

**PUBLIC COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**OF**

**AVOCET MINING PLC**

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## 1. PRELIMINARY

1.1 In these Articles, unless the context otherwise requires:

“1985 Act” means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force

“2006 Act” means the Companies Act 2006 including any modification or re-enactment for the time being in force

“Acts” means the Companies Acts (as defined in Section 2 of the 2006 Act) in so far as they apply to the Company and any enactment passed after those Acts which may, by virtue of that or any other such enactment, be cited together with those Acts as the “Companies Acts” with or without the addition of an indication of the date of any such enactment

“these Articles” means these articles of association as from time to time altered or added to by special resolution

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

“Company” means Avocet Mining plc, a company incorporated under the laws of England and Wales with Company number 3036214

“directors” means the directors of the Company or their alternates present at a duly convened and quorate meeting of directors

“electronic communication” means any document or information sent or supplied in electronic form as set out in section 1168 of the 2006 Act

“electronic copy” “electronic form” and “electronic means” have the meaning given to them in section 1168 of the 2006 Act

"executed"	includes any mode of execution
"Group"	means the Company and any subsidiaries of the Company for the time being
"hard copy and hard copy form"	have the meaning given to them in section 1168 of the 2006 Act
"holder"	in relation to shares means the member whose name is entered in the register as the holder of the shares
"London Stock Exchange"	means The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited
"office"	means the registered office for the time being of the Company
"paid up"	includes credited as paid up
"register"	means the register of members of the Company
"seal"	means the common seal of the Company, if any
"secretary"	means the secretary of the Company or any other person appointed by the directors to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary
"United Kingdom"	means Great Britain and Northern Ireland
"in writing"	means written or produced by any substitute for writing in a legible form, including photocopies, printing or facsimile.

1.2 Save as aforesaid and unless the context otherwise requires words or expressions contained in these Articles bear the same meaning as in the Act.

1.3 The headings in these Articles do not affect their interpretation.

1.4 The regulations constituting Table A in the Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

## 2. SHARE CAPITAL, VARIATION OF RIGHTS AND SHARE CERTIFICATES

2.1A The issued share capital of the Company at the date of adoption of these articles is made up of 20,949,671 Ordinary Shares and 209,496,710 Deferred Shares.<sup>1</sup>

2.1B The deferred shares of 4.9 pence each in the capital of the Company ("**Deferred Shares**") shall have the rights, and shall be subject to the restrictions, set out in Articles 2.1 B (a) to (e) below:

- (a) A Deferred Share:
  - (i) does not entitle its holder to receive any dividend or other distribution;
  - (ii) does not entitle its holder to receive a share certificate in respect of the relevant shareholding;
  - (iii) does not entitle its holder to receive notice of, nor to attend, speak or vote at, any general meeting of the Company;
  - (iv) entitles its holder on a return of capital on a winding up of the Company (but not otherwise) only to the repayment of the amount paid up on that share after payment of the capital paid up on each Ordinary Share of one penny in the share capital of the Company and the further payment of £1,000,000 on each such ordinary share;
  - (v) does not entitle its holder to any further participation in the capital, profits or assets of the Company.
- (b) The Deferred Shares shall not be capable of transfer at any time other than with the prior written consent of the directors of the Company.

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<sup>1</sup>The share capital of the Company was on incorporation £25,000,000 divided into 100,000,000 ordinary shares of 25 pence each.

By Ordinary Resolution passed at the Company's Annual General Meeting on 2 September 2003, the authorised share capital of Company was increased by £25,000,000 to £50,000,000 divided into 200,000,000 ordinary shares of 25 pence each.

By Ordinary Resolution passed at the Company's Annual General Meeting on 28 September 2004, the authorised share capital of Company was increased by £50,000,000 to £100,000,000 divided into 400,000,000 ordinary shares of 25 pence each.

By Special Resolution passed at the Company's Extraordinary General Meeting on 11 November 2005 and approved by Court order on 8 December 2005, the authorised share capital of Company is £20,000,000 divided into 400,000,000 ordinary shares of 5 pence each, following cancelling and extinguishing paid up capital to the extent of 20p on each of the issued ordinary shares of 25p each in the capital of the Company and by reducing the nominal value of each and every ordinary share as at the Record date, whether issued or unused, from 25p to 5p.

By Ordinary Resolution passed at the Company's Annual General Meeting on 17 September 2009, the authorised share capital of Company was increased by £20,000,000 to £40,000,000 divided into 800,000,000 ordinary shares of 5 pence each.

By Special Resolution passed at the Company's General Meeting on 9 June 2016, the reference to authorised share capital in paragraph 2.1 was deleted.

- (c) The Company may at its option and is irrevocably authorised at any time after the creation of the Deferred Shares to:
  - (i) appoint any person to act on behalf of any or all holder(s) of a Deferred Share(s), without obtaining the sanction of the holder(s), to transfer any or all of such shares held by such holder(s) for nil consideration to any person appointed by the directors of the Company;
  - (ii) without obtaining the sanction of the holder(s), but subject to the Acts:
    - (A) purchase any or all of the Deferred Shares then in issue and to appoint any person to act on behalf of all holders of Deferred Shares to transfer and to execute a contract of sale and a transfer of all the Deferred Shares to the Company for an aggregate consideration of one penny payable to one of the holders of Deferred Shares to be selected by lot (who shall not be required to account to the holders of the other Deferred Shares in respect of such consideration); and
    - (B) cancel any Deferred Share without making any payment to the holder.
- (d) Any offer by the Company to purchase the Deferred Shares may be made by the Directors of the Company depositing at the registered office of the Company a notice addressed to such person as the Directors shall have nominated on behalf of the holders of the Deferred Shares.
- (e) The rights attaching to the Deferred Shares shall not be, or be deemed to be, varied, abrogated or altered by:
  - (i) the creation or issue of any shares ranking in priority to, or pari passu with, the Deferred Shares;
  - (ii) the Company reducing its share capital or share premium account;
  - (iii) the cancellation of any Deferred Share without any payment to the holder thereof; or
  - (iv) the redemption or purchase of any share, whether a Deferred Share or otherwise

nor by the passing by the members of the Company or any class of members of any resolution, whether in connection with any of the foregoing or for any other purpose, and accordingly no consent thereto or sanction thereof by the holders of the Deferred Shares, or any of them, shall be required.

- 2.2 Subject to the provisions of the Acts 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.
- 2.3 Subject to the provisions of the Acts, 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 these Articles.
- 2.4 Subject to the provisions of the Acts, these Articles and any resolution of the Company in general meeting passed pursuant to it, all unissued shares for the time being in the capital of the Company shall be at the disposal of the directors, who may allot, grant options over or otherwise dispose of them to such persons, on such terms and conditions and at such times as they think fit.
- 2.5 Subject to the provisions of the Acts, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, either with the consent in writing of the holders of not less than three-quarters in nominal value 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 that class but not otherwise. To every such separate general meeting the provisions of these Articles relating to general meetings of the Company shall apply, except that the quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (and at an adjourned meeting one person holding shares of the class in question or his proxy) and any holder of shares of the class in question or his proxy may demand a poll.
- 2.6 Unless otherwise provided by the rights attached to the shares of any class, those rights shall be deemed to be varied by the reduction of the capital paid up on those shares and by the creation or issue of further shares ranking in priority for payment of a dividend or in respect of capital or conferring on the holders voting rights more favourable than those conferred by the shares of that class but shall not otherwise be deemed to be varied by the creation or issue of further shares ranking in any respect *pari passu* with that class or by the purchase or redemption by the Company of any of its own shares.

