

THE COMPANIES ACT 1985

AND

THE COMPANIES ACT 1989

A Public Company Limited by Shares

**MEMORANDUM**

(as amended by Special Resolution passed on 20 June 2006)

**and**

**ARTICLES OF ASSOCIATION**

(Adopted by Special Resolution passed on 20 June 2006)

**of**

**AURELIAN OIL & GAS PLC**

Company No. 1685863

THE COMPANIES ACT 1985

AND

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A Public Company Limited by Shares

MEMORANDUM OF ASSOCIATION

of

**AURELIAN OIL & GAS PLC**

(Amended by Special Resolution passed on 20 June 2006)

Company No. 1685863

1. The Company's name is 'AURELIAN OIL & GAS PLC'.

2. The Company is a public company.

3. The Company's Registered Office is to be situated in England and Wales.

4. The Company's objects are:-

- (A) (i) to prospect and explore for petroleum and other oils, gas and other substances or products; to drill for, remove, produce, own, use, store, transport, refine, distil, process, prepare for market, sell and otherwise dispose of petroleum, other oils, bitumens, bituminous substances of all kinds, vegetable substances and gases and all products, by-products, derivatives and residual products of hydrocarbons and to engage in any trades, businesses and occupations necessary or incidental thereto;
- (ii) to purchase, take, lease or otherwise acquire, own, use, and maintain, and to sell, convey, mortgage, pledge, lease as lessor and dispose of oil, gas and minerals, lands, lands and real estate of all kinds, and oil, gas and mineral rights and interests in lands; to produce therefrom oil, gas, elements, deposits and substances of all kinds including solids, liquids and to develop and exploit said lands, rights and interests; to develop such lands, rights and interests by, and to enter into and execute contracts for the drilling of wells and the installation of plant, machinery and equipment, and to dispose of products therefrom either as a raw product or otherwise; to refine and produce products, to prepare said products for market and to manufacture, from said products any and all marketable commodities; and to take oil concessions;
- (iii) to carry on the business of consultants in the oil extraction and exploration industry and every aspect of oil, gas, metals, and to act as specialists, consultants and advisers in regard to planning and marketing any schemes, designs, plans, products, and projects generally or for augmenting output or productivity;
- (iv) to provide services to others to explore for, drill for, extract, treat store or transfer hydrocarbons or derivatives of hydrocarbons;
- (v) to trade and broker oils and gases, and any derivative or by product of hydrocarbons; and
- (vi) to join with others as joint venture partners or in any other commercial arrangement of mutual advantage to carry out and achieve the above objects;
- (B) to carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with the objects specified in Sub-Clause (A) hereof or

calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company;

- (C) to purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest in any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof;
- (D) to erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, shops, stores, factories, buildings, works, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above;
- (E) to borrow or raise or secure the payment of money in such manner as the Company shall think fit for the purposes of or in connection with the Company's business, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society;
- (F) for the purposes of or in connection with the business of the Company to mortgage and charge the undertaking and all or any of the real and personal property and assets, present and future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as maybe thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurances. To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose businesses or undertakings the Company is interested, whether directly or indirectly;
- (G) to receive money on deposit or loan upon such terms as the Company may approve;
- (H) to lend money to any Company, firm or person and to give all kinds of indemnities and either with or without the Company receiving any consideration or advantage, direct or indirect, for giving any such guarantee, and whether or not such guarantee is given in connection with or pursuant to the attainment of the objects herein stated to guarantee either by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets present and future and uncalled capital of the Company or by both such methods, the performance of the obligations and the payment of the capital or principal (together with any premium) of and dividends or interest on any debenture,

stocks, shares or other securities of any Company, firm or person and in particular (but without limiting the generality of the foregoing) any Company which is for the time being the Company's holding or subsidiary Company or otherwise associated with the Company in business;

- (I) to establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, or emolument to any persons who are or were at any time in the employment or service of the Company, or of any Company which is for the time being the Company's holding or subsidiary Company or otherwise associated with the Company in business or who are or were at any time directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other Company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object; and to establish, set up, support and maintain share purchase schemes or profit sharing schemes for the benefit of any employees of the Company, or of any Company which is for the time being the Company's holding or subsidiary Company and to do any of the matters aforesaid either alone or in conjunction with any such other Company as aforesaid;
- (J) to draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments;
- (K) to invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined;
- (L) to pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine;
- (M) to accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any Company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any Company or corporation, or

partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.

- (N) to enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any Company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such Company, and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such Company;
- (O) to establish or promote or concur in establishing or promoting any other Company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company, and to acquire and hold or dispose of shares, stock or securities and guarantee the payment of dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such Company;
- (P) to purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or Company carrying on any business which this Company is authorised to carry on or possessed of property suitable for the purposes of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company;
- (Q) to sell, improve, manage, develop, turn to account, exchange, let on rent, grant royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit;
- (R) to amalgamate with any other Company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other Company as aforesaid, with or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other Company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner;
- (S) to subscribe for, purchase or otherwise acquire, and hold shares, stock, debentures or other securities of any other Company;
- (T) to distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;

- (U) to give such financial assistance directly or indirectly for the purpose of the acquisition of shares in the Company or the Company's holding Company or for the purpose of reducing or discharging any liability incurred by any person for the purpose of the acquisition of shares in the Company or the Company's holding Company as may be lawful;
- (V) to do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub contractors or otherwise; and
- (W) to do all such things as are incidental or conducive to the above objects or any of them.

and it is hereby declared that, save as otherwise expressly provided, each of the paragraphs of this Clause shall be regarded as specifying separate and independent objects and accordingly shall not be in anywise limited by reference to or inference from any other paragraph or the name of the Company and the provisions of each such paragraph shall, save as aforesaid, be carried out in as full and ample a manner and construed in as wide a sense as if each of the paragraphs defined the objects of a separate and distinct Company.

