say otherwise, no dividend or other sum payable by the company on or in respect of its shares carries a right to interest from the company.

### **126. PAYMENT PROCEDURE**

- (A) Any dividend or other money payable in cash relating to a share can be paid by sending a cheque, warrant or similar financial instrument payable to the shareholder

who is entitled to it at his registered address. Alternatively, it can be sent to someone else named in a written instruction from the shareholder (or all joint shareholders) and to the address specified in that instruction. A dividend can also be paid by inter-bank transfer or by other electronic means (including payment through a relevant system) directly to an account with a bank or other financial institution (or other organisations operating deposit accounts if allowed by the company) in the United Kingdom named in a written instruction from the person entitled to receive the payment under this article. Alternatively, a dividend can be paid in some other way agreed between the shareholder (or all joint shareholders) and the company.

- (B) For joint shareholders or persons jointly entitled to shares by law, payment can be made to the shareholder whose name stands first in the register. The company can rely on a receipt for a dividend or other money paid on shares from any one of the joint shareholders or persons jointly entitled to shares by law on behalf of all of such joint shareholders or persons jointly entitled to shares by law.
- (C) Cheques, warrants and similar financial instruments are sent, and payment in any other way is made, at the risk of the person who is entitled to the money. The company is treated as having paid a dividend if the cheque, warrant or similar financial instrument is cleared or if a payment is made using a relevant system, bank transfer or other electronic means. The company will not be responsible for a payment which is lost or delayed.
- (D) Dividends can be paid to a person who has become entitled to a share by law as if he were the holder of the share.

#### **127. UNCASHED DIVIDENDS**

- (A) The company can stop sending dividend payments through the post, or cease using any other method of payment (including payment through a relevant system), for any dividend if, for two consecutive dividends:
  - (a) the dividend payments sent through the post have been returned undelivered or remain uncashed during the period for which they are valid; or
  - (b) the payments by any other method have failed.
- (B) The company must recommence sending dividend payments if requested in writing by the shareholder, or the person entitled by law to the relevant shares.

#### **128. FORFEITURE OF UNCLAIMED DIVIDENDS**

The directors can invest any dividends or other amounts payable on a share which have not been claimed until the dividends or other amounts are claimed or the directors can use them in any other way for the company's benefit until they are claimed. The company will not be a trustee of the money and will not be liable to pay interest on it. If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will automatically be forfeited and go back to the company.



## **129. DIVIDENDS NOT IN CASH**

If recommended by the directors, the company can pass an ordinary resolution that a dividend or bonus be paid wholly or partly by distributing specific assets (and, in particular, paid up shares, debentures or debenture stock of the company or any other company). Where any difficulty arises on such a distribution, the directors can resolve it as they decide. For example, they can:

- (i) authorise any person to sell and transfer any fractions;
- (ii) ignore any fractions;
- (iii) value assets for distribution purposes;
- (iv) pay cash of a similar value to adjust the rights of shareholders; and/or
- (v) vest any assets in trustees for the benefit of more than one shareholder.

## **130. SCRIP DIVIDENDS**

- (A) The directors can offer ordinary shareholders the right to choose to receive ordinary shares, which are credited as fully paid up, instead of some or all of their cash dividend. Shareholders must authorise the directors to make an offer under this article 130(A) (either before or after the offer is made).
- (i) The ordinary resolution can apply to some or all of a particular dividend or dividends which may be declared or paid in the period up to and including the annual general meeting which is held in the fifth year after the ordinary resolution is passed.
  - (ii) The directors can also offer shareholders the right to request new shares instead of cash for all future dividends (if a share alternative is available), until they tell the company that they no longer wish to receive new shares.
  - (iii) A shareholder will be entitled to ordinary shares whose total “relevant value” is as near as possible to the cash dividend he would have received (disregarding any tax credit), but not more than it. The relevant value of a share is the average value of the company’s ordinary shares for the five dealing days starting from, and including, the day when the shares are first quoted “ex dividend”. This average value is worked out from the market value (as defined by the Listing Rules) of the company’s ordinary shares for the relevant dealing days.
  - (iv) The ordinary resolution can require that the relevant value is worked out in some different way. A certificate or report by the auditors stating the relevant value of a share for any dividend will be conclusive evidence.
  - (v) After the directors have decided to make an offer in respect of a particular dividend, they can notify them in writing of their right to opt for new shares.

This notice should also say how, where and when shareholders must notify the company if they wish to receive new shares. Where shareholders have opted to receive new shares in place of all future dividends, if new shares are available, the company will not need to notify them of a right to opt for new shares. No shareholders will receive a fraction of a share. The directors can decide how to deal with any fractions left over. For example, they can decide that the benefit of these fractions belongs to the company or that fractions are ignored or deal with fractions in some other way.

- (vi) If a notice informing any shareholders of their right to opt for new shares is accidentally not sent or is not received, the offer will not be invalid as a result nor give rise to any claim, suit or action.
- (vii) The directors can exclude or restrict the right to opt for new shares or make any other arrangements where they decide that this is necessary or convenient to deal with any of the following legal or practical problems:
  - (a) problems relating to laws of any territory, or
  - (b) problems relating to the requirements of any recognised regulatory body or stock exchange in any territory,or where the directors believe that for any other reason the right should not be given.
- (viii) If a shareholder has opted to receive new shares, no cash dividend on the shares for which he has opted to receive new shares will be declared or payable ("**elected shares**"). Instead, new ordinary shares will be allotted on the basis set out earlier in this article. To do this, the directors will convert into capital the sum equal to the total amount of the new ordinary shares to be allotted. They will use this sum to pay up in full the appropriate number of new ordinary shares. These will then be allotted and distributed to the holders of the elected shares on the basis set out above. The sum to be converted into capital can be taken from:
  - (a) any amount which is then in any reserve or fund (including the share premium account, any capital redemption reserve and the profit and loss account); or
  - (b) any other sum which is available to be distributed.
- (ix) The new ordinary shares will rank equally in all respects with the existing fully paid up ordinary shares at the time when the new ordinary shares are allotted. However, they will not be entitled to share in the dividend from which they arose, or to have new shares instead of that dividend.
- (x) The directors can decide that new shares will not be available in place of any cash dividend. They can decide this at any time before new shares are

allotted in place of such dividend, whether before or after shareholders have opted to receive new shares.