- 2.7 The Company may exercise the powers of paying commissions or brokerage conferred by the Acts. Subject to the provisions of the Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
- 2.8 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise (even when having notice of it) any interest in any share except an absolute right to the entirety of it in the holder.
- 2.9 The directors may issue warrants in respect of fully paid up shares stating that the bearer is entitled to the shares specified, and may provide by coupons or otherwise for the payment of future dividends on the shares included in the warrants. The directors may determine and vary the conditions upon which warrants are issued and upon which a new warrant or coupon is issued in the place of one worn out, defaced or destroyed. No new warrant or coupon shall be issued to replace one that has been lost unless the directors are satisfied beyond reasonable doubt that the original has been destroyed. The directors may also determine and vary the conditions upon which the bearer of a warrant is entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings, and upon which a warrant may be surrendered and the name of the holder entered in the register in respect of the shares specified in it. The directors may require the holder or person who claims to be the holder of a warrant to produce his warrant and to satisfy them that he continues to be the holder. Subject to such conditions and to these Articles, the bearer of a warrant shall be a member to the full extent. The holder of a warrant shall hold it subject to the conditions for the time being in force with regard to warrants whether made before or after the issue of such warrant.
- 2.10 Every holder of shares (other than a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not required by law to complete and have ready a certificate) shall be entitled without payment to one certificate for all the shares of each class held by him and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding and, upon payment for every certificate after the first of such reasonable sum as the directors may from time to time determine, to several certificates, each for one or more shares. Every certificate shall be executed in accordance with these Articles and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid upon them. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

2.11 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity (with or without security) and payment of any exceptional expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

### 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 presently payable or not) payable at a fixed time or called in respect of that share. 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 on a share shall extend to all distributions attributable to it.

3.2 The Company may sell in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice in writing has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

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, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

### 4. CALLS ON SHARES AND FORFEITURE

4.1 Subject to the terms of allotment, the directors may make calls upon the members in respect of any sums unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be

paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

- 4.2 A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 4.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
- 4.4 If a call or any instalment of a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Acts) but the directors may waive payment of the interest wholly or in part.
- 4.5 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.
- 4.6 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.
- 4.7 The directors may if they think fit receive from any member willing to advance it all or any part of the sums for the time being uncalled and unpaid on any of his shares and such payment shall extinguish pro tanto the liability on the shares in respect of which it is paid. The Company may pay interest on the sums so advanced (until the same would but for such advance become presently payable) at such rate not exceeding 15 per cent. per annum (or such other rate as may be fixed by the Company in general meeting) as may be agreed upon between the directors and the member.
- 4.8 If a call or any instalment of 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 which may have accrued. 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.

- 4.9 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. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before the forfeiture the holder of the share, and an entry of such notice having been given and of the forfeiture with the date thereof shall be made in the register; but no forfeiture shall be invalidated by an omission or neglect to give such notice or to make such entry.
- 4.10 Subject to the provisions of the Acts, a forfeited share shall be deemed to belong to the Company and 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. The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share.
- 4.11 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.
- 4.12 The directors may accept the surrender of any share which they are entitled to forfeit upon such terms and conditions as they may agree and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited.
- 4.13 A statutory declaration by a director or the secretary that a share has been forfeited or surrendered 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, surrender, sale, reallocation or disposal of the share.

## 5. TRANSFER OF SHARES

- 5.1 The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.
- 5.2 The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register as the holder of that share.
- 5.3 The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid provided that any refusal is not such as to prevent dealings in the shares from taking place on an open and proper basis. They may also refuse to register a transfer unless the instrument of transfer:
1. is lodged at the office or at such other place as the directors may appoint and is duly stamped and accompanied by the certificate for 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;
  2. is in respect of only one class of shares; and
  3. is in favour of not more than four transferees.
- 5.4 If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 5.5 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
- 5.6 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- 5.7 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

## 6. TRANSMISSION OF SHARES

- 6.1 If a member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing in this Article shall release the estate of a deceased member from any liability in respect of any share held by him.
- 6.2 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. The provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer signed by the member and the death or bankruptcy of the member had not occurred.
- 6.3 The directors may at any time give notice requiring any such person to elect either to become the holder of the share or to have another person registered and if the notice is not complied with within sixty days the directors may thereafter withhold payment of all dividends and other sums payable in respect of the share until the requirements of the notice have been complied with.
- 6.4 Subject to the foregoing provisions, and to producing such evidence of entitlement as the directors may properly require, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

## 7. DISCLOSURE OF INTERESTS

- 7.1 If at any time the directors are satisfied that any member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 793 of the 2006 Act or any other provision of the Acts concerning a disclosure of interests in voting shares and has failed to give the Company the information thereby required within fourteen days after service of the notice, then the directors may at any time, by notice to the member, direct that in respect of the shares in relation to which the default occurred:

the member shall not be entitled to attend or vote either personally or by proxy at any general meeting or at any separate meeting of the holders of any class of shares in the Company or on a poll;

1. where the shares in relation to which the default occurred represent at least 0.25 per cent. of the class of shares concerned:

(a) no payment shall be made of any sums due from the Company on those shares, whether in respect of dividend or capital or otherwise, no allotment of shares shall be made in lieu of any cash dividend and the Company shall not meet any liability to pay interest on any such payment when it is finally made to the member; and

(b) no transfer other than a permitted transfer (as defined below) of those shares shall be registered.

7.2 The preceding provisions of this Article shall cease to have effect not more than seven days after the earlier of:

1. receipt by the Company of notice that the shares in relation to which the default occurred have been transferred by means of a permitted transfer; or

2. the directors being satisfied that the member and any other person appearing to be interested in shares held by that member have given to the Company the information required by the relevant notice under section 793 of the 2006 Act.

7.3 Where, on the basis of information obtained from a member in respect of any share by him, the Company gives a notice under section 793 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of this Article.

7.4 For the purposes of this Article:

1. references to “persons interested in shares” and to “interest in shares” respectively shall be construed as they are for the purposes of section 793 of the 2006 Act;

2. failure to give the Company the information required by a notice includes both failing or refusing to give all or any part of it and knowingly or recklessly giving information which is false in a material particular; and

3. a permitted transfer is:

(a) a transfer of shares to an offeror on acceptance of an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company or of a

particular class to acquire those shares or a specified proportion of them; or

(b) a transfer made pursuant to a sale of the whole of the beneficial ownership of the shares to a person whom the directors are satisfied is unconnected with the member and with other persons appearing to be interested in such shares; or

(c) a transfer resulting from a sale made through a recognised investment exchange as defined in the Financial Services and Markets Act 2000 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

7.5. For the purposes of Section 808 of the 2006 Act any information received by the Company following the service of a Section 793 notice on a member pursuant to Article 7 is deemed to have been received by the Company as though the member had been required to provide the information under Section 793 of the 2006 Act.