5. The liability of the Members is limited.
6. The Company's share capital is £30,000,000 divided into 600,000,000 shares of 0.05 each.

THE COMPANIES ACT 1985

AND

THE COMPANIES ACT 1989

A Public Company Limited by Shares

ARTICLES OF ASSOCIATION

of

**AURELIAN OIL & GAS PLC**

(Adopted by Special Resolution passed on 20 June 2006)

Company No. 1685863

## **1 Preliminary**

### **1.1 Definitions**

In these articles, unless the context otherwise requires, expressions defined in the Companies Act 1985 shall bear the meanings so defined and the words standing in the first column of the following table shall bear the meanings set opposite to them respectively in the second column:

1.1.1 **Communication** means the same as in the Electronic Communications Act 2000;

1.1.2 **Electronic Communication** means the same as in the Electronic Communications Act 2000;

#### **1.1.3 In writing**

Written or produced by any substitute for writing in a legible form and non-transitory form, including photocopies, printing or facsimile or other visual representation, or partly written and partly so produced;

#### **1.1.4 Member**

Member of the Company;

#### **1.1.5 Month**

Calendar month;

#### **1.1.6 Paid up**

Paid up or credited as paid up;

#### **1.1.7 The Act**

The Companies Act 1985 as amended from time to time;

#### **1.1.8 The Company**

Aurelian Oil & Gas PLC;

#### **1.1.9 The directors**

The directors of the Company or their alternates present at a duly convened meeting of directors at which a quorum is present;

#### **1.1.10 The office**

The registered office for the time being of the Company;

#### **1.1.11 The register**

The register of members of the Company;

#### **1.1.12 The seal**

The common seal of the Company;

#### **1.1.13 The Statutes**

The Act, the Uncertificated Securities Regulations 2001 and every other statute for the time being in force concerning companies and affecting the Company;

#### **1.1.14 The United Kingdom**

Great Britain and Northern Ireland;

#### **1.1.15 These articles**

These articles of association as from time to time altered or added to by special resolution;

#### **1.1.16 Year**

Calendar year.

### **1.2 Interpretation**

1.2.1 words importing the singular only shall include the plural and vice versa; and

1.2.2 words importing the masculine gender only shall include the feminine gender; and

1.2.3 words importing persons shall include corporations, the expressions 'debenture' and 'debenture holder' shall include debenture stock and debenture stockholder, and the expression 'secretary' shall include a temporary or assistant secretary and any person appointed by the directors to perform any of the duties of the secretary;

1.2.4 references in these articles to the Act or any provision of the Act shall, where the context so admits, be construed as a reference to the relevant provision as modified by any enactment for the time being in force;

1.2.5 the headings are inserted for convenience only and shall not affect the construction of these articles.

### **1.3 Non-application of Table A**

The regulations in Table A in the Schedule to Companies (Tables A to F) Regulations 1985 shall not apply to the Company, except in so far as the same are repeated or contained in these articles.

## 2 Share capital

- 2.1 The authorised share capital of the Company as at the date of adoption of these articles is £30,000,000 divided into six hundred million (600,000,000) ordinary shares of 5p each.
- 2.2 The Company may, pursuant to Section 97 of the Act, pay commission and brokerage at a rate not exceeding 10% of the price at which the shares are issued.
- 2.3 Except as authorised or required by law or by these articles, no person shall be recognised by the Company as holding any share on any trust, and the Company shall not be bound by or recognise (even when having notice of it) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as provided by these articles or by law) any other rights in respect of any share except an absolute right to the entirety of the share in the registered holder.
- 2.4 Subject to the provisions of the Statutes and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.
- 2.5 Subject to the provisions of the Statutes, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the articles.
- 2.6 All unissued shares shall (if and to the extent authorised or permitted by the Statutes, these articles and any resolution of the Company pursuant thereto) be at the disposal of the directors, who may (subject to the provisions of the Statutes, these articles and any such resolution):-
- 2.6.1 allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of the same to such persons, at such times and generally on such terms as they think proper; and
- 2.6.2 issue the same with such rights and privileges attached thereto and subject to such restrictions as they may determine and, in particular, such shares may be issued with a preferential, qualified or deferred right to dividends and/or in the distribution of assets of the Company and with or without any right of voting (whether special or not) and any shareholding may be issued on terms that it is to be redeemed or liable to be redeemed at the option of the Company or the shareholder and the terms on and the manner in which redemption of the same may be effected, may be determined by the directors.
- 2.7 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 125 of the Act and whether or not the Company is being wound up, be

varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these articles relating to general meetings shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum is not present, the holders present shall form a quorum), and any holder of shares of the class present in person or by proxy may demand a poll.

- 2.8 The rights attached to any class shall not (unless otherwise provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking as regards participation in profits or assets of the Company in some or all respects *pari passu* with that class but in no respect in priority thereto, or the purchase by the Company of any of its own shares.
- 2.9 Every person whose name is entered as a member in the register shall be entitled without payment, to one certificate for all his shares of each class, but in the case of shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
- 2.10 A member who has transferred part of the shares registered in his name shall be entitled to a certificate for the balance without charge.
- 2.11 Subject to the provisions of the Statutes, the Company may purchase its own shares (including any redeemable shares), but shall not, except as authorised in accordance with the Statutes, give any financial assistance for the purpose of an acquisition of its shares, or of reducing or discharging a liability incurred for that purpose.

### **3 Lien**

- 3.1 The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all sums (whether currently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares (other than fully-paid shares) standing registered in the name of a single person for all sums payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all distributions attributable to that share.
- 3.2 The Company may sell in such manner as the directors think fit any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is payable, or until the expiration of 14 clear days after a notice in writing, stating and demanding payment of the sum payable, has been given to the registered holder for the time being of the share, or the person entitled to the share by reason of his death or bankruptcy.