- (B) The directors can implement and maintain one or more share dividend or distribution reinvestment plans including or instead of offering new shares under article 130(A). The terms and conditions of any plan can be decided by the directors, who can change them if they choose. They can decide to make a plan available to some shareholders only, or to part of the dividends only. It is for the directors to decide to suspend or terminate a plan at any time. The terms of a plan can give shareholders the right to :
- (i) choose to receive new or existing fully paid shares;
  - (ii) subscribe for cash for new or existing issued shares in the company, payable in full or by instalments;
  - (iii) apply cash in paying up in full or by instalments any unpaid or partly paid shares held on the terms of the plan;
  - (iv) forgo a dividend and receive instead fully paid bonus shares; or
  - (v) accept any other option or participate in any other arrangements thought by the directors to be appropriate.
- (C) Article 130(B) is, as regards an offer of new shares instead of a cash dividend, subject to the provisions of article 130(A) and of any ordinary resolution passed under article 130(A).

### **131. POWER TO CAPITALISE RESERVES AND FUNDS**

- (A) If recommended by the directors, the company's shareholders can pass an ordinary resolution to capitalise any sum:
- (i) which is part of any of the company's reserves (including premiums received when any shares were issued, capital redemption reserves or other undistributable reserves); or
  - (ii) which the company is holding as net profits.
- (B) Unless the ordinary resolution states otherwise, the directors will use the sum which is capitalised by setting it aside for any ordinary shareholders on the register at the close of business on the day the resolution is passed (or another date stated in the resolution or fixed as stated in the resolution) and in the same proportions as such ordinary shareholders' entitlement to dividends (or in other proportions stated in the resolution or fixed as stated in the resolution). The sum set aside can be used:
- (i) to pay up some or all of any amount on any issued shares which has not already been called, or paid in advance; or

- (ii) to pay up in full shares, debentures or other securities of the company which would then be allotted and distributed, credited as fully paid, to shareholders.

However, a share premium account, a capital redemption reserve, or any reserve or fund representing unrealised profits, can only be used to pay up in full shares of the company.

- (C) The directors can appoint any person to sign a contract with the company on behalf of those who are entitled to shares, debentures or other securities under the resolution. Such a contract is binding on all concerned.
- (D) Unless the ordinary resolution states otherwise, if the company holds any shares of the relevant class as treasury shares, at the record date specified in the resolution, the company shall be treated as if it were entitled to receive the same dividend on the treasury shares as would have been payable if those treasury shares had been held by someone other than the company.

### **132. SETTLEMENT OF DIFFICULTIES IN DISTRIBUTION**

If any difficulty arises in connection with any distribution of any capitalised reserve or fund, the directors can resolve it in any way which they decide. For example, they can deal with entitlements to fractions by deciding that the benefit of fractions belong to the company or that fractions are ignored or deal with fractions in some other way.

### **133. POWER TO CHOOSE ANY RECORD DATE**

The company or the directors may by resolution specify any date (“**record date**”) as the date at the close of business (or such other time as the directors may determine) on which persons registered as the holders of shares on the register shall be entitled to receive any dividend, distribution, allotment or issue. This will be based on the number of shares registered on the record date. The record date can be before the relevant resolution was passed. The rights attaching to any shares, and the terms of any shares, override this article if they are inconsistent with it. This article does not affect the rights to the dividend, distribution, allotment or issue as between past and present shareholders.

### **134. INSPECTION OF RECORDS**

A shareholder is not entitled to inspect any of the company’s accounting records or other books or papers unless:

- (i) the legislation or a proper court order gives him that right;
- (ii) the directors authorise him to do so; or
- (iii) the shareholders authorise him to do so by ordinary resolution.

### **135. SUMMARY FINANCIAL STATEMENTS**

The company can send summary financial statements to its shareholders instead of copies of its full reports and accounts and for the purposes of this article sending includes sending by electronic means and making available on a web site or sites in accordance with the legislation.

### **136. AUDITORS**

- (A) Auditors will be appointed and their duties will be regulated by the provisions of the Act.
- (B) Subject to the legislation, all acts done by any person acting as auditor shall, as regards all persons dealing in good faith with the company, be valid, even if he was not properly appointed or he was at the time of his appointment not qualified for appointment or subsequently became disqualified.
- (C) Auditors are entitled to attend any general meeting. They will be entitled to be heard at any general meeting on any part of the business of the meeting which concerns them as auditors.

### **137. SERVICE OF NOTICES**

- (A) The company can send, deliver or serve any notice or other document, including a share certificate, to or on a person:
  - (i) personally;
  - (ii) by addressing it to him and posting it to, or leaving it at, the person's registered address;
  - (iii) through a relevant system, where the notice or document relates to uncertificated shares; or
  - (iv) as agreed in writing by the relevant person (or in the case of a person which is a company, deemed to have so agreed under the legislation).

If the directors in their absolute discretion consider it appropriate for any purpose or purposes under these articles, any such notice or document shall be deemed sent, delivered or served where it is sent using electronic means to an address for the time being notified to the company subject to such terms and conditions as the directors in their absolute discretion consider appropriate.

- (B) The company may also send any notice or other document pursuant to these articles to a person by publishing that notice or other document on a website where:
  - (i) the company and that person have agreed (or are deemed to have agreed under the legislation) to his having access to the notice or document on a web

site (instead of such notice or document being sent to him) and that person has not revoked that agreement;

- (ii) the notice or document (as the case may be) is a notice or document to which that agreement applies;
- (iii) a notice is sent to the person, in a manner for the time being agreed for that purpose between him and the company, of:
  - (a) the publication of that notice or document on the web site;
  - (b) the address of the web site;
  - (c) the place on that web site where the notice or document may be accessed; and
  - (d) how to access the document or information; and
- (iv) the notice or document is published on that website throughout the publication period, provided that, if the notice or document is published on that website for a part, but not all of, the publication period, the notice or document shall be treated as being published throughout that period if the failure to publish that notice or document throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid.

In this article 137(B), **publication period** means:

- (i) the period specified by any applicable provision of the legislation; or
  - (ii) if no such period is specified, a period of not less than 28 days, beginning on the date the notice referred to in sub-paragraph (iv) above is sent or deemed to be sent.
- (C) Where there are joint shareholders, the notice or other document can be sent, delivered to or served on the shareholder whose name appears first in the register and will be treated as having been sent, delivered or served to or on all the joint holders.
- (D) Nothing in this article 137 shall affect any requirement of the legislation that any particular offer, notice or document must be served in any particular manner.