7.6 Nothing contained in Article 7 shall limit the power of the Company under Section 794 of the 2006 Act.

## 8. ALTERATION OF SHARE CAPITAL

8.1 The Company may by ordinary resolution:

1. increase its share capital by the creation of new shares of such nominal amounts as the resolution prescribes;
2. consolidate and divide all or any of its share capital into shares of larger amount;
3. subject to the provisions of the Acts, sub-divide all or any of its shares into shares of smaller amount and determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others;
4. 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.

8.2 Whenever as a result of a consolidation or sub-division of shares fractions of a share arise, the directors may deal with the matter as they think fit and, in particular, may sell shares representing fractions to which any member would otherwise become entitled for the best price reasonably obtainable to any person (including, subject to

the provisions of the Acts, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee 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 in or invalidity of the proceedings in reference to the sale.

8.3 Subject to the provisions of the Acts, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

8.4 Subject to the provisions of the Acts and any rights attached to any class of shares, the Company may purchase its own shares (including any redeemable shares) of any class at any price (whether at, above or below par) and so that any shares to be so purchased may be selected in any manner whatsoever.

## 9. GENERAL MEETINGS

9.1 All general meetings other than annual general meetings shall be called general meetings.

9.2 The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Acts, shall forthwith proceed to convene a general meeting in accordance with the requirements of the Acts. 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.

9.3 An annual general meeting shall be called by at least twenty-one clear days' notice. All other general meetings shall be called by the minimum number of days' notice permissible under the Acts but a general meeting may be called by shorter notice if it is so agreed:

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

9.4 The notice shall specify the time and place of the meeting and, in the case of special business, the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. The notice shall include a statement, appearing with reasonable prominence, that a member entitled to attend

and vote is entitled to appoint one or more proxies to attend and vote on a poll in his place and that a proxy need not be a member.

- 9.5 All business shall be deemed special that is transacted at a general meeting and also all business that is transacted at an annual general meeting with the exception of:
1. the declaration of dividends;
  2. the consideration and adoption of the accounts and balance sheet and the directors' and auditors' reports and other documents required to be annexed to the accounts;
  3. the appointment and re-appointment of directors;
  4. the appointment of auditors where special notice of the resolution for such appointment is not required by the Acts; and
  5. the fixing of, or the determining of the method of fixing, the remuneration of the directors and the auditors.
- 9.6 Subject to the provisions of these 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.
- 9.7 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.
- 9.8 The directors may provide for a general meeting to be held at or adjourned to more than one place, in which case the notice of the meeting or adjourned meeting shall specify the place at which the chairman of the meeting shall participate and such other places where persons attending will be able to see and hear and be seen and heard (whether by audio visual links or otherwise) by persons attending at the other places at which the meeting is held. For the purpose of controlling the numbers attending at any such place, the directors may make such arrangements in respect of any meeting including, without limitation, the issue of tickets, as they shall in their absolute discretion consider appropriate, provided that a member who is not entitled to attend at any particular place shall be entitled to attend at one of the other places. A general meeting held in this way shall be deemed to take place at the place from where the chairman of the meeting participates.
- 9.9 If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these Articles.

- 9.10 For the purposes of Article 9.3 a notice of meeting must be given in accordance with the 2006 Act, that is in hard copy form, electronic form or by means of a website.
- 9.11 If notice of meeting is sent in electronic form the Company must have complied with all applicable regulatory requirements and the person entitled to receive such notice must have agreed that the notice can be sent to him in that way and not revoked that agreement or, in the case of a company, be deemed to have agreed to receive notice in that way by a provision in the Acts.
- 9.12 The notice must be sent to the address specified by the person entitled to receive such notice or, in the case of notice sent to a company, an address which is deemed to have been specified by any provision of the Acts.
- 9.13 Provided that the Company has complied with all applicable legal requirements the Company may send or supply a notice of meeting by making it available on a website and where the Company intends to make that notice of meeting available on a website, the Company must:
1. comply with the provisions of Article 25;
  2. notify persons entitled to receive such notice that the notice of meeting has been published on the website, such notification to state that it concerns a notice of meeting, to specify the place, date and time of the meeting and whether the meeting will be an annual general meeting; and
  3. the notice must be available on the website throughout the period beginning with the date of notification and ending with the conclusion of the meeting.

## 10. PROCEEDINGS AT GENERAL MEETINGS

- 10.1 No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy, for a member or a duly authorised representative of a corporation, shall be a quorum.
- 10.2 If such a quorum is not present within ten minutes 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. If at the adjourned meeting a quorum is not present within ten minutes after the time appointed for the meeting, the meeting shall be dissolved.
- 10.3 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 ten 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.

10.4 If no director is willing to act as chairman, or if no director is present within ten 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.

10.5 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.

10.6 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. The chairman may adjourn the meeting without such consent if it appears to him that it is likely to be impracticable to hold or continue the meeting because of the number of members wishing to attend who are not present or because of the unruly conduct of those present. When a meeting is adjourned for thirty 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.

10.7 If an amendment is in good faith ruled out of order by the chairman of the meeting, the proceedings on the unamended resolution shall not be invalidated by any error in such ruling. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon. No amendment may be made to a special or resolution, other than a clerical amendment to correct a patent error.

10.8 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, a vote on the show of hands, or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

1. by the chairman; or
2. by at least two members having the right to vote at the meeting; or
3. by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

4. by a member or members 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 or duly authorised representative of a corporate member shall be the same as a demand by the member.

- 10.9 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 10.10 If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless it is pointed out at the same meeting, or at an adjourned meeting and it is, in the opinion of the chairman of the meeting, of sufficient magnitude to vitiate the resolution. The decision of the chairman on such matters shall be final and conclusive.
- 10.11 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, If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll.
- 10.12 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.
- 10.13 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.
- 10.14 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.

10.15 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.

## 11. VOTES OF MEMBERS

11.1 Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present by proxy or (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.

11.2 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.

11.3 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 these 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.

11.4 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 sums presently payable by him in respect of that share have been paid.

11.5 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.

11.6 On a poll votes may be given either personally or by proxy or, in the case of a corporation, by a duly authorised representative. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

## 12. PROXIES AND CORPORATE REPRESENTATIVES

12.1 Proxies may only validly be appointed by a notice in writing (a “proxy notice”) which:

1. states the name and address of the member appointing the proxy;
2. identifies the person appointed to be that member’s proxy and the general meeting in relation to which that person is appointed;
3. is executed by the member appointing the proxy; and
4. is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

12.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes. Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions. Unless a proxy notice indicates otherwise, it shall be treated as:

1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

12.3 The directors may, but are not obliged to, accept a proxy appointment in electronic form subject to any limitations, restrictions or conditions prescribed by the directors from time to time. The appointment shall be sent to an address specified in the notice convening the meeting.