- 3.3 To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 3.4 The net proceeds of the sale shall be applied in payment of so much of the sum for which the lien exists as is payable, and any residue shall be held (subject to a like lien for sums not currently payable as existed upon the shares prior to the sale) by the Company on behalf of the person entitled to the shares at the date of the sale, but subject to surrender to the Company for cancellation of the certificate for the shares sold.

#### **4 Calls on shares**

- 4.1 Subject to the terms of allotment, the directors may from time to time make calls upon the members in respect of any sums unpaid on their shares, and each member shall (subject to receiving at least 14 clear days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on his shares. A call shall be deemed to have been made at the time when the resolution of the directors making the call was passed.
- 4.2 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
- 4.3 If a call is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest upon the amount unpaid at such rate from the day appointed for the payment to the time of the actual payment, as the directors shall from time to time determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call, but the directors shall be at liberty to waive payment of such interest, cost, charges and expenses, wholly or in part.
- 4.4 The provisions of these articles as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the amount of the share, or by way of premium, as if it had become payable by virtue of a call duly made and notified.
- 4.5 Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.
- 4.6 No member shall be entitled to receive any dividend, or (save as proxy for another member) to be present or vote at any general meeting, either personally or by proxy, or to exercise any privilege as a member, or be reckoned in a quorum in respect of any share held by him (whether alone or jointly

with any other person) if and so long as he shall have defaulted in payment of any call or other sum for the time being due and payable on such share or any interest or expenses (if any) payable in connection therewith. If the rights of a member are suspended, notice of the suspension shall be given to the person who was the holder of the share or (as the case may be) the person entitled to the share by transmission, and an entry that notice of the suspension has been given, with the relevant date, shall be made in the register of members; but no suspension shall be invalidated by any omission to give notice or make such entry.

## **5 Transfer and transmission of shares**

- 5.1 Subject to the provisions contained in this article a member may transfer all or any of his shares in any manner which is permitted by the Statutes and is from time to time approved by the directors.
- 5.2 Any member may hold and the Company shall register the transfer of any shares held in uncertificated form in any manner which is permitted by the Statutes.
- 5.3 The directors may, in their absolute discretion and without giving any reason for its decision, refuse to register any transfer of an uncertificated share where permitted by the Statutes.
- 5.4 An instrument of transfer of a certificated share may be in any common form or in any other form which the directors may approve, and shall be signed by or on behalf of the transferor and (unless the share is fully paid) the transferee.
- 5.5 The directors may decline to register any transfer of a certificated share which is not fully paid without assigning any reason, and may also decline to register any transfer of any certificated share on which the Company has a lien. The directors may suspend the registration of transfers for such periods (not exceeding 30 days in any year) as they may determine. The directors may decline to recognise any instrument of transfer of a certificated share unless:
  - 5.5.1 the instrument of transfer is duly stamped and accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
  - 5.5.2 it relates only to one class of shares; and
  - 5.5.3 it is in favour of fewer than five transferees.
- 5.6 If the directors refuse to register a transfer of a share they shall within two months after the date on which the instrument of transfer was lodged with the Company or the operator instruction was received send to the transferee notice of the refusal.

- 5.7 The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members as the holder of that share.
- 5.8 No fee shall be charged for registration of a transfer or other document or instruction relating to or affecting the title to any share.
- 5.9 Nothing in these articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- 5.10 The personal representatives of a deceased sole holder of a share shall be the only persons recognised by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the personal representatives of a deceased last survivor, shall be the only persons recognised by the Company as having any title to the share, but nothing herein shall release the estate of a deceased holder, whether sole or joint, from any liability in respect of any share solely or jointly held by him.
- 5.11 A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share, or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt member could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt before the death or bankruptcy.
- 5.12 A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to receive and give a discharge for any dividend or other moneys payable in respect of the share, but he shall have no right to receive notice or to attend or vote at meetings of the Company or of any class of its members or (save as aforesaid) to any of the rights or privileges of a member in respect of the share, unless and until he shall be registered as the holder thereof. Provided always that the directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if within ninety days the notice is not complied with, the directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

## **6 Forfeiture of shares**

- 6.1 If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest and any costs charges and expenses which the Company may have incurred by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

- 6.2 If the notice is not complied with any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture. The directors may accept a surrender of any share liable to be forfeited hereunder.
- 6.3 Subject to the provisions of the Statutes, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the share to that person.
- 6.4 When any share has been forfeited in accordance with these articles, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture, with the date thereof, shall forthwith be made in the register of members opposite to the entry of the share, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- 6.5 A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
- 6.6 A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.
- 6.7 Where in respect of any shares of the Company any registered holder or any other person appearing to be interested in such shares fails to comply with any notice (in this article called a 'Statutory Notice') given by the Company under Section 212 of the Act or where (in purported

compliance with the Statutory Notice) such registered holder or other person makes a statement which is false or misleading in any material particular, then not earlier than (i) 28 days after service of the Statutory Notice or (ii) 14 days after service of the Statutory Notice (where the shares concerned represent 0.25% or more of the shares of that class then in issue), the Company may serve on such registered holder a notice (in this article called a 'Disenfranchisement Notice') stating that (a) such shares shall with effect from the service of the Disenfranchisement Notice confer on him no right to vote either at any general meeting or at any separate general meeting of the holders of the shares of that class and/or (b) (in the circumstances specified in (ii) above) any dividends payable in respect of such shares may be withheld by the Company. The Company may at any time withdraw a Disenfranchisement Notice by serving on the registered holder of the shares to which the same relates a notice in writing to that effect (in this article called a 'Withdrawal Notice') and a Disenfranchisement Notice shall be deemed to have been withdrawn when the Statutory Notice has been complied with in respect of all the shares to which the Disenfranchisement Notice relates. Unless and until a Disenfranchisement Notice in relation thereto is deemed to have been withdrawn or the shares to which a Disenfranchisement Notice relates are registered in the name of some person other than the registered holder on whom the Disenfranchisement Notice was served (and the directors may (notwithstanding the provisions of article 5.2) decline to register a transfer of such shares unless made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or upon acceptance of a take-over offer (whichever shall be the earlier)) none of the shares to which a Disenfranchisement Notice relates shall (as the Disenfranchisement Notice may state) confer on the holder or holders thereof any right to attend or vote at such general meeting or separate general meeting as aforesaid nor entitle the holder or holders thereof to payment of any dividend otherwise payable on the same. For the purpose of this article, a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 212 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notifications under Section 212 of the Act) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