### **138. RECORD DATE FOR SERVICE**

Where the company serves or delivers notices or documents to shareholders, it can do so by reference to the shareholders' register as it stands at a time before the date the notice or document is served or delivered. Any change of details on the register after that time will not invalidate the service or delivery and the company is not obliged to serve or deliver the same

notice or document on or to any person entered on the shareholders' register after the date selected by the company.

### **139. SHAREHOLDERS RESIDENT ABROAD**

If a shareholder's address on the register is outside the United Kingdom, he can give the company a United Kingdom postal address to which notices or other documents can be delivered or served on him. If he does, he is entitled to have notices or other documents delivered or served on him at that address. Alternatively, a shareholder whose address on the register is outside the United Kingdom can give the company an address for the purposes of communications by electronic means in which case, at the absolute discretion of the directors, he is entitled to have notices or documents served on, or delivered to, him at that address. Otherwise, he is not entitled to receive any notices from the company.

### **140. SERVICE OF NOTICES ON PERSONS ENTITLED BY TRANSMISSION**

This article applies where a shareholder has died, or become bankrupt or is in liquidation or where someone else has otherwise become entitled by law to that shareholder's shares, but is still registered as a shareholder. It applies whether he is registered as a sole or joint shareholder. A person who is entitled to that shareholder's shares by law and who proves this to the reasonable satisfaction of the directors, can give a United Kingdom postal address for service or delivery of notices and other documents or an address for the purposes of communication by electronic means. If this is done, notices and other documents must be sent to that address (but, in the case of communication by electronic means, only at the absolute discretion of the directors). Otherwise, if any notice or other document is served on or delivered to the shareholder named on the register, or sent to him in accordance with these articles, this will be valid despite his death, bankruptcy or liquidation or the fact that any other event giving rise to an entitlement to the shares by law has occurred. This applies even if the company knew about these things. If notices or other documents are served or delivered in accordance with this article, there is no need to deliver them to, or serve them in any other way, on any other people who can be involved.

### **141. NOTICES TO PREDECESSORS**

Anyone who becomes entitled to a share is bound by any notice in respect of that share which was properly given to a person from whom he derives his title before his name is entered in the register. This does not apply to a direction notice under article 76.

### **142. WHEN NOTICES DEEMED SERVED**

- (A) If a notice or document is sent by the company by post, it is treated as being served or delivered the day after it was posted if sent by first-class post (or, if sent by second-class post, on the second day after posting). In proving that a notice or document was served or delivered, it is sufficient to show that the envelope was properly addressed and put into the postal system with postage paid.
- (B) If a notice or document is left by the company at a shareholder's registered address or at an address notified to the company in accordance with these articles by a

person who is entitled by transmission to a share, it is treated as being served or delivered on the day it was left.

- (C) If a notice is sent through a relevant system, it is treated as being served or delivered when the company, or any relevant system participant acting for the company, sends the issuer-instruction relating to the notice.
- (D) Any notice, document or other information served, sent or supplied by the company using electronic means shall be deemed to have been received on the day on which it was sent notwithstanding that the company subsequently sends a hard copy of such notice, document or information by post. Any notice, document or other information made available on a website shall be deemed to have been received on the day on which the notice, document or other information was first made available on the website or, if later, when a notice of availability is received or deemed to have been received pursuant to this article. In proving that a notice, document or other information served, sent or supplied by electronic means was served, sent or supplied, it shall be sufficient to prove that it was properly addressed.
- (E) If a notice or document is served or delivered by the company by any other means authorised in writing by a shareholder, it is treated as being served or delivered when the company has done what it was authorised to do by that shareholder for service or delivery.
- (F) If on three consecutive occasions any notice, document or other information served on or sent or supplied to a shareholder has been returned undelivered, such shareholder shall not thereafter be entitled to receive notices, documents or other information from the company until he shall have communicated with the company and supplied to the company (or its agent) a new registered address, or a postal address within the United Kingdom for the service of notices and the despatch or supply of documents and other information, or shall have informed the company of an address for the service of notices and the despatch or supply of documents and other information in electronic form. For these purposes, any notice, document or other information sent by post shall be treated as returned undelivered if the notice, document or other information is served, sent or supplied back to the company (or its agents) and a notice, document or other information served, sent or supplied in electronic form shall be treated as returned undelivered if the company (or its agents) receives notification that the notice, document or other information was not delivered to the address to which it was sent.

#### **143. NOTICE WHEN POST NOT AVAILABLE**

If a general meeting cannot be called by sending notices through the post because the postal service in the United Kingdom or some part of the United Kingdom is suspended or restricted, the company need only give notice of a general meeting to those shareholders with whom the company can communicate by electronic means and who have provided the company with an address for this purpose. The directors can call the meeting by publishing a notice in at least one United Kingdom national newspaper. Notice published in this way will



be treated as being properly served on shareholders who are entitled to receive it on the day the advertisement appears. If it becomes practicable to send notices by post again at least six clear days before the meeting, the directors will send a copy of the notice by post to those who were otherwise entitled to receive the notice through the post.

#### **144. PRESUMPTION WHERE DOCUMENTS DESTROYED**

- (A) The company can destroy or delete:
- (i) all transfer forms or Operator-instructions transferring shares, and documents sent to support a transfer, and any other documents which were the basis for making an entry on the register, after six years from the date of registration;
  - (ii) all dividend payment instructions and notifications of a change of address or name, after two years from the date these were recorded;
  - (iii) all cancelled share certificates, after one year from the date they were cancelled;
  - (iv) any instrument of proxy which has been used for the purpose of a poll at any time after a period of one year has elapsed from the date of use; and
  - (v) any instrument of proxy which has not been used for the purpose of a poll at any time after a period of one month has elapsed from the end of the meeting to which the instrument of proxy relates.
- (B) If the company destroys or deletes a document under this article, it is conclusively treated as having been a valid and effective document in accordance with the company's records relating to the document. Any action of the company in dealing with the document in accordance with its terms before it was destroyed or deleted is conclusively treated as having been properly taken.
- (C) This article only applies to documents which are destroyed or deleted in good faith and where the company is not on notice of any claim to which the document may be relevant.
- (D) This article does not make the company liable if:
- (i) it destroys or deletes a document earlier than the time limit referred to in article 144(A);
  - (ii) it does not comply with the conditions in article 144(B); or
  - (iii) the company would not be liable if this article did not exist.
- (E) This article applies whether a document is destroyed or deleted or disposed of in some other way.