12.4 An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor (or, in the case of a corporation, either under its common seal or under the hand of a duly authorised officer, attorney or other person entitled to sign it) and shall be in any usual form or in any other form which the directors may approve.

12.5 Where it is desired to afford members an opportunity of instructing the proxy how he shall vote the instrument appointing a proxy shall be in any form approved by the directors (which shall include provision for two way voting) 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.

- 12.6 Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting at the meeting. A member may appoint more than one proxy to attend on the same occasion.
- 12.7 An instrument of proxy shall be deemed to confer authority on the proxy to vote on any amendment to a resolution and at any adjournment of the meeting to which it relates.
- 12.8 The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in accordance with the Powers of Attorney Act 1971 may:
1. be deposited by personal delivery, post, facsimile transmission or electronic communication 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
  2. in the case of a poll taken more than 48 hours after it is demanded, be deposited 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
  3. 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 instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. Where two or more valid instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.

- 12.9 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 at least 48 hours 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.

12.10 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 at any separate meeting of, the holders of any class of shares. The person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company, and the 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 at it.

### 13. DIRECTORS

13.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two.

13.2 At every annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, 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.

13.3 Subject to the provisions of the Acts, the directors to retire by rotation 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.

13.4 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.

13.5 No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless:

1. he is recommended by the directors; or
2. not less than seven 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.

- 13.6 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. The appointment of a person to fill a vacancy or as an additional director shall take effect from the end of the meeting.
- 13.7 At a general meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for this purpose a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
- 13.8 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 these 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.
- 13.9 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.
- 13.10 A director shall not be required to hold any shares of the Company by way of qualification.

#### 14. ALTERNATE DIRECTORS

- 14.1 Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- 14.2 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 directors appointing him is not

personally present, and generally to perform all the functions of his appointor (except appointment of an alternate) as a director in his absence.

- 14.3 A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of directors or any committee of directors to one vote for every director whom he represents (and who is not present) in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 14.4 An alternate director shall be entitled to be repaid such expenses and to be indemnified to such extent as if he had been a director but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.
- 14.5 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.
- 14.6 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.
- 14.7 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.

## 15. POWERS OF DIRECTORS

- 15.1 The business of the Company shall be managed by the directors who, subject to the provisions of the Acts, the memorandum and these Articles and to any directions given by special resolution, may pay all expenses incurred in forming the Company and may exercise all the powers of the Company, including the power to dispose of all or any part of the undertaking of the Company. No alteration of the memorandum or these 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 Article shall not be limited by any special power given to the directors by these Articles. A meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- 15.2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the directors) and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

- 15.3 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 shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate and 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. The directors may co-opt on to any committee persons other than directors, who may be granted voting rights in the committee. The co-opted members shall comprise less than one-half of the committee and a resolution of any committee shall be effective only if a majority of those present are directors. Subject to any conditions imposed by the directors, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of directors so far as they are capable of applying.
- 15.4 The directors may establish any local or divisional 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 or divisional board, manager or agency any of the powers, authorities and discretions vested in the directors (other than their powers to make calls, forfeit shares, borrow money or issue debentures, shares or other securities), with power to sub-delegate, and may authorise the members of any local or divisional 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 or divisional board or agency so established shall by reason thereof be or be deemed to be a director or be described as such.
- 15.5 The directors may appoint any person to any office or employment with the Company having a designation including the word "director" or attach to any existing office or employment with the Company such a designation and may terminate any such appointment or the use of any such designation. No holder of any such office or employment shall by reason thereof be or be deemed to be a director of the Company.
- 15.6 The directors may establish, maintain and give effect to any scheme approved by an ordinary resolution for the allotment of or the grant of options to subscribe for shares of the Company to persons (including directors) in the employment of the Company or any subsidiary of the Company and may exercise all the powers conferred on them by the scheme (including any power to alter or add to its provisions). These Articles shall be deemed to be modified as far as may be necessary to give effect to the scheme in respect of any shares in issue or under option.

15.7 The directors may make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any subsidiary.

## 16. BORROWING POWERS

16.1 Subject to the following provisions the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital, and, subject to the provisions of the Acts and these Articles, to issue debentures, debenture stock, and other securities, whether outright or as primary or collateral security for any debt, liability or obligation of the Company or of any other person.

16.2 The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group and for the time being owing to persons outside the Group shall not at any time, without the previous sanction of an ordinary resolution of the Company in general meeting exceed a sum equal to the higher of US\$250 million (two hundred and fifty million United States dollars) and five times its share capital and consolidated reserves (as defined below).

16.3 In this Article, the share capital and consolidated reserves of the Company means the aggregate of the paid up share capital of the Company and the total of the consolidated capital and revenue reserves of the Group (including, without limitation, any share premium account, capital redemption reserve and credit balance on the consolidated profit and loss account), all as shown in the latest audited consolidated balance sheet of the Company and its subsidiaries (but adjusted as may be necessary to take into account any change since the date of that balance sheet in the companies comprising the Group) and after:

1. making such other adjustments as may be appropriate in respect of any variation in such amount paid up on the share capital, share premium account or capital redemption reserve since the date of the latest audited consolidated balance sheet (and for this purpose any shares which are allotted, whether provisionally or not, shall be deemed to be issued and the amount payable in respect thereof received by the Company on allotment taking place, and when any proposed issue or allotment has been underwritten the shares to be issued or allotted shall be deemed to be issued and fully paid on the date when the underwriting arrangement is entered into whether conditionally or not);

2. deducting, to the extent that this has not already been taken into account in the latest audited consolidated balance sheet of the Company:
  - (a) any amounts distributed or proposed to be distributed (but not provided in the latest audited consolidated balance sheet) other than distributions by any member of the Group to any other member of the Group;
  - (b) any sums set aside for taxation;
  - (c) any amount attributable to outside shareholders in subsidiaries of the Company;
  - (d) any amount attributable to intangible assets; and
  - (e) any debit balance on profit and loss account;
3. making such other adjustments as the auditors may certify to be appropriate.

16.4 For the purpose of the foregoing limit "moneys borrowed" shall be deemed to include the following except in so far as otherwise taken into account:

1. the principal amount for the time being owing (other than to a member of the Group) in respect of any debenture, whether secured or unsecured, issued by a member of the Group in whole or in part for cash or otherwise;
2. the principal amount raised by any member of the Group by acceptances or under any acceptance credit opened on its behalf by any bank or accepting house, other than acceptances relating to the purchase or sale of goods in the ordinary course of trading;
3. the nominal amount of any share capital and the principal amount of any moneys borrowed or other indebtedness, the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by any member of the Group and the beneficial interest in the redemption or repayment of which is not owned within the Group;
4. the nominal amount of any share capital (not being equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital) of any subsidiary of the Company owned otherwise than by other members of the Group; and
5. any fixed or minimum premium payable on repayment of any moneys borrowed;

but shall not be deemed to include:

6. amounts borrowed for the purpose of repaying (with or without premium) any moneys borrowed by any member of the Group then outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period; and
7. the proportion of the excess outside borrowing of a partly owned subsidiary which corresponds to the proportion of its equity share capital owned otherwise than by members of the Group and so that, for this purpose, the expression "excess outside borrowing" shall mean the borrowings of such partly owned subsidiary otherwise than from members of the Group less the amounts (if any) borrowed from it by other members of the Group.