## **7 Share Certificates**

- 7.1 Any member whose name is entered in the register of members as the holder of any certificated shares shall be entitled, without payment, to receive within fourteen days after allotment or lodgement of transfer, duly stamped, (or within such other period as the conditions of issue may provide) a certificate for all his shares in any particular class, Provided that:
- (a) in the event of a member transferring part of the shares represented by a certificate in his name, a new certificate in respect of the balance thereof shall be issued in his name without payment;

- (b) in the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of several joint holders thereof shall be sufficient delivery to all;
  - (c) no certificate shall be issued to any member who is a market nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate unless such member shall specifically request the Company to issue the same; and
  - (d) the provisions of article 26 concerning the sealing of certificates shall be compiled with whenever share certificates are issued.
- 7.2 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- 7.3 If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the directors may, if they think fit, comply with such request.
- 7.4 If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new share certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) subject to compliance with such conditions as to evidence and indemnity as the directors may think fit and (in either case) to the payment of all or any of the expenses of the Company incidental to its investigation of the evidence of such alleged loss, theft or destruction.

## **8 Stock**

- 8.1 The Company in general meeting may by ordinary resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
- 8.2 The holders of stock may transfer all or any part of their holdings in the same manner and subject to the same provisions as and subject to which the shares from which the stock arose might before conversion have been transferred, or as near to that manner and those provisions as circumstances admit; and the directors may fix the minimum amount of stock transferable, but such minimum shall not exceed the nominal value of the shares from which the stock arose.
- 8.3 The holders of stock shall, according to the amount of stock held by them, have the same rights as regards dividends, participation in assets on a winding up, voting at meetings and other matters as if they held the shares from which the stock arose; but no such right (except participation in

distributions and in assets on a winding up or otherwise) shall be conferred by an amount of stock which would not, in the form of shares, have conferred that right.

8.4 Such of these articles as are applicable to paid-up shares shall apply to stock, and the words 'share' and 'member' shall include 'stock' and 'stockholder'.

## **9 Untraced members**

9.1 The Company may sell any share of a member, or any share to which a person is entitled by transmission, by giving to a person authorised to conduct business on the relevant stock exchange an instruction to sell it at best, if:

- (a) during a period of twelve years at least three cash dividends have become payable in respect of the share to be sold and have been sent by the Company in accordance with article 27.5;
- (b) during that period of twelve years no cash dividend payable in respect of the share has been claimed, no cheque, warrant, order or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the Company from the member or the person entitled by transmission to the share;
- (c) on or after the expiry of that period of twelve years the Company has published advertisements both in a national newspaper and in a newspaper circulating in the area in which the last known address of the member or person entitled by transmission to the share is located, in each case giving notice of its intention to sell the share;
- (d) during the period of three months following the publication of those advertisements and after that period until the exercise of the power to sell the share, the Company has not received any communication from the member or the person entitled by transmission to the share; and
- (e) the Company has given notice to the relevant stock exchange of its intention to sell the share.

9.2 The Company's power of sale shall extend to any further share which, on or before the date of publication of the first of any advertisement pursuant to article 9.1(c) above, is issued in right of a share to which paragraph 9.1(a) applies (or in right of any share to which this paragraph applies) if the conditions set out in articles 9.1(a) to (e) are satisfied in relation to the further share (but as if the references to a period of twelve years were references to a period beginning on the date of allotment of the further share and ending on the date of publication of the first of the advertisements referred to above).

- 9.3 To give effect to any sale, the directors may authorise some person to transfer the share to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money; nor shall the title of the new holder to the share be affected by an irregularity in, or invalidity of, the proceedings relating to the sale.
- 9.4 The Company shall account to the person entitled to the share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.
- 9.5 Pending payment of the net proceeds of sale to such person, the proceeds may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding Company, if any) as the directors may from time to time decide.
- 9.6 No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds.

## **10 Increase of capital**

- 10.1 Without prejudice to the rights attached to any existing shares or class of shares, the Company in general meeting may by resolution, whether or not all the shares for the time being authorised shall have been issued, increase its capital by the creation of shares of such nominal amounts, and carrying such rights and restrictions, as the resolution shall specify; but unless the shares so created are uniform in all respects with a class of shares in the existing capital, the resolution creating them shall be a special resolution.
- 10.2 The Company may from time to time pass an ordinary resolution referring to this article and authorising, in accordance with Section 80 of the Act, the directors to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Act) and:
- 10.3 On the passing of the resolution the directors shall be generally and unconditionally authorised to allot relevant securities up to the nominal amount specified in the resolution; and
- 10.4 Unless previously revoked the authority shall expire on the day specified in the resolution (not being more than five years after the date on which the resolution is passed),  
  
but any authority given under this article shall allow the Company, before the authority expires, to make an offer or agreement which would or might require relevant securities to be allotted after it expires.
- 10.5 All new shares shall be subject to the same provisions as to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the existing share capital.

## **11 Alteration of capital**

11.1 The Company may by ordinary resolution:

11.1.1 consolidate and divide all or any of its share capital into shares of larger amount;

11.1.2 subdivide its existing shares or any of them into shares of smaller amount subject, nevertheless, to the provisions of Section 121(3) of the Act;

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

Whenever as a result of any consolidation or shares any members would become entitled to fractions of a share, the directors may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonably obtainable and distribute the proceeds of sale in due proportion among the members who would have been entitled to the fractions of shares, and for the purpose of any such sale the directors may authorise some person to transfer the shares representing the fractions to the purchaser thereof, whose name shall thereupon be entered in the register of members as the holder of the shares, and who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

11.2 The Company may by special resolution reduce its share capital and any capital redemption reserve or share premium account in any manner authorised by law. Any reduction in share capital or any capital redemption reserve or share premium account and any purchase by the Company of its own shares shall not be carried out if it reduces the share capital below the authorised minimum for a public company from time to time.