#### 145. INDEMNITY OF DIRECTORS

(A) Subject to the provisions of, and as far as may be permitted by, the legislation the company:

- (i) shall indemnify any person who is or was a director of the company (including by funding any expenditure incurred or to be incurred) and the company may (but shall not be obliged) to indemnify any person who is or was a director of any associated company (including by funding any expenditure incurred or to be incurred), and in each case against all costs, charges, loss or liability incurred by such person from time to time, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise in relation to the company of which he is or was a director, including any liabilities incurred by him in defending any regulatory or other proceedings (civil or criminal) in which judgment is given in his favour, he is otherwise not found to be in material breach of his duties or in which he is acquitted or relief is granted by the court;
- (ii) can purchase and maintain insurance against any liability for any director or former director of the company or associated company; and
- (iii) may indemnify a person who is a director of a company which is a trustee of an occupational pension scheme for employees of the company or of an associated body corporate against liability incurred by such director from time to time in connection with the company's activities as a trustee of the scheme,

but this article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that this would cause this article or any part of it, to be void under the legislation.

(B) For the purposes of this article “**associated company**” and “**associated body corporate**” have the same meanings as in section 256 of the Act.

(B) No director shall be accountable to the company or the shareholders for any benefit provided pursuant to these articles. The receipt of such a benefit shall not disqualify any person from being or becoming a director.

(C) No person appointed or employed by the company or any associated company as auditor can benefit from this article.

#### 146. ESTABLISHING THAT DOCUMENTS ARE GENUINE

(A) Any director, or the secretary (including any assistant or deputy secretary), has power to authenticate any of the following things, and to certify copies or extracts from them as true copies or extracts:

- (i) any documents relating to the company's constitution, whether in physical form or electronic form;

- (ii) any resolutions passed by the shareholders or by any class of shareholders, or by the directors or by a committee of the directors, whether in physical form or electronic form; and
  - (iii) any books, documents, records or accounts which relate to the company's business, whether in physical form or electronic form, (including without limitation the accounts).
- (B) The directors can also give this power to others. When any books, documents, records and accounts are not kept at the registered office, the officer of the company who holds them is treated as a person who has been authorised by the directors to authenticate any of them, and to provide certified copies or extracts from them.
- (C) This article 146(C) applies to a document which appears to be a copy of a resolution or an extract from the minutes of any meeting, and which is certified as a copy or extract as described in article 146(A) or 146(B). This document is conclusive evidence for anyone who deals with the company on the strength of the document that:
  - (i) the resolution has been properly passed; or
  - (ii) the minutes or extract are a true and accurate record of the proceedings of a valid meeting.

## **147. LIMITATIONS ON SHAREHOLDINGS BY US HOLDERS**

### **(A) Purpose and interpretation**

- (i) The purpose of this article is to restrict the number of US Holders who hold or have an interest in shares in the capital of the company, so as to enable the company to suspend its obligations under the US Securities Exchange Act of 1934 and to prevent any such obligations from arising again in the future.
- (ii) For the purpose of this article:
  - (a) **interest**, in relation to shares, means any interest which would be taken into account in determining for the purposes of the Disclosure and Transparency Rules (being the rules and regulations made from time to time by the relevant competent authority relating to the disclosure of information by the company) whether a person has a notifiable interest in a share (including any interest which he would be taken as having for those purposes) and interested shall be construed accordingly;
  - (b) **Relevant Shares** means shares in the company (including, without limitation, shares now or at any time represented by American depositary shares or any other securities) which are held by us Holders in any manner described in Rule 12g 3-2(a)(1) of the US Securities

Exchange Act of 1934 (including directly or through or as nominee) or which are deemed pursuant to this article to be so held;

- (c) **Required Disposal** means in relation to any Relevant Shares a disposal or disposals of such shares or interest therein which will result in such shares ceasing to be Relevant Shares;
- (d) **Register of US Holders** means the register which may be maintained in accordance with article 147(D);
- (e) **US Holder** means (1) persons resident in the US who hold shares in the company (including, without limitation, shares now or at any time represented by American depository shares) in any manner described in Rule 12g 3-2(a)(1) of the US Securities Exchange Act of 1934 (including directly or through or as a nominee) and (2) persons who appear, at any time, to the directors to fall within sub-paragraph (1) of this definition of US Holder; and
- (f) **US** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

(B) **Disclosure notices**

- (i) The directors may by notice in writing require any shareholder or other person appearing to be interested or appearing to have been interested in shares in the company to disclose to the company in writing such information as the directors shall require relating to the ownership of or interests in the shares in question as lies within the knowledge of such shareholder or other person (supported if the directors so require by a statutory declaration and/or by independent evidence) including (without prejudice to the generality of the foregoing) any information which the company is entitled to seek pursuant to section 793 of the Act and any information which the directors shall deem necessary or desirable in order to determine whether any shares are Relevant Shares.
- (ii) Whether or not a notice pursuant to article 147(B)(i) has been given, the directors may by notice in writing require any shareholder or other person appearing to be interested or appearing to have been interested in shares in the company to show to the satisfaction of the directors that the shares in question are not Relevant Shares. Any person on whom such a notice has been served and any other person who is interested in such shares may within 14 days of such notice (or such longer period as the directors may consider reasonable) make representations to the directors as to why such shares should not be treated as Relevant Shares but if, after considering any such representations and such other information as seems to them relevant, the directors believe such shares to be Relevant Shares, the directors may

determine that such shares shall be deemed to be Relevant Shares and they shall thereupon be treated as such for all purposes of this article.

- (iii) The directors may give a notice pursuant to article 147(B)(i) or (ii) or both of them at any time and the directors may give one or more than one such notice to the same shareholder or other person in respect of the same shares.

**(C) Notification obligation**

Each shareholder shall notify the company immediately upon becoming aware that any share in which he is interested (i) is or has become a Relevant Share or (ii) has ceased to be a Relevant Share.

**(D) Register of US Holders**

- (i) The directors may, at their absolute discretion, maintain, in addition to the register, a register of US Holders, in which there shall be entered particulars of any shares which are or have been deemed to be Relevant Shares. If a Register of US Holders is kept, the particulars entered in respect of any share may comprise, in addition to the name of the holder, the name of any US Holder interested or who appears to the directors to be interested in such share and, such information as has been supplied to the directors pursuant to article 147(B)(i) or (ii) or otherwise or, if no such information has been supplied, such information as the directors consider appropriate.
- (ii) If a Register of US Holders is kept, the directors may remove particulars of any share if there has been furnished to them a declaration (in such form as the directors may from time to time prescribe) by the holder of such share, together with such other evidence as the directors may require, that satisfies the directors that such share is no longer a Relevant Share.