16.5 For the purposes of this Article, any moneys borrowed by any member of the Group which are denominated or repayable in a currency other than sterling shall be treated as converted into sterling:

1. at the rate specified in any exchange cover scheme, forward currency contract, currency option, back to back loan, swap or other similar arrangement entered into and relating to those moneys borrowed;
2. to the extent that no such arrangements were entered into or do not apply to particular moneys borrowed, at the rate of exchange used for the conversion of that currency in the latest audited balance sheet of that member; and
3. if no rate was so used, at the middle market rate of exchange prevailing in London at the close of business on the date of that balance sheet

but (save to the extent (1) applies) if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

16.6 No lender or other 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 those provisions is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the said limit had been or would thereby be exceeded.

## 17. DISQUALIFICATION AND REMOVAL OF DIRECTORS

17.1 The office of a director shall be vacated if:

1. he ceases to be a director by virtue of any provision of the Acts or he becomes prohibited by law from being a director; or
2. he becomes bankrupt or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement; or
3. he is, or may be, suffering from mental disorder and either:
  - (a) 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
  - (b) 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
4. he resigns his office by notice to the Company; or
5. in the case of a director who holds any executive office, his appointment as such is terminated or expires and the directors resolve that his office be vacated; or
6. 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; or
7. he is requested in writing by all the other directors to resign; and in calculating the number of directors who are required to make such a request to the director:
  - (a) there shall be excluded any alternate director appointed by him, acting in his capacity as such; and

- (b) a director and any alternate director appointed by him and acting in his capacity as such shall constitute a single director for this purpose, so that the signature of either shall be sufficient.

17.2 The Company may, by ordinary resolution of which special notice has been given in accordance with the Acts, remove any director from office (notwithstanding anything in these Articles or any agreement between the Company and such director, but without prejudice to any claim he may have for damages in respect of the termination of his appointment or breach of such agreement) and, by ordinary resolution, appoint another person in place of a director so removed. Any person so appointed shall be treated for the purpose of determining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director in whose place he is appointed was last appointed a director. If the vacancy arising upon the removal of a director is not filled at the meeting at which he is removed, it may be filled as a casual vacancy.

## 18. DIRECTORS' REMUNERATION, EXPENSES AND BENEFITS

18.1 The directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Subject to the provisions of the Acts, any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company. A director appointed to an executive office shall not ipso facto cease to be a director if his appointment to such executive office terminates.

18.2 A director holding executive office under the Company shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the directors determine.

18.3 The directors who do not hold executive office under the Company shall be entitled to such remuneration as the directors may determine, not exceeding in aggregate £150,000 or such higher amount as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, such remuneration shall be deemed to accrue from day to day.

18.4 The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of

shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

18.5 Any director who at the request of the directors performs special services or goes or resides abroad for any purposes of the Company may (unless otherwise expressly resolved by the Company in general meeting) receive such extra remuneration by way of salary, percentage of profits or otherwise as the directors may determine.

18.6 The directors may (by the establishment of schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present director or employee of the Company or any of its subsidiaries, 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.

18.7 The directors may purchase and maintain insurance for or for the benefit of any persons who are or were at any time:

1. directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way associated with the Company, or of any subsidiary undertaking of the Company or any such other company; or
2. trustees of any pension fund in which employees of the Company or any, such other company or subsidiary undertaking are interested

including (without limitation) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund. No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a director.

## 19. PROCEEDINGS OF DIRECTORS

19.1 Subject to the provisions of these Articles, 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. Notice of a meeting of the directors shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or at any other

address given by him to the Company for this purpose. A director intending to be absent from the United Kingdom may request the directors that notices of meetings of the directors shall during his absence be sent to him at an address given by him to the Company for the purpose (but the Company shall not be obliged by virtue of this provision to give any such director a longer notice than that given to directors not so absent). If no such request is made to 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.

- 19.2 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 two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Any person who ceases to be a director during a meeting of directors may, unless any director objects and if otherwise a quorum of the directors would not be present, continue to be present and to be counted in the quorum for the remainder of that meeting.
- 19.3 The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number constituting the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting. If there is no director able or willing to act, then any two members may call a general meeting for the purpose of appointing directors.
- 19.4 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.
- 19.5 All acts done in good faith 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.
- 19.6 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors (not being less than the number

of directors required to form a quorum of the 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.

19.7 A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:

1. to hear each of the other participating directors addressing the meeting; and
2. if he so wishes, to address all of the other participating directors simultaneously

whether directly, by conference telephone or by any other form of communications equipment whether or not such equipment is available when this Article is adopted) or by a combination of those methods. A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum and a meeting held in this way is deemed to take place 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.

## 20. DIRECTORS' INTERESTS

20.1 For the purposes of section 175 of the 2006 Act, the directors may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach of duty by a director under that section, including, without limitation, any matter which relates to a situation in which a director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company.

1. Any such authorisation will be effective only if:
  - (f) any requirement as to quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and
  - (g) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

2. The directors may (whether at the time of the giving of the authorisation or subsequently) make any such authorisation subject to any limits or conditions it expressly imposes but such authorisation is otherwise given to the fullest extent permitted.
3. The directors may vary or terminate any such authorisation at any time.
4. For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.

20.2 Subject to the provisions of the Acts, and provided that he has disclosed to the directors the nature and extent of any material interest of his (unless the circumstances referred to in section 177(5) or section 177(6) of the 2006 Act apply, in which case no such disclosure is required), a director notwithstanding his office:

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;
2. may act by himself or his firm in a professional capacity for the Company (except as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
3. 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;
4. and 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, nor shall the receipt of any such remuneration or other benefits constitute a breach of his duty under section 176 of the 2006 Act.

20.3 For the purposes of this Article:

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

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.

20.4 Save as otherwise provided by these 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, a material interest (other than by virtue of his interests in shares, debentures or other securities of or otherwise in or through the Company) unless his interest arises only because the case falls within one or more of the following paragraphs:

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 subsidiary undertakings;
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;
3. his interest arises in relation to the subscription or purchase by him of shares, debentures or other securities of the Company or any of its subsidiary undertakings pursuant to an offer or invitation to holders of securities in the Company, 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 subsidiary undertakings for subscription, purchase or exchange;
4. the resolution relates to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award to any director any privilege or benefit not generally awarded to the employees to whom the arrangement relates;
5. the resolution relates to a transaction or arrangement with any other company in which he is interested, directly or indirectly, provided that he is not beneficially interested in one per cent. or more of the equity share capital of that company (or any other company through which his interest is derived) or entitled to exercise one per cent. or more of the voting rights available to members of the relevant company;

6. the resolution concerns any insurance which the Company is empowered to purchase or maintain for or for the benefit of any directors of the Company or for persons who include directors of the Company.