## **12 General meetings**

12.1 The Company shall comply with the requirements of the Statutes regarding the holding of annual general meetings. Subject to such requirements, the directors shall determine the date, time and place at which each annual general meeting shall be held.

12.2 All general meetings other than annual general meetings shall be called extra-ordinary general meetings.

12.3 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United

Kingdom sufficient directors to call a general meeting, any director of the Company may call a general meeting.

12.4 Subject to these articles and to any rights for the time being attached to any class of shares in the Company, the provisions of these articles relating to general meetings of the Company (including for the avoidance of doubt, provisions relating to the proceedings at general meetings or to the rights of any person to attend or vote or be represented at general meetings or to any restrictions on these rights) shall apply *mutatis mutandis*, in relation to every separate general meeting of the holders of any class of shares in the Company.

### **13 Notice of general meetings**

13.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:

13.1.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and

13.1.2 in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

13.2 In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his place and that a proxy need not be a member. ♦ Every notice of meeting shall also state the place where instruments of proxy are to be deposited if the directors shall have determined such place to be other than that of the registered office of the Company. ♦

13.3 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

### **14 Proceedings at general meetings**

- 14.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as otherwise provided in these articles two (2) persons, each being a member entitled to attend and vote at the meeting, or a proxy for such a member, or the duly authorised representative of a corporate member so entitled, shall be a quorum.
- 14.2 (a) In the case of a General Meeting to which these arrangements apply, the Board can, when specifying the place of the meeting:
- (i) direct that the meeting will be held at a place identified in the notice at which the chairman of the meeting will attend (the Main Meeting Place); and
  - (ii) make arrangements for simultaneous attendance and participation at other places (whether by electronic means or using electronic communication or otherwise) by shareholders and proxies entitled to attend the meeting but excluded from it under this Article or who want to attend at one of the other places.
- (b) The notice of meeting does not have to give details of any arrangements under this Article.
- (c) Subject to Article 14.2(a), arrangements for simultaneous attendance can include arrangements for regulating the number of people attending at any other places.
- (d) In the Articles (unless the context requires otherwise) the shareholders will be treated as meeting in the Main Meeting Place.
- (e) The Board's powers and discretions under this Article are delegated to the chairman at a General Meeting.
- 14.3 If such a quorum as referred to in Article 14.1 above is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine.
- 14.4 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
- 14.5 If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

- 14.6 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 14.7 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 14.8 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded.
- 14.8.1 by the chairman; or
- 14.8.2 by at least two members present in person or by proxy having the right to vote at the meeting; or
- 14.8.3 by a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- 14.8.4 by a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;
- and a demand by a person as proxy for a member shall be the same as a demand by the member.
- 14.9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 14.10 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- 14.11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
- 14.12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 14.13 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 14.14 A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

## **15 Votes of members**

- 15.1 Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
- 15.2 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 15.3 A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

15.4 No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

15.5 No member shall be entitled (save as proxy for another member) to be present or vote at any General Meeting, either personally or by proxy:

15.5.1 if and to the extent so disqualified by Article 4.6; or

15.5.2 in respect of any shares held by him in relation to which he or any other person appearing to be interested in shares has been duly served with a notice under Section 212 of the Act (or under any other statutory provision for the time being in force enabling the Company by notice in writing to require any person to give any information regarding those shares) which:

(a) requires him or such other person to give information to the Company in accordance with such section or provision; and

(b) contains a statement to the effect that upon failure to supply such information before the expiry of a period specified in such notice (being not less than 28 days from the date of service of such notice) the registered holder of such shares shall not be entitled to vote or otherwise exercise the rights referred to in this article in respect of such shares

and the person on whom such notice was served fails to supply such information within the period so specified. In respect of any shares referred to in article 13.5.2, the provisions of this article shall take effect only upon the service on the registered holder of the shares in question at the date of service of the statutory notice of a notice to such effect and shall only apply until either the required information has been supplied, or seven days after the Company receives notice that the shareholding has been sold to a third party (whichever is the earlier).

15.6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

15.7 On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

15.8 The appointment of a proxy shall be in writing, executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

Aurelian Oil & Gas PLC.

We [..... ] of [..... ] being a member/members of the above-named Company, hereby appoint [..... ] of [..... ], or failing him [..... ], of [..... ], as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on [..... ], and at any adjournment thereof.

Signed

..... On [..... ]

15.9 Where it is desired to afford members an opportunity of instructing the proxy how he shall act the appointment of a proxy shall be in any form approved by the directors which enables the members to determine how their votes are to be cast on each of the resolutions comprised in the business of the meeting for which it is to be used.

15.10 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:

15.10.1 In the case of an instrument in writing be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

15.10.2 in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose for receiving electronic communications:-

(a) In the notice convening the meeting, or

(b) In any instrument of proxy sent out by the Company in relation to the meeting, or

(c) In any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

15.10.3 in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

15.10.4 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

In this regulation and the next, address, in relation to electronic communications, includes any number or address used for the purposes of such communications.

15.11 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained an electronic communication, at the address at which such appointment was duly received, before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

15.12 Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## **16 Directors**

16.1 Until otherwise determined by ordinary resolution, the number of directors shall not be less than three or more than ten.

16.2 A director need not be a member of the Company but shall be entitled to receive notice of and to attend and speak at all general meetings of the Company and of any class of members of the Company.