**(E) Required Disposal**

- (i) The directors may give notice to the holders of any Relevant Shares and, if they so choose, to any other person appearing to them to be interested in such Relevant Shares calling for a Required Disposal of some or all of the Relevant Shares held by him to be made within 21 days or such longer period as the directors consider reasonable. The directors may extend the period in which any such notice is required to be complied with and may withdraw any such notice (whether before or after the expiration of the period referred to) if it appears to them that the shares to which the notice relates are not or are no longer Relevant Shares or in any other circumstances the directors see fit. If the directors are not satisfied that a Required Disposal has been made by the expiry of the 21 day period (as may be extended), no transfer of any of the Relevant Shares to which the notice relates may be made or registered other than a transfer made pursuant to article 147(E)(ii) or unless such notice is withdrawn.

- (ii) If a notice given under article 147(E)(i) has not been complied with in all respects to the satisfaction of the directors or withdrawn, the directors shall, so far as they are able, make a Required Disposal (or procure that a Required Disposal is made) and shall give written notice of such disposal to those persons on whom the notice was served. The holder of the shares duly disposed of and all other persons interested in such shares shall be deemed irrevocably and unconditionally to have authorised the directors to make such Required Disposal. The manner, timing and terms of any such Required Disposal made or sought to be made by the directors (including but not limited to the price or prices at which the same is made and the extent to which assurance is obtained that no transferee is or would become a US Holder) shall be such as the directors determine (based on advice from bankers, brokers, or other persons the directors consider appropriate to be consulted by them for the purpose) to be reasonably obtainable having regard to all the circumstances, including but not limited to the number of shares to be disposed of and any requirement that the disposal be made without delay; and the directors shall not be liable to any person (whether or not a US Holder) for any of the consequences of reliance on such advice.
- (iii) For the purpose of effecting any Required Disposal, the directors may:
  - (a) authorise in writing any officer or employee of the company to execute any necessary transfer on behalf of any holder; and/or
  - (b) convert any share from uncertificated form to certificated form,

and may enter the name of the transferee in the register in respect of the transferred shares notwithstanding the absence of any share certificate and may issue a new certificate to the transferee and an instrument of transfer executed by any officer or employee of the company so authorised by the directors shall be as effective as if it has been executed by the holder of the transferred shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating to the sale. The proceeds of the Required Disposal shall be received by the company or by any person nominated by the company whose receipt shall be a good discharge for the purchase money and shall be paid (without any interest being payable in respect of it and after deduction of any expenses incurred by the directors in the sale) to the former holder (or, in the case of joint holders, the first of them named in the register) upon surrender by him or on his behalf to the company for cancellation of any certificate in respect of the transferred shares.

**(F) Miscellaneous**

- (i) Nothing in this article shall require the directors to assume that any person is a US Holder unless the information contained in the register, the registers kept by the company under the legislation or in the Register of US Holders, appears to the directors to indicate to the contrary or the directors have reason

to believe otherwise, in which circumstances the directors shall make enquiries in good faith to discover whether any person is a US Holder.

- (ii) The directors shall not be obliged to give any notice otherwise required under this article to any person if they do not know either his identity or his address. The absence of such a notice in those circumstances and any accidental error in or failure to give any notice to any person to whom notice is required to be given under this article shall not prevent the implementation of, or invalidate, any procedure under this article.
- (iii) Save as otherwise provided in this article, the provisions of these articles applying to the giving of notice of meetings to shareholders shall apply to the giving of any notice required by this article. Any notice required by this article to be given to a person who is not a shareholder, or who is a shareholder whose registered address is not within the United Kingdom and who has not given to the company an address within the United Kingdom at which notices may be given to him, shall be deemed validly served if it is sent through the post in a pre-paid envelope addressed to that person at the address (or, if more than one, at one of the addresses), if any, at which the directors believe him to be resident or carrying on business or to his last known address as shown in the register. The notice shall in such a case be deemed to have been given on the third day following that on which the envelope containing the same is posted. Proof that the envelope was properly addressed, pre-paid and posted shall be conclusive evidence that the notice was given.
- (iv) Any resolution or determination of, or decision or exercise of any discretion or power by, the directors or any director or by the chairman of any meeting under or pursuant to the provisions of this article (including without prejudice to the generality of the foregoing as to what constitutes enquiries made in good faith or as to the manner, timing and terms of any Required Disposal made by the directors under article 147(E)) shall be final and conclusive; and any disposal or transfer made, or other thing done, by or on behalf of, or on the authority of, the directors or any director pursuant to the foregoing provisions of this article shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. The directors shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this article.
- (v) Neither the company nor the directors shall be liable to indemnify, reimburse or compensate any shareholder in respect of any cost, liability or expense (including, without limitation, any taxes or duties imposed, paid or suffered under the laws of the US, United Kingdom or any other jurisdiction) arising from or by reference to any sale of any Relevant Shares pursuant to article 147(E).

- (vi) Nothing in this article shall constitute the holders of Relevant Shares as a separate class.
- (vii) This article shall apply notwithstanding any provision in any other of these articles which is inconsistent with or contrary to it.

**148. ARBITRATION**

- (A) Unless article 149 applies, all disputes:
  - (i) between a shareholder in that shareholder's capacity as such and the company and/or its directors arising out of or in connection with these articles or otherwise; and/or
  - (ii) to the fullest extent permitted by law, between the company and any of its directors in their capacities as such or as employees of the company, including all claims made by or on behalf of the company against its directors; and/or
  - (iii) between a shareholder in that shareholder's capacity as such and the company's professional service providers; and/or
  - (iv) between the company and the company's professional service providers arising in connection with any claim within the scope of Article 148(A)(iii),  
  
shall be exclusively and finally resolved under the Rules of Arbitration of the International Chamber of Commerce ("ICC") (the "ICC Rules"), as amended from time to time.
- (B) The tribunal shall consist of three arbitrators to be appointed in accordance with the ICC Rules.
- (C) The chairman of the tribunal must have at least 20 years' experience as a lawyer qualified to practise in a common law jurisdiction within the Commonwealth (as constituted on 15 November 2005) and each other arbitrator must have at least 20 years experience as a qualified lawyer.
- (D) The place of arbitration shall be London, England.
- (E) The language of the arbitration shall be English.
- (F) These articles constitute a contract between the company and its shareholders and between the company's shareholders *inter se*. This article 148 (as supplemented from time to time by any agreement to a similar effect between the company and its directors or professional service providers) also contains or evidences an express submission to arbitration by each shareholder, the company, its directors and professional service providers and such submissions shall be treated as a written arbitration agreement under the Arbitration Act 1996 of England and Wales and



Article II of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958).

