

THE COMPANIES ACT 2006

PUBLIC COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
of
LONDON & STAMFORD PROPERTY PLC
(adopted by special resolution passed on 10 August 2010)



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ARTICLES OF ASSOCIATION

of

LONDON & STAMFORD PROPERTY PLC

(adopted by special resolution passed on 10 August 2010)

PRELIMINARY

1. OTHER REGULATIONS EXCLUDED

The following regulations shall be the articles of association of the Company to the exclusion of any regulation or article prescribed by or pursuant to any statute concerning companies.

2. INTERPRETATION

2.1 In these regulations, the following definitions apply:

"Articles"

means the articles of association of the Company;

"Auditors"

means the auditors of the Company;

"Board"

means the board of Directors or the Directors present at a duly convened and quorate meeting of Directors or a duly authorised committee of the Directors as the context requires;

"cash memorandum account"

means an account so designated by the operator of the relevant system concerned;

"certificated share"

means a share in the capital of the Company that is not an uncertificated share and references to a share being held in certificated form shall be construed accordingly;

"clear days"

means in relation to a period of notice or otherwise, that period excluding the day when the notice or other document is received or deemed to be received and the day for which it is sent or on which it is to take effect;

"communication"

includes, but is not limited to, a communication comprising sounds or images or both and a communication effecting a payment;

"Companies Act"

means the Companies Act 2006;

"Company"

means London & Stamford Property plc;

"Director"

means a director of the Company;

"Dividend"

means a dividend and/or bonus;

"electronic address"

includes any number or address used for the purposes of sending or receiving notices, documents or information by electronic means;

"electronic form"

has the same meaning as in the Companies Act;

"electronic means"

has the same meaning as in the Companies Act;

"entitled by transmission"

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

"executed"

includes signed, sealed or authenticated in some other way;

"Group"

means the Company and any company or other undertaking which is a Subsidiary Undertaking of the Company unless otherwise stated;

"holder"

means in relation to a share, the Member whose name is entered in the Register as the holder of that share;

"Listing Rules"

means the listing rules made under part VI of the Financial Services and Markets Act 2000;

"London Stock Exchange"

means London Stock Exchange plc;

"Member"

means a member of the Company;

"month"

means calendar month;

"Office"

means the registered office of the Company;

"paid up"

means paid up and/or credited as paid up;

"person with mental disorder"

means:

- (a) a person who 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 1984; or
- (b) a person in respect of whom 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 guardian, receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

"Prescribed Rate"

means an annual rate of interest equal to two per cent above the prevailing base lending rate (or any equivalent or successor lending rate) of HSBC Bank plc in London;

"Register"

means the register of Members and includes so far as relevant and so long as the Uncertificated Securities Regulations so permit/require, a related operator register of Members;

"relevant system"

has the meaning given to it by **Article 2.2.3**;

"seal"

means the common seal of the Company and, as appropriate, any official or securities seal that the Company has or may be permitted to have under the Statutes;

"Secretary"

means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

"Statutes"

means the Companies Act, the Uncertificated Securities Regulations and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company;

"Sterling"

means the lawful currency of the United Kingdom;

"Subsidiary Undertaking"

means a subsidiary undertaking of the Company which is required by the Statutes to be included in consolidated group accounts of the Company;

"UKLA"

means the Financial Services Authority acting in its capacity as the competent authority for the purposes of part VI of the Financial Services and Markets Act 2000;

"Uncertificated Securities Regulations"

means the Uncertificated Securities Regulations 2001 (SI 2001/3755);

"uncertificated share"

means a share of a class in the capital of the Company which is recorded on the Register as being held in uncertificated form and title to which may, by virtue of the Uncertificated Securities Regulations, be transferred by means of a relevant system and references to a share being held in uncertificated form shall be construed as a reference to that share being an uncertificated unit of security;

"United Kingdom"

means Great Britain and Northern Ireland;

"written" or "in writing"

means in writing, or in any way of representing or reproducing words legibly so that they are permanent and in either hard copy or electronic form.

2.2 In the Articles, unless the context otherwise requires:

2.2.1 references to persons include references to natural persons, companies and unincorporated bodies of persons;

- 2.2.2 words and expressions defined in the Statutes shall bear the same meaning in the Articles save that the word "company" shall include any body corporate (and excluding any modification of the Statutes not in force when these regulations became binding on the Company and words and expressions expressly defined in the Articles);
- 2.2.3 reference to a relevant system is to the relevant system in which a share is a participating security at the relevant time;
- 2.2.4 references to any provision of any statute, statutory instrument, rule, order or regulation include any amendment, replacement or restatement of that provision from time to time and any substituted provision of any amending, consolidating or replacement statute, statutory instrument, rule, order or regulation; and
- 2.2.5 a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.
- 2.3 In the Articles:
- 2.3.1 the contents pages and headings are for convenience only and do not affect the construction of the Articles;
- 2.3.2 words denoting the singular include the plural and vice versa;
- 2.3.3 words denoting one gender include any other gender; and
- 2.3.4 references to "includes", "including" and "included" will be construed without limitation unless inconsistent with the context.
- 2.4 Where an ordinary resolution of the Company is required for any purpose, a special resolution is also effective for that purpose.