- 16.3 The ordinary remuneration (excluding any special remuneration payable under articles 16.4 and 16.5) of each director shall from time to time be determined by the directors and shall be deemed to accrue from day to day.
- 16.4 Any director who holds any executive office or who serves on any committee of the directors, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the directors may determine.
- 16.5 The directors may repay to any director all such reasonable expenses as he may properly incur in attending and returning from meetings of the directors or of any committee of the directors or shareholders meetings or otherwise in connection with the business of the Company.
- 16.6 (a) The directors may from time to time appoint one or more of their number to the office of Chief Executive or Deputy Chief Executive or any other executive office (including where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may determine subject to the provisions of the Statutes and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.
- (b) The appointment of any director to the office of Chairman or Deputy Chairman, Chief Executive or Deputy Chief Executive or Managing or Joint Managing or Deputy or Assistant Managing Director shall automatically determine if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (c) The appointment of any director to any other executive office shall not automatically determine if he ceases from any cause to be a director unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 16.7 The directors may entrust to and confer upon any director holding any executive office any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 16.8 There shall be no age limit for directors and Section 293(1) to (6) of the Act shall not apply to the Company.

## **17 Alternate directors**

- 17.1 Any director (other than an alternate director) may appoint any other director to be an alternate director and may remove from office an alternate director so appointed by him.
- 17.2 An alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.
- 17.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- 17.4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
- 17.5 Save as otherwise provided in these articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

## **18 Powers of directors**

- 18.1 Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 18.2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.
- 18.3 The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either

collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying save that the quorum for meetings of such committees may be determined by the meeting of the board of directors appointing the same to be two rather than three.

## **19 Borrowing powers of directors**

- 19.1 Subject as provided by this Article the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, assets (present or future) and uncalled capital, and to issue debentures and other securities, whether as primary or collateral security for any debt, liability or obligation of the Company or any other party.
- 19.2 The directors shall so restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries as to secure (so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all sums borrowed by the Company and its subsidiaries (exclusive of sums borrowed from or owing to the Company or any such subsidiary) shall not at any time exceed an amount equal to twice the share capital and consolidated reserves (as defined by this resolution) without the previous sanction of an ordinary resolution of the Company in general meeting.
- 19.3 For the purposes of this Article 'the share capital and consolidated reserves' means the aggregate amount of the paid-up share capital of the Company plus the amount of the consolidated capital and revenue reserves (including any share premium account or capital redemption reserve) and any credit balance on the consolidated profit and loss account after deducting (a) any debit balance on that account and (b) any amounts attributable to members other than the Company and its subsidiaries, all as shown in the latest audited consolidated balance sheet of the Company and its subsidiaries, but:
- 19.3.1 adjusted so as to reflect any issue of shares or other variation in the paid-up share capital or share premium account of the Company since the date of the balance sheet and any distributions made from such reserves or profit and loss account since that date; and
- 19.3.2 excluding any sums set aside for taxation, any share capital or reserves resulting from writing up the book values of the assets of the Company or any subsidiary, and any intangible assets.
- 19.4 For the purposes of this Article 'borrowed money' shall be deemed to include the following (except in so far as otherwise taken into account):

- 19.4.1 the aggregate amounts outstanding in respect of facilities afforded to the Company and its subsidiaries, from any bank, acceptance house, financial institution, or any other person whatsoever (whether by way of overdraft, loan, acceptance, credit, or otherwise);
- 19.4.2 any sums of money, the repayment of which by a person (other than the Company or any subsidiaries) is the subject of a guarantee or indemnity by the Company or its subsidiaries;
- 19.4.3 outstanding amounts raised on acceptance, by any bank or accepting house under any acceptance credit opened on behalf of, and in favour of, the Company or any of its subsidiaries;
- 19.4.4 the principal amount of any debenture (whether secured or unsecured) of the Company or any of its subsidiaries, owned otherwise than by the Company or any of its subsidiaries;
- 19.4.5 the principal amount of any preference share capital of any subsidiary, owned otherwise than by the Company or any of its subsidiaries; and
- 19.4.6 any fixed or minimum premium, payable on final repayment of any borrowing (or deemed borrowing).

19.5 For the purposes of this Article 'borrowed money' shall be deemed not to include:

- 19.5.1 money borrowed for the purposes of repaying the whole (or any part) of borrowings by the Company or any of its subsidiaries for the time being outstanding, and so to be applied within three months of being so borrowed, pending the application for that purpose within that period;
- 19.5.2 borrowings for the purpose of financing any contract, in respect of which any part of the price receivable by the Company or any of its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department, or the Department of Trade and Industry, or by any other Governmental department fulfilling a similar function, but only so far as the amount receivable is covered by that guarantee or insurance; and
- 19.5.3 any monies borrowed by the Company or any of the subsidiaries to the extent that the liability of the Company or such subsidiary or subsidiaries to repay the same shall be limited to such repayment as may be effected by recourse of the lender to a specific asset or assets of the Company or such subsidiary or subsidiaries and the Company or such subsidiary or subsidiaries shall have no further or other liability to repay the same.

- 19.6 A report by the Auditors, as to the aggregate amount which may at any one time be owing by the Company and its subsidiaries in accordance with the provisions of Articles 19.1 and 19.2, shall be conclusive in favour of the Company and all persons dealing with the Company.
- 19.7 When the aggregate amount of borrowings required to be taken into account for the purposes of this Article 19 on any particular day is being ascertained, any of that money denominated or repayable in a currency other than sterling shall be converted, for the purposes of calculating the sterling equivalent, either:
- 19.7.1 at the rate of exchange prevailing on that day in London, unless conversion of the whole of that money at the rate of exchange prevailing in London one month before that day would produce a lesser aggregate amount, in which case the latter rate is to be applied (and, for this purpose, the rate of exchange shall be taken as the middle market rate as at the close of business); or
- 19.7.2 to the extent that the repayment of the money is specifically covered by a forward purchase contract, at the rate of exchange specified in that contract.
- 19.8 No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions be concerned to see or inquire whether the limit imposed by this regulation is observed, and no debt incurred or security given in excess of that limit shall be invalid unless he had express notice at the time when the debt was incurred or the security was given that the limit had been or would by that action be exceeded.