- (G) Each person to whom article 148 applies hereby waives, to the fullest extent permitted by law: (i) any right under the laws of any jurisdiction to apply to any court of law or other judicial authority to determine any preliminary point of law, and/or (ii) any right he or she may otherwise have under the laws of any jurisdiction to appeal or otherwise challenge the award, ruling or decision of the tribunal.

#### **149. EXCLUSIVE JURISDICTION**

(A) This article 149 shall apply to:

- (i) a dispute (which would otherwise be subject to article 148) in any jurisdiction if a court in that jurisdiction determines that article 148 is invalid or unenforceable in relation to that dispute in that jurisdiction; and
- (ii) any derivative claim under the Act.

(B) For the purposes of article 149(A), court shall mean any court of competent jurisdiction or other competent authority including for the avoidance of doubt, a court or authority in any jurisdiction which is not a signatory to the New York Convention.

(C) Any proceeding, suit or action:

- (i) between a shareholder in that shareholder's capacity as such and the company and/or its directors arising out of or in connection with these articles or otherwise; and/or
- (ii) to the fullest extent permitted by law, between the company and any of its directors in their capacities as such or as employees of the company, including all claims made by or on behalf of the company against its directors; and/or
- (iii) between a shareholder in that shareholder's capacity as such and the company's professional service providers; and/or
- (iv) between the company and the company's professional service providers arising in connection with any claim within the scope of Article 149(C)(iii),

may only be brought in the courts of England and Wales.

Damages alone may not be an adequate remedy for any breach of this article, so that in the event of a breach or anticipated breach, the remedies of injunction and/or an order for specific performance would in appropriate circumstances be available.

## **150. GENERAL DISPUTE RESOLUTION PROVISIONS**

- (A) For the purposes of articles 148 and 149, a “dispute” shall mean any dispute, controversy or claim, other than:
- (i) any dispute, controversy or claim relating to any failure or alleged failure by the company to pay all or part of a dividend which has been declared and which has fallen due for payment; and
  - (ii) in the case of article 148 only, any derivative claim under the Act.
- (B) The governing law of these articles, including the submissions to arbitration and written arbitration agreement contained in or evidenced by article 149, is the substantive law of England.
- (C) The company shall be entitled to enforce articles 148 and 149 for its own benefit, and that of its directors, subsidiary undertakings and professional service providers.
- (D) References in articles 148 and 149 to:
- (i) “company” shall be read so as to include each and any of the company’s subsidiary undertakings from time to time; and
  - (ii) “director” shall be read so as to include each and any director of the company from time to time in his or her capacity as such or as employee of the company and shall include any former director of the company; and
  - (iii) “professional service providers” shall be read so as to include the company’s auditors, legal counsel, bankers, ADR depositaries and any other similar professional service providers in their capacity as such from time to time but only if and to the extent such person has agreed with the company in writing to be bound by article 148 and/or 149 (or has otherwise agreed to submit disputes to arbitration and/or exclusive jurisdiction in a materially similar way).

## **151. OVERSEAS SHAREHOLDERS**

- (A) In connection with the Demerger, if, in respect of any holder of B Shares with a registered address outside the United Kingdom or whom the company reasonably believes is a citizen, resident or national of a jurisdiction outside the United Kingdom, the company is advised that the allotment and issue of Cable & Wireless Worldwide Shares pursuant to the Demerger would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require the company or Cable & Wireless Worldwide plc to observe any governmental or other consent or any registration, filing or other formality with which the company or Cable & Wireless Worldwide plc cannot comply or compliance with which the company or Cable & Wireless Worldwide plc considers unduly onerous, the company shall (unless such shareholder satisfies the company that no such infringement or requirement would apply) be entitled to appoint any person to execute as transferor an instrument of

transfer transferring, prior to the Reduction of Capital Record Time, the B Shares and ordinary shares held by such holder to a nominee to hold such shares on trust for that holder, on terms that the nominee shall, subject to article 151(B) below:

- (i) sell such shares prior to the Demerger Effective Time; or
- (ii) if it does not sell such shares, sell the Cable & Wireless Worldwide Shares, if any, that it receives pursuant to the Demerger as soon as practicable following the Demerger Effective Time;

in each case at the best price which can reasonably be obtained at the time of sale and that the proceeds of such sale (net of the expenses of sale including commissions and value added tax) shall be paid to such shareholder by delivering a cheque to, or arranging for the creation of a payment obligation in favour of the payment bank of the holders of such shares in accordance with the CREST payment arrangement (as set out in the CREST Manual), provided that the company reserves the right (if, for any reason, it wishes to do so) to settle all or part of the consideration.

- (B) The instrument of transfer executed by an appointee of the company pursuant to article 151(A) above shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to the B Shares to which such instrument relates and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto.
- (C) Any sale pursuant to article 151(A)(ii) above will be delayed until after the admission of the Cable & Wireless Worldwide Shares to the Official List of the Financial Services Authority acting in its capacity as United Kingdom Listing Authority and to trading on the London Stock Exchange plc's market for listed securities.
- (D) In the absence of bad faith or wilful default, neither the company, Cable & Wireless Worldwide plc nor any nominee appointed by the company pursuant to article 151(A) above shall be responsible for any loss or damage to any person arising from any transaction pursuant to this article 151 or for any alleged insufficiencies of the terms or the timing of such sale.
- (E) In the case of any ordinary shares held in uncertificated form through CREST, the provisions of article 151(A) above are subject to any restrictions applicable under the Uncertificated Securities Regulations 2001.
- (F) For the purposes of this article 151, the following terms shall have the following meanings:

**"Cable & Wireless Worldwide Shares"** has the meaning given to it in article 7 above;

**"CREST"** means the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001, as amended;

**"CREST Manual"** means the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear;

**"Demerger"** means the proposed demerger of Cable & Wireless plc as described in the Circular (as defined in article 7 above);