For the purpose of determining whether a transaction or arrangement is with a company in which a director is interested:

7. there shall be disregarded any shares held by a director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust in which the director is only interested as a unit holder;
  8. there shall be included an interest of a person who is, for any purpose of the Acts (excluding any statutory modification thereof not in force when this Article becomes binding on the Company), connected with a director; and
  9. in relation to an alternate director, an interest of his appointor shall be treated as an interest which the alternate director without prejudice to any interest which the alternate director has otherwise.
- 20.5 A director shall not be counted in the quorum at a meeting in relation to a resolution on which he is not entitled to vote.
- 20.6 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.
- 20.7 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.
- 20.8 A director shall be under no duty to the Company with respect to any information which he obtains or has obtained otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person. However, to the extent that his relationship with that other person gives rise to a conflict of interest or possible conflict of interest, this Article applies only if the existence of that relationship has been approved by the Board pursuant to Article 20.1. In particular

the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the 2006 Act because he fails:

1. to disclose any such information to the directors or other officer or employee of the Company, and/or
2. to use or apply any such information in performing his duties as a director of the Company.

20.9 Where the existence of a director's relationship with another person has been approved by the directors pursuant to Articles 20.1 and his relationship with that person gives rise to a conflict of interest or possible conflict of interest, the director shall not be in breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the 2006 Act because he:

1. absents himself from meetings of the directors at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise, and/or
2. makes arrangements not to receive documents and information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company and/or for such documents and information to be received and read by a professional adviser,

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

20.10 The provisions of Articles 20.8 and 20.9 are without prejudice to any equitable principle or rule of law which may excuse the director from:

1. disclosing information in circumstances where disclosure would otherwise be required under the Articles, or
2. attending meetings or discussions or receiving documents and information as referred to in Article 20.9 in circumstances where such attendance or receiving such documents and information would otherwise be required under the Articles.

## 21. SECRETARY, MINUTES, EXECUTION AND REGISTERS

21.1 Subject to the provisions of the Acts the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them (but without prejudice to

any claim he may have for damages for breach of any agreement between the Company and him).

- 21.2 The directors shall cause minutes to be made in books kept for the purpose:
1. of all appointments of officers made by the directors; and
  2. of all 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.
- 21.3 Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting, is evidence of the proceedings.
- 21.4 Any director or the secretary shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the holders of any class of shares of the Company or the directors or any committee of directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or the minutes of or an extract from the minutes of a meeting of the Company or the holders of any class of shares of the Company or of the directors or any committee of directors that is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.
- 21.5 The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine whether any instrument to which the seal is affixed shall be signed and, if so, who shall sign it and unless otherwise so determined it shall be signed by at least one director and the secretary or by at least two directors.
- 21.6 The directors may by resolution determine either generally or in any particular case that any certificates for shares or debentures or representing any other form of security may, in accordance with the Acts, have the seal and signatures affixed to them by some mechanical means or printed on them, or that such certificates need not bear any signature.
- 21.7 Subject to the provisions of the Acts, the Company may have an official seal for use in any place abroad.

- 21.8 Subject to the Acts, any instrument signed, with the authority of the directors or of a committee of directors, by one director and the secretary or by two directors and expressed to be executed by the Company as a deed shall have the same effect as if executed under the seal.
- 21.9 A document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of its having been executed by the Company.
- 21.10 Subject to the Acts, the Company may keep an overseas or local or other register in any place and the directors may make, amend and revoke such regulations as it may think fit regarding the keeping of such register.

## 22. DIVIDENDS AND RECORD DATES

- 22.1 Subject to the provisions of the Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
- 22.2 Subject to the provisions of the Acts, the directors may pay fixed dividends on any class of shares carrying an entitlement to fixed dividends expressed to be payable on fixed dates on the dates prescribed and, subject thereto, 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.
- 22.3 Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

22.4 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.

22.5 The directors may with the authority of an ordinary resolution of the Company, offer any holders of ordinary shares one or more of the following options:

1. instead of taking the net cash amount due to them in respect of all or any part (to be determined by the directors) of any dividend declared or payable on any ordinary shares held by them, either to invest the cash in subscribing for unissued ordinary shares, payable in full or by instalments, or in paying up in full or by instalments any unpaid or partly paid ordinary shares held by them; or
2. instead of taking the net cash amount due to them in respect of all or any part (to be determined by the directors) of any dividend declared or payable on any ordinary shares held by them, to elect to receive new ordinary shares credited as fully paid; or
3. to forego their entitlement to all or any part (to be determined by the directors) of any dividend declared or payable on any ordinary shares held by them and to take instead fully paid bonus ordinary shares; or
4. any other option in respect of all or any part (to be determined by the directors) of any dividend on any ordinary shares held by them as the directors determine.

22.6 In relation to the above options, the following provisions apply:

1. the ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period;
2. the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be, as nearly as possible, equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that the holder elects to forego. In calculating the entitlement, the directors may, at their discretion, adjust the figure obtained by dividing the relevant value by the amount payable on the ordinary shares up or down so as to procure that the entitlement of each shareholder to new

ordinary shares is represented by a simple numerical ratio. For this purpose, the "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the AIM appendix to the Daily Official List, on such five consecutive dealing days as the directors determine, provided that the first day is on or after the day on which the ordinary shares are first quoted `ex` the relevant dividend, or in such other manner as may be determined by or in accordance with the ordinary resolution;

3. on or as soon as practicable after announcing that they are to declare or recommend any dividend the directors, if they intend to offer an election in respect of that dividend, shall also announce that intention and shall, after determining the basis of allotment if they decide to proceed with the offer, notify the holders of ordinary shares in writing of the right of election offered to them and specify the procedure to be followed and the place at which and the latest time by which elections must be lodged in order for elections to be effective;
4. the directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issued and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined;
5. the directors may exclude from any offer any holders of ordinary shares where the directors believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them;
6. the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made (the "elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated above. For this purpose the directors may capitalise, out of any amount standing to the credit of any reserve or fund (including the profit and loss account, share premium account, capital redemption reserve or any other undistributable reserve) whether or not it is available for distribution as the directors determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis;
7. the additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue except that they will

not be entitled to participate in the relevant dividend or in that part of the dividend in respect of which the right of election was offered;

8. the directors may also from time to time establish or vary a procedure for election mandates, under which a holder of ordinary shares may elect to receive ordinary shares credited as fully paid instead of cash in respect of all future rights offered to that holder under this Article until the election mandate is revoked or deemed to be revoked in accordance with the procedure;
9. the directors may undertake and do such acts and things as they consider necessary or expedient for the purpose of giving effect to this Article including (without limitation) making such provisions as they think fit in relation to any fraction of an ordinary share which may or would arise from the application of this Article.