## **20 Appointment and retirement of directors**

- 20.1 At each annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, the number nearest to one-third shall retire from office; but if there is only one director who is subject to retirement by rotation, he shall retire.
- 20.2 Subject to the provisions of the Act, the directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election. Any further directors so to retire 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.
- 20.3 If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the director is put to the meeting and lost.

- 20.4 No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless:
- 20.4.1 he is recommended by the directors; or
  - 20.4.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed or reappointed.
- 20.5 Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a director retiring by rotation at the meeting) who is recommended by the directors for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Company's register of directors.
- 20.6 Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director and may also determine the rotation in which any additional directors are to retire.
- 20.7 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.
- 20.8 Subject as aforesaid, a director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

## **21 Disqualification of directors**

The office of a director shall be vacated if:

- 21.1 he ceases to be a director by virtue of any provision of the Statutes or he becomes prohibited by law from being a director; or
- 21.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 21.3 he is, or may be, suffering from mental disorder and either:
  - 21.3.1 he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - 21.3.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 21.4 he resigns his office by notice to the Company; or
- 21.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

## **22 Directors' retirement benefits**

The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

## **23 Directors' interests**

- 23.1 Subject to the provisions of the Statutes, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
  - 23.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - 23.1.2 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and

23.1.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

23.2 For the purposes of the preceding Article:

23.2.1 a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and

23.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

## **24 Proceedings of directors**

24.1 The directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

24.2 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be three. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

24.3 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number; but if the number of directors is reduced below the minimum number fixed by or in accordance with these articles or is less than the number constituting the quorum, they or he may act only for the purpose of filling vacancies or of calling a general meeting.

24.4 The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

- 24.5 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
- 24.6 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.
- 24.7 Save as otherwise provided by the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:
- 24.7.1 the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiaries;
- 24.7.2 the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- 24.7.3 his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange;
- 24.7.4 the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this Article, an interest of a person who is, for any purpose of the Statutes, connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

- 24.8 A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 24.9 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
- 24.10 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 24.11 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.
- 24.12 A meeting of directors may consist of a conference between directors some or all of whom are in different places provide that each director who participates is able:
- (a) to hear each of the other participating directors addressing the meeting; and
  - (b) if he so wishes, to address all of the other participating directors simultaneously,
- whether directly, by conference telephone by electronic means or using electronic communication or otherwise or by any other form of communications equipment (whether in use when these articles are adopted or developed subsequently) or by a combination of such methods. ♦ A meeting held in this way is deemed to take place (unless otherwise agreed by the participating directors) at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates. ♦ A quorum is deemed to be present if the conditions set out in this article 24.12 are satisfied in respect of at least the number of directors required to form a quorum under article 24.2.

## **25 Local boards and agents**

- 25.1 The directors may establish any local boards or agencies for managing any of the affairs of the Company in the United Kingdom or elsewhere, and may appoint their members and fix their remuneration; and they may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the directors, with power to sub-delegate, and may authorise

the members of any local board, or any of them, to fill vacancies and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and conditions as the directors think fit. The directors may remove any person so appointed, or annul or vary any such delegation; but no person dealing in good faith and without notice of the annulment or variation shall be affected. No member of a local board or agency so established shall by reason thereof be or be deemed to be a director or be described as such.

25.2 The directors may by power of attorney under the seal or acting by two of them or one of them and the secretary appoint any corporation, firm or individual, or any fluctuating body of persons, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those exercisable by the directors) and for such period and on such terms as to remuneration and otherwise as they may think fit, with or without power to sub-delegate.

## **26 Secretary**

26.1 The secretary shall be a person qualified to act as such in accordance with the Statutes and shall be appointed by the directors, for such period and on such terms as to remuneration and otherwise as they may think fit; and any secretary so appointed may (subject to the terms of any contract between him and the Company) be removed by the directors from office.

26.2 A provision of the Statutes or these articles requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

26.3 The directors may, at any time and from time to time, appoint any person to be assistant secretary and anything required or authorised to be done by or to the secretary may be done by or to any assistant secretary so appointed; and any assistant secretary may (without prejudice to any claim for damages for breach of any contract between him and the Company) be removed by the directors.

## **27 Minutes**

27.1 The directors shall cause minutes to be made in books kept for the purpose:

(a) of all appointments of officers made by the directors; and

(b) of all resolutions and proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

- 27.2 The directors shall duly comply with the provisions of the Statutes in regard to the registration of charges, the keeping of copies of directors' service contracts or memoranda thereof and the keeping of a register of directors and secretaries, a register of members, a register of mortgages and charges, a register of directors' share and debenture holdings and a register of persons with substantial interests in the share capital of the Company carrying unrestricted voting rights and to the production availability for inspection and furnishing of copies of or extracts from such documents and registers.
- 27.3 Any register, index, minute book, book of account or other book required by these articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

## **28 The Company seal**

- 28.1 The directors shall provide for the safe custody of the seal and the Company may exercise the powers conferred by the Statutes with regard to having an official seal for use in any territory outside the United Kingdom, and such powers shall be vested in the directors. Whenever in these articles reference is made to the seal the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.
- 28.2 The seal shall not be affixed to any instrument, except by the general or special authority of a resolution of the directors, or of a committee of the directors authorised in that behalf, and (subject as otherwise provided in this article) every instrument to which the seal shall be so affixed shall be signed by a director and countersigned by the secretary or another director or some other person authorised by the directors, and in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the seal has been properly affixed.
- 28.3 Every certificate of shares, debentures, debenture stock or representing any other form of security of the Company (other than letters of allotment, receipts for securities or certificates of deposit) shall be issued under the seal or under any official seal or securities seal which the Company may have or be permitted to have under the Statutes.
- 28.4 Each certificate to which the seal shall be affixed shall bear the autographic signatures of at least one director and the secretary or other person acting in the place of the secretary, provided that:
- (a) each certificate to which such official seal as is referred to in article 28.3 above shall be affixed need not bear any such signatures; and

(b) the directors may by resolution determine (either generally or in any particular case or cases) that such signatures shall be dispensed with, or shall be affixed by means of some method or system of mechanical signature.