**"Demerger Effective Time"** means the time at which the Demerger becomes effective;

**"Euroclear"** means Euroclear UK and Ireland Limited; and

**"Reduction of Capital Record Time"** has the meaning given to it in article 7 above.

## GLOSSARY

### About the Glossary

This Glossary is to help readers understand the company's articles. Words are explained as they are used in the articles – they might mean different things in other documents. This Glossary is not legally part of the articles, and it does not affect their meaning. The definitions are intended to be a general guide – they are not precise. Words and expressions which are printed in italics in a definition have their own general explanation of their meaning which is contained in this Glossary.

abrogate	If the <i>special rights</i> of a share are abrogated, they are cancelled or withdrawn.
adjourn	Where a meeting breaks up, to be continued at a later time or day, at the same or a different place.
allot	When new shares are allotted, they are set aside for the person they are intended for. This will normally be after the person has agreed to pay for a new share or has become entitled to a new share for any other reason. As soon as a share is allotted, that person has the right to have his name put on the register of shareholders. When he has been registered, the share has also been <i>issued</i> .
asset	Anything which is of any value to its owner.
attorney	An attorney is a person who has been appointed to act for another person. The person is appointed by a formal document, called a " <i>power of attorney</i> ".
beneficial interest	The person to whom something really belongs has the beneficial interest in it. This person may not be the registered (or legal) owner of the thing. For example, if a parent holds shares for their child, the child is the beneficial owner, and the parent is the legal owner. See also " <i>trustees</i> ".
brokerage	Commission which is paid to a broker by a company issuing shares where the broker's clients have applied for shares.
call	A call to pay money which is due on shares which has not yet been paid. This happens if the company issues shares which are partly paid, where money remains to be paid to the company for the shares. The money which has not been paid can be "called" for. If all the money to be paid on a share has been paid, the share is called a " <i>fully paid share</i> ".

capitalise	To convert some or all of the reserves of a company into capital (such as shares).
capital redemption reserve	A reserve which a company may have set up to maintain the level of its capital base when shares are redeemed or bought back.
certificated form	A shareholder holds a share or other security in certificated form if it is not able to be held in uncertificated form or, if it is able to be held in <i>uncertificated form</i> but that shareholder has requested that a certificate be issued for that share or other security. (See also <i>uncertificated form</i> ).
company representative	If a corporation owns shares, it can appoint company representatives to attend a shareholder's meeting to speak and vote for it.
consolidate	When shares are consolidated, they are combined with other shares – for example, four 25p shares might be consolidated into one new £1 share.
debenture	A typical debenture is a long-term borrowing by a company. The loan usually has to be repaid at a fixed date in the future and carries a fixed rate of interest.
declare	Generally, when a dividend is declared, it becomes due to be paid.
electronic form	A document or information is sent or supplied in electronic form if it is sent or supplied by <i>electronic means</i> or some other system but while in electronic form. It includes fax communications, electronic mail and also sending a computer disc by post.
electronic means	A document or information is sent or supplied by electronic means if it is sent and initially received by electronic equipment for the processing or storage of data and is entirely transmitted, conveyed and received by a telecommunications system or otherwise by wire, radio, optical or other electromagnetic means.
entitled to a share by law	In some situations, a person will be entitled to have shares which are registered in somebody else's name registered in his own name or to require the shares to be transferred to another person. When a shareholder dies, or the sole survivor of joint shareholders dies, his personal representatives have this right. If a shareholder is made

bankrupt, his trustee in bankruptcy has the right.

equity securities

For section 561 of the Act this means all the shares of a company except:

- (a) shares which only have a limited right to share in the company's income or assets;
- (b) shares held as a result of share schemes for employees
- (c) some shares held by the founders of the company; and
- (d) bonus shares issued when the company *capitalises reserves*.

Also included are securities which can be converted into such shares, or which allow their holder to *subscribe* for such shares.

ex-dividend

Once a share has gone ex-dividend, a person who buys the share in the market will not be entitled to the dividend which has been *declared* shortly before it was bought. The seller remains entitled to this dividend even though it will be paid after he has sold his share.

executed

A document is executed when it is signed or sealed or made valid in some other way.

exercise

When a power is exercised, it is used.

forfeit and forfeiture

When a share is forfeited it is taken away from the shareholder and goes back to the company. This process is called "forfeiture". This can happen if a call on a partly paid share is not paid on time.

fully paid shares

When all of the money or other property which is due to the company for a share has been paid or received, a share is called a "fully paid share".

general meeting

A meeting of the shareholders.

good title

If a person has a good title to a share, he owns it outright.

indemnity and indemnify

If a person gives another person an indemnity, he promises to make good any losses or damage which the other might suffer. The person who gives the indemnity is said to

	“indemnify” the other person.
in issue	See <i>issue</i> .
instruments	Formal legal documents.
issue	When a share has been issued, everything has been done by a company to make the shareholder the owner of the share. In particular, the shareholder’s name has been put on the register. Existing shares which have been issued are called “ <i>in issue</i> ”.
liabilities	Debts and other obligations.
lien	A lien will arise over shares where there are outstanding monies owed to the company by the shareholder. Where the company has a lien over shares, it can take the dividends, and any other payments relating to the shares which it has a lien over, or it can sell the shares, to repay the debt and so on.
members	Shareholders.
nominal amount or nominal value	The amount of the share shown in a company’s account. The nominal value of the company’s ordinary shares is 25p. This amount is shown on the share certificate for a share. When a company issues new shares this can be for a price which is at a premium to the nominal value. When shares are bought and sold on the stock market this can be for more, or less, than the nominal value. The nominal value is sometimes also called the “par value”.
office copy	An extract of an official document, supplied by the office which holds, or issued, the original.
officer	The term officer includes (subject to the provisions of the articles) a director, secretary, any employee who reports directly to a director or any other person who the directors decide should be an officer.
Operator	A person approved by the Treasury under the Uncertificated Securities Regulations as operator of a <i>relevant system</i> .
operator-instruction	A properly authenticated instruction sent by or on behalf of an operator and sent or received by means of a <i>relevant system</i> .
ordinary resolution	A decision reached by a simple majority of votes – that is by



more than 50 per cent of the votes cast.