22.7 Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent by post to the registered address of the holder or 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 or by means of electronic funds transfer to holders' accounts as notified by such holders to the Company in advance for this purpose.

Every such cheque or warrant shall be made payable to or 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 or warrant by the bank upon which it is drawn or transfer of the funds by the bank instructed to make the transfer 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. Any such dividend or other money may also be paid by any other method (including direct debit or bank transfer) which the directors consider appropriate and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer.

22.8 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.

22.9 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.

22.10 The Company may cease sending dividend warrants or cheques in respect of any dividend or other moneys payable on a share if such instruments have been sent in accordance with these Articles in respect of that share and returned undelivered or left uncashed on at least two consecutive occasions or if, following one such occasion, reasonable enquiries have failed to establish any new address for the holder of that share.

22.11 Notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any shares, the Company or the directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.

## 23. ACCOUNTS

23.1 No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as authorised by statute, by order of the court, by the directors or by ordinary resolution of the Company.

23.2 A printed copy of the directors' and auditors' reports accompanied by printed copies of the balance sheet and every document required by the Act to be annexed to the balance sheet shall, not less than twenty-one clear days before the annual general meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company, and to the auditors; but this Article shall not require a copy of those documents to be sent to any member or holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the appropriate officer of that stock exchange such number of copies of each of those documents as may be required by the regulations of that stock exchange.

23.3 The Company may, in accordance with section 426 of the 2006 Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in this Article.

## 24. CAPITALISATION OF PROFITS

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

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;

2. appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend 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;
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
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.

## 25. NOTICES

- 25.1 Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
- 25.2 The Company may give any notice to a member personally, by telex or facsimile, by sending it by post in a prepaid envelope addressed to the member at his registered address, by leaving it at that address or in accordance with Article 25.8. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

- 25.3 A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 25.4 Every person who becomes entitled to a share shall be bound by any notice in respect of that share (except a notice under section 793 of the 2006 Act) which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
- 25.5 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given and such notice shall be deemed effectively served 48 hours (five days if addressed overseas) after being put in the post prepaid by first class mail (airmail if addressed overseas), Saturdays, Sundays and public holidays excepted at the place of receipt. Proof that a telex was transmitted without interruption to the correct telex number and that a correct answerback code was received immediately before and after commencement of transmission shall be conclusive evidence that the notice therein was given, and it shall be deemed effectively served at the time of sending. In all other circumstances the fact and time of receipt of a notice must be proved by the giver thereof.
- 25.6 Where, 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 notice sent by post, notice of the meeting shall be sufficiently given if given by advertisement in two leading national daily newspapers published in the United Kingdom. The Company shall send a copy of the notice to members by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom becomes practicable.
- 25.7 A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
- 25.8 Subject to the Articles:
1. anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the 2006 Act provides for documents or information to be sent or supplied by or to the company for the purposes of the Companies Acts; and

2. any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

25.9 Anything sent to a member under the Articles may be sent to that member's address registered in the register of members, unless:

1. the member and the Company have agreed that another means of communication is to be used; and
2. the member has supplied the Company with the information it needs in order to be able to use that other means of communication.

25.10 Any notice or document sent to a director may be sent to that director's address as is registered in the register of directors, unless:

1. the director and the Company have agreed that another means of communication is to be used; and
2. the director has supplied the Company with the information it needs in order to be able to use that other means of communication.

25.11 If:

1. the Company sends two consecutive documents to a member over a period of at least 12 months; and
2. each of those documents is returned undelivered, or the company receives notification that it has not been delivered,

that member shall cease to be entitled to receive notices from the Company.

25.12 A member who has ceased to be entitled to receive notices shall become entitled to receive such notices again by sending the Company:

1. a new address to be recorded in the register of members; or

2. if the member has agreed that the Company should use a means of communication other than sending things to such address, the information that the Company needs to use that means of communication effectively.
- 25.13 Where a document or information is sent or supplied by post, service or delivery shall be deemed to be effected at the expiration of 24 hours after the time when the cover containing the same is posted (irrespective of the class or type of post used) and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed and posted. Where a document or information is sent or supplied by electronic means to an address specified for the purpose by the intended recipient, service or delivery shall be deemed to be effected on the same day on which it is sent or supplied and in proving such service it will be sufficient to prove that it was properly addressed. Where a document or information is sent or supplied by means of a website, service or delivery shall be deemed to be effected when (a) the material is first made available on the website or (b) if later, when the recipient received (or, in accordance with this Article 25, is deemed to have received) notification of the fact that the material was available on the website.
- 25.14 Subject to any requirement of the Acts and provided that the Company has complied with all applicable regulatory requirements, the Company may send any documents or notices to its members in electronic form and such documents or notices will be validly sent provided that:
1. the member has agreed (generally or specifically) (or in the case of a company is deemed to have agreed by a provision in the Acts) that documents or notices can be sent in electronic form;
  2. the documents are documents to which the agreement applies; and
  3. copies of the documents are sent in electronic form to the address notified by the member to the Company for that purpose.
- 25.15 Subject to any requirement of the Acts and provided that the Company has complied with all applicable legal requirements, the Company may send documents or notices to its members by means of a website and any such documents or notices will be validly sent provided that:
1. the member has expressly agreed (generally or specifically) that documents or notices may be sent by means of a website to him or he has been asked (individually) to agree that documents and notices can be sent by means of a website and the Company has received no response to that request within 28 days from the date on which the request was sent; and

2. the documents are documents to which the agreement or request for agreement applies; and
3. the member is notified of the presence of the documents on the website, the address of the website, the place on the website where the documents may be accessed and how they may be accessed.

25.16 Documents must be available on the website for a period of not less than 28 days from the date of notification unless the Acts make provision for any other time period.

25.17 If the documents are published on the website for a part only of the period of time referred to in Article 25.16, they will be treated as being published throughout the period if the failure to publish throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

25.18 Where the Company sends documents to members otherwise than in hard copy form, any member can require the Company to send him a hard copy version and the Company must do so free of charge and within 21 days of the date of the member's request.

25.19 Where the Acts permit documents to be sent to the Company, only such documents as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose.

25.20 If the document in electronic form is sent by hand or by post, it must be sent to the Company's office.

25.21 A document sent to the Company in electronic form is sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.

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

## 26. DESTRUCTION OF DOCUMENTS

26.1 The Company may destroy:

1. any instrument of transfer, at any time at least six years after the date on which it is registered;
2. any dividend mandate or notification of change of name or address, at any time at least two years after the date on which it is recorded;

3. any share certificate, at any time at least one year after the date on which it is cancelled;
4. any paid dividend warrant or cheque, at any time at least one year after the date on which it was actually paid; and
5. any instrument of proxy which has not been used for the purpose of a poll, at any time at least one month after the end of the meeting to which the instrument of proxy relates and at which no poll was demanded.

26.2 It shall be conclusively presumed in favour of the Company that every entry in the register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled, and that every other document so destroyed was valid and effective in accordance with the particulars in the records of the Company; provided that:

1. this Article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
2. nothing in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document otherwise than as provided for in this Article which would not attach to the Company in the absence of this Article; and
3. references in this Article to the destruction of any document include references to the disposal of it in any manner.