## 29 Dividends

- 29.1 The Company in general meeting may by ordinary resolution declare dividends payable to the members in accordance with their respective rights and priorities out of any lawfully distributable profits; but no dividend shall exceed the amount recommended by the directors.
- 29.2 Subject to the provisions of the Statutes, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
- 29.3 Unless otherwise provided by the rights attached to shares or the terms of their issue, all dividends shall be declared and paid proportionately to the capital paid up on the shares on which the dividend is paid; but if any shares are issued on terms providing that they shall rank for dividend as from a specified date or to a specified extent, they shall rank for dividend accordingly. Any dividend or interim dividend may be expressed to be payable on a specified date to persons registered on some earlier date as the holders of the shares in respect of which the dividend is declared, notwithstanding that such persons may not be so registered on the date of the declaration or payment.
- 29.4 A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
- 29.5 Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to

such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

29.6 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

29.7 Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

### **30 Accounts**

30.1 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the registered office of the Company, or at such other place as the directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the directors.

30.2 The directors shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

30.3 A copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these articles. Provided that this article shall not require a copy of these documents to be sent to any member to whom a summary financial statement is sent in accordance with the Statutes nor to more than one of joint holders nor to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the registered office of the Company. Whenever a quotation on the London Stock Exchange and/or any other stock exchange in the United Kingdom, for all or any of the shares or debentures of the Company, shall for the time being be in force there shall be forwarded to the appropriate officer of any such stock exchange, such numbers of copies of such documents as may for the time being be required under its Articles regulations or practice.

## **31 Reserves**

31.1 The directors may, before recommending any dividend, write off such sums as they think proper for depreciation, and carry forward in the revenue accounts any profits as they think should not be divided, and may also set aside out of profits of the Company such sum or sums as they think proper as a reserve or reserves, which shall at the discretion of the directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, or for repairing, maintaining or adding to the property of the Company, or for such other purposes as the directors shall, in their absolute discretion, think fit, and pending any such application may, at the discretion of the directors, either be employed in the business of the Company, or be invested in such investments (other than shares in the Company) as the directors may from time to time think fit.

31.2 The directors may establish such reserve accounts and may divide the Company's reserves into such special funds as they may think fit. The directors may also carry forward any profits which they may think prudent not to divide without placing the same to reserves.

## **32 Capitalisation**

The directors may with the authority of an ordinary resolution of the Company:

32.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;

32.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

32.3 make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this Article in fractions; and

32.4 authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

### **33 Notices**

33.1 A notice or other document may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his address as appearing in the register of members, or by any other means authorised by the member concerned. Any notice may also be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this article, address in relation to electronic communications includes any number or address used for the purposes of such communications.

33.2 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper. In any such case the Company shall send confirmatory copies of the notice by post if at least six clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

33.3 Where notice is given by way of newspaper advertisement, such notice shall be deemed to have been duly given to each member or person entitled to receive it at noon on the day when the advertisement appears or, if it appears on different days, at noon on the first of the days when it appears.

33.4 Any member described in the register of members by an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but, save as aforesaid, no member, other than a member described in the register of members by an address within the United Kingdom, shall be entitled to receive any notice from the Company.

33.5 All notices directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of members in respect of such share, and notice so given shall be sufficient notice to all holders of such share.

33.6 Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or

sending it through the post in a prepaid letter, envelope, or wrapper, addressed to the Company or to such officer at the registered office of the Company.

33.7 Any notice or other document, if served by first class post, or by a notice contained in an electronic communication, shall be deemed to have been served on the day following that on which the letter, envelope, or wrapper containing the same is put into the post or in the case of a notice contained in an electronic communication, on the day following that on which it was sent. Any notice or other document, if served by second class post shall be deemed to have been served on the third day following that on which the letter, envelope or wrapper was put into the post. In proving such service it shall be sufficient to prove in the case of a notice or other document served by post that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as a prepaid letter or in the case of a notice contained in an electronic communication that the same was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators and each of the foregoing shall be conclusive evidence that the relevant notice was given.

33.8 Any member present, either personally or by proxy, at any meeting of the Company or class of members of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

33.9 Any notice or document served upon or sent to, or left at the registered address of, any member in pursuance of these articles or by given by using electronic communications to an address for the time being notified to the Company by the member, shall, notwithstanding that such member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy be deemed to have been duly served in respect of any share held by such member, whether held solely or jointly with other persons, until some other person be registered instead of him as the holder or joint holder of such shares, and such service shall, for all purposes of these articles, be deemed a sufficient service of such notice or document on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such shares.

33.10 For the purposes of giving notices of meetings or other documents, whether under Section 370(2) of the Act, any other Statute, a provision in these articles or any other instrument, the Company may determine that persons entitled to receive such notices or other documents are those persons entered on the register of members at the close of business on a day determined by it.

33.11 The day determined by the Company under Article 33.10 above may not be more than fifteen days before the day that the notice of the meeting or other document is sent.

33.12 For the purposes of determining which persons are entitled to attend or vote at a meeting, and how many votes such persons may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting.

33.13 Changes to entries on the register of members after the time specified by virtue of Article 33.12 above shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in the Statutes or these articles to the contrary.

33.14 The signature on any notice to be given by the Company may be written or printed.

### **34 Winding up**

If the Company is wound up, the liquidator may, with the sanction of an extra-ordinary resolution of the Company and any other sanction required by the Statutes, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

### **35 Indemnity**

Subject to the provisions of the Statutes, every director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.