partly paid shares	If any money remains to be paid on a share, it is said to be partly paid. The unpaid money can be “ <i>called</i> ” for.
personal representatives	A person who is entitled to deal with the property (the “estate”) of a person who has died. If the person who has died left a valid will, the will appoints “executors” who are personal representatives. If the person died without a will, the courts will appoint one or more “administrators” to be the personal representatives.
poll	On a vote taken on a poll, the number of votes which a shareholder has will depend on the number of shares which he owns. An ordinary shareholder has one vote for each share he owns. A poll vote is different to a vote taken on a show of hands, where each person who attends a general meeting and is entitled to vote has just one vote, however many shares he owns.
power of attorney	A formal document which legally appoints one or more persons to act on behalf of another person.
pre-emption rights	The right of some shareholders which is given by the legislation to be offered a proportion of certain classes of newly issued shares and other securities before they are offered to anyone else. This offer must be made on terms which are at least as favourable as the terms offered to anyone else.
premium	If a company issues a new share for more than its <i>nominal value</i> , the amount above the nominal value is the premium.
proxy	A proxy is a person who is appointed by a shareholder to attend a meeting and vote for that shareholder. A proxy is appointed by using a <i>proxy form</i> , which may be electronic. A proxy does not have to be a shareholder. A proxy can exercise all the powers of the shareholder who appointed him in respect of the shares he represents.
proxy form	A form (including an electronic form) which a shareholder uses to appoint a <i>proxy</i> to attend a meeting and vote for him. The proxy forms are sent out by the company and must be returned to the company before the meeting to which they relate.
quorum	The minimum number of shareholders or directors who must be present before a shareholders’ or, as appropriate,

directors' meeting can start. When this number is reached, the meeting is said to be "quorate".

rank	When either capital or income is distributed to shareholders, it is paid out according to the rank (or ranking) of the shares. For example, a share which ranks ahead of (or above) another share in sharing in a company's income is entitled to have its dividends paid first, before any dividends are paid on shares which rank below (or after) it. If there is not enough income to pay dividends on all shares, the available income must be used first to pay dividends on shares which rank first, and then to shares which rank next. The same applies for repayments of capital. Capital must be paid first to shares which rank first in sharing in the company's capital, and then to shares which rank next. A company's preference shares (if it has any) generally rank ahead of its ordinary shares.
recognised investment exchange	An investment exchange which has been officially recognised by the UK authorities. An investment exchange is a place where investments, such as shares, are traded. The London Stock Exchange is a recognised investment exchange.
redeem, redemption and redeemable	When a share is redeemed, it goes back to the company in return for a sum of money which was fixed (or calculated from a formula fixed) before the share was issued. This process is called "redemption". A share which can be redeemed is called a "redeemable" share.
relevant system	This is a term used in the legislation for a computer system which allows shares without share certificates to be transferred without using transfer forms. The CREST system for paperless share dealing is a "relevant system".
renounces and renunciation	Where a share has been allotted, but nobody has been entered on the share register for the share, it can be renounced to another person. This transfers the right to have the share registered to another person. This process is called "renunciation".
requisition	A formal process which shareholders can use to call a meeting of shareholders. Generally speaking the shareholders who want to call a meeting must hold at least 10 per cent of issued shares.
reserve fund	A fund which has been set aside in the accounts of a company – profits which are not paid out to shareholders as dividends, or used up in some other way are held in reserve

	by the company.
retire by rotation	At every annual general meeting a proportion of the directors retires in turn. This gives the shareholders the chance to confirm or renew their appointments by voting on whether to re-elect them.
revoke	To withdraw or cancel.
rights issue	A way by which companies raise extra share capital. Usually the existing shareholders will be offered the chance to buy a certain number of new shares depending on how many they already have. For example, shareholders may be offered the chance to buy one new share for every four they already have.
share premium account	If a new share is issued by a company for more than its nominal value, the amount above the <i>nominal value</i> is the <i>premium</i> and the total of these premiums is held in a <i>reserve fund</i> (which cannot be used to pay dividends) called the share premium account.
show of hands	A vote where each person who is entitled to vote has just one vote, however many shares he holds.
special notice	If special notice of a resolution is required by the legislation, the resolution is not valid unless the company has been told about the intention to propose it at least 28 days before the meeting at which it is proposed.
special resolution	A decision reached by a majority of at least 75 per cent of votes cast.
special rights	These are the rights of a particular class of shares as distinct from rights which apply to all shares generally. Typical examples of special rights are: where the shares rank; their rights to sharing in income and assets; and voting rights.
stamped	The payment of stamp duty, where this is required.
statutory declaration	A formal way of declaring something in writing. Particular words and formalities must be used – these are laid down by the Statutory Declarations Act of 1835.
subdivide	When shares are subdivided they are split into shares which have a smaller nominal amount. For example, a £1 share might be subdivided into four 25p shares.

subject to	Means that something else has priority, or prevails, or must be taken into account. When a statement is subject to something this means that the statement must be read in the light of that other thing, which will prevail if there is any conflict.
subscribe for shares	To agree to take new shares in a company (usually for a cash payment).
subscribers	The people who first buy the shares.
subsidiary	A company which is controlled by another company (for example, because the other company owns a majority of its shares) is called a subsidiary of that company.
subsidiary undertaking	This is a term used by the legislation. It has a wider meaning than subsidiary. Generally speaking, it is a company which is controlled by another company because the other company: <p>has a majority of the votes in the company, either alone or acting with others;</p> <p>is a shareholder who can appoint or remove a majority of the directors; or</p> <p>can exercise dominant influence over the company because of anything in the company's articles or because of a certain kind of contract.</p>
trustees	People who hold property of any kind for the benefit of one or more other people under a kind of arrangement which the law treats as a "trust".
uncertificated form	A share or other security is held in uncertificated form if no certificate has been issued for it. A share or other security held in uncertificated form is eligible for settlement in CREST or any other relevant system.
underwriting	A person who agrees to buy new shares if they are not bought by other people underwrites the share offer.
warrant or dividend warrant	Similar to a cheque for a dividend.
website publication	Making a notice or other document available to a person (instead of sending a copy of that notice or document to that person) by publishing the notice or other document on a website and sending a notice of availability to that person.

wind up

The formal process to put an end to a company. When a company is wound up, its *assets* are distributed. The assets go first to creditors who have supplied property and services and then to shareholders. Shares which *rank* above other shares in sharing in the company's *assets* will receive any funds which are left over before any shares which rank after (or below) them.