Any document referred to in this Article may be destroyed earlier than the relevant date authorised by this Article provided a permanent record of the document is made and not destroyed before that date.

## 27. UNTRACED MEMBERS

27.1 The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission or otherwise by operation of law, if:

1. during a period of twelve years at least three dividends in respect of the shares in question have been payable and no dividend warrant or cheque has been delivered or cashed and no communication has been received by the Company from the member or person concerned; and

2. the Company has, after the expiration of that period, by advertisement both in a leading national newspaper published in the United Kingdom and in a newspaper circulating in the area of the registered address or last known address of the member or person concerned, and by notice to the appropriate officer of any stock exchange on which shares of the class concerned are listed or dealt in, given notice of its intention to sell such shares; and
3. the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any indication of the whereabouts or of the existence of the member or person concerned.

27.2 To give effect to the sale the directors may appoint any person to execute an instrument of transfer of the share, and the instrument shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, the share. The Company shall be indebted to the member or other person entitled to the share for an amount equal to the net proceeds of the sale, but no trust shall be created and no interest shall be payable in respect of the proceeds of sale.

## 28. WINDING UP

28.1 If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, 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.

## 29. INDEMNITY

29.1 Every director, other officer or auditor of the Company shall, to the extent permitted by the Act, be indemnified out of the assets of the Company against any liability incurred by him in the execution of, or in relation to, his duties. This indemnity shall not apply to any liability to the extent that it is recovered from any other person and the indemnity is subject to such officer or auditor taking all reasonable steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced. Subject to the Act, no director, other officer or auditor shall be liable for any loss, damage or misfortune which may happen to, or be incurred by, the Company in the execution of, or in relation to, his duties. This Article does not require the Company to purchase and maintain for any such officer or auditor insurance against any such liability, but does not restrict the Company from doing so.

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NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

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Andrew Morris Blankfield  
East India House  
109-117 Middlesex Street  
London E1 7JF

Solicitor

Charles Francis Sands  
East India House  
109-117 Middlesex Street  
London E1 7JF

Solicitor

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DATED 14 March 1995

WITNESS to the above signatures:

Sophie Anna Tyszkiewicz Hooper  
East India House  
109-117 Middlesex Street  
London E1 7JF

Solicitor

Company number: 3036214

**THE COMPANIES ACT 1985**  
**PUBLIC COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**of**

**AVOCET MINING PLC**

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1. The name of the Company is Avocet Mining PLC.
2. The Company is to be a public company.
3. The registered office of the Company will be situated in England and Wales.
4. The objects for which the Company is established are:-
  - a) To carry on business as a general commercial company.
  - b) To carry on any trade or business whatsoever
  - c) To do all such things as are, in the opinion of the directors, incidental or conducive to the carrying on of any trade or business by the Company.
  - d) To do all such things as the directors consider to be desirable or for the benefit of the Company.
  - e) To sell, transfer or otherwise dispose of or create or grant any interest or right out of all or any part of the undertaking, assets and liabilities of the Company.
  - f) To give any financial assistance that may lawfully be given in connection with the acquisition of shares in the Company or any other company.
  - g) To guarantee in any manner, or to enter into any indemnity or other arrangement in relation to, the discharge, observance, or performance of any liabilities of any person, including, but without limitation, any company which is a holding company, a subsidiary or a fellow subsidiary of the Company and to secure any such guarantee, indemnity or arrangement or the discharge, observance and performance of any liabilities of any person by any mortgage, charge, pledge, lien or other security of any kind over the whole or any part of the undertaking and assets of the Company, including its uncalled capital.
  - h) To support and subscribe to any institution or association which may be for the benefit of the Company

or its directors or employees or connected with any town or place where the Company carries on business, and to support and subscribe to any charitable, political or public body or association.

- i) To act as trustee, personal representative, director or agent of any kind and for any purpose.
- j) To provide or arrange for pensions, lump sum payments, gratuities, life, health, accident and other insurances and other benefits of every kind to or for the benefit of any individuals who are or have been directors or employees of, or who provide or have provided services to or for, the Company or any company which is or has been a subsidiary, holding company or fellow subsidiary of the Company and to or for the benefit of the spouses, families and dependants of such individuals; and for those purposes to establish or participate in any fund or scheme, to effect or contribute to any form of insurance and to enter into any other arrangements of any kind which the directors may approve.
- k) To exercise any power of the Company for any consideration of any kind or for no consideration.

And it is hereby declared that the word "company" in this Clause except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and that the intention is that each of the objects specified in each paragraph of this Clause shall, except where otherwise expressed in such paragraph, be an independent main object and be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

- 5. The liability of the members is limited.
- 6. The share capital of the Company is £25,000,000 divided into 100,000,000 ordinary shares of 25 pence each (see amendments overleaf).

## **CLAUSE 6**

### **AMENDMENT 1**

By Ordinary Resolution passed at the Company's Annual General Meeting on 2 September 2003, the authorised share capital of Company was increased by £25,000,000 to £50,000,000 divided into 200,000,000 ordinary shares of 25 pence each.

### **AMENDMENT 2**

By Ordinary Resolution passed at the Company's Annual General Meeting on 28 September 2004, the authorised share capital of Company was increased by £50,000,000 to £100,000,000 divided into 400,000,000 ordinary shares of 25 pence each.

### **AMENDMENT 3**

By Special Resolution passed at the Company's Extraordinary General Meeting on 11 November 2005 and approved by Court order on 8 December 2005, the authorised share capital of Company is £20,000,000 divided into 400,000,000 ordinary shares of 5 pence each, following cancelling and extinguishing paid up capital to the extent of 20p on each of the issued ordinary shares of 25p each in the capital of the Company and by reducing the nominal value of each and every ordinary share as at the Record date, whether issued or unused, from 25p to 5p.

### **AMENDMENT 4**

By Ordinary Resolution passed at the Company's Annual General Meeting on 17 September 2009, the authorised share capital of Company was increased by £20,000,000 to £40,000,000 divided into 800,000,000 ordinary shares of 5 pence each.

### **AMENDMENT 5**

Following a General Meeting of the Company's shareholders on 9 June 2016, and with effect from 10 June 2016, the issued share capital of the Company has consisted of 20,949,671 Ordinary Shares of 1p each and 209,496,710 Deferred Shares of 4.9p each.

We, the several persons whose names, addresses and descriptions are subscribed, wish to be formed into a Company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

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NAMES ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of shares taken by each subscriber
Andrew Morris Blankfield East India House 109 – 117 Middlesex Street London E1 7JF Solicitor	One ordinary share of 25 pence
Charles Francis Sands East India House 109 - 117 Middlesex Street London E1 7JF Solicitor	One ordinary share of 25 pence

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DATED 14 March 1995

WITNESS to the above signatures:-

Sophie Anna Tyszkiewicz Hooper  
East India House  
109-117 Middlesex Street  
London  
E1 7JF  
Solicitor

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