REIT ARTICLE

3. REAL ESTATE INVESTMENT TRUST

- 3.1 Cardinal principle
- 3.1.1 It is a cardinal principle that, for so long as the Company is the principal company in a real estate investment trust ("**UK-REIT**") for the purposes of Part 12 of the Corporation Tax Act 2010, as such Part may be modified, supplemented or replaced from time to time it should not be liable to pay tax under Section 551 of the Corporation Tax Act 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution.
- 3.1.2 This **Article 3** supports such cardinal principle by, among other things, imposing restrictions and obligations on the shareholders of the Company and, indirectly, certain other Persons who may have an interest in the Company, and shall be construed accordingly so as to give effect to such cardinal principle.
- 3.2 Definitions and interpretation
- 3.2.1 For the purposes of this **Article 3**, the following words and expressions shall bear the following meanings:

"business day"	means a day (not being a Saturday or Sunday) on which banks are normally open for business in London;
"Distribution"	means any dividend or other distribution on or in respect of the shares of the Company and references to a Distribution being paid include a distribution not involving a cash payment being made;
"Distribution Transfer"	means a disposal or transfer (however effected) by a Person of his rights to a Distribution from the Company such that he is not beneficially entitled (directly or indirectly) to such a distribution and no Person who is so entitled subsequent to such disposal or transfer (whether the immediate transferee or not) is (whether as a result of the transfer or not) a Substantial Shareholder;
"Distribution Transfer Certificate"	means a certificate in such form as the directors may specify from time to time to the effect that the relevant Person has made a Distribution Transfer, which certificate may be required by the directors to satisfy them that a Substantial Shareholder is not beneficially entitled (directly or indirectly) to a Distribution;
"Excess Charge"	means, in relation to a Distribution which is paid or payable to a Person, all tax or other amounts which the directors consider may become payable by the Company under Section 551 of the Corporation Tax Act 2010 (as such legislation may be modified, supplemented or replaced from time to time) and any interest, penalties, fines or surcharge attributable to such tax as a result of such Distribution being paid to or in respect of that Person;
"Group"	is to be construed in this Article 3 only as meaning the Company and the other companies in its group for the purposes of section 606 of the Corporation Tax Act 2010 (as such section may be modified, supplemented or replaced from time to time);
"HMRC"	means HM Revenue & Customs;
"interest in the Company"	includes, without limitation, an interest in a Distribution made or to be made by the Company;
"Person"	includes a body of persons, corporate or unincorporated, wherever domiciled;
"Relevant Registered Shareholder"	means a shareholder who holds all or some of the shares in the Company that comprise a Substantial Shareholding (whether or not a Substantial Shareholder);
"Reporting Obligation"	means any obligation from time to time of the Company to provide information or reports to HMRC as a result of or in connection with the Group's status as a group UK-REIT;
"Substantial Shareholding"	means the shares in the Company in relation to which or by virtue of which (in whole or in part) a Person is a Substantial Shareholder;

"Substantial Shareholder"

means any Person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause the Company to be liable to pay tax under Section 551 of the Corporation Tax Act 2010 (as such legislation may be modified, supplemented or replaced from time to time) on or in connection with the making of a Distribution to or in respect of such Person including, at the date of adoption of this **Article 3**, any holder of excessive rights as defined in Section 533 of the Corporation Tax Act 2010.

3.2.2 Where under this **Article 3** any certificate or declaration may be or is required to be provided by any Person (including, without limitation, a Distribution Transfer Certificate), such certificate or declaration may be required by the directors (without limitation):

- (a) to be addressed to the Company, the directors or such other Persons as the directors may determine (including HMRC);
- (b) to include such information as the directors consider is required for the Company to comply with any Reporting Obligation;
- (c) to contain such legally binding representations and obligations as the directors may determine;
- (d) to include an undertaking to notify the Company if the information in the certificate or declaration becomes incorrect, including prior to such change;
- (e) to be copied or provided to such Persons as the directors may determine (including HMRC); and
- (f) to be executed in such form (including as a deed or deed poll) as the directors may determine.

3.2.3 This **Article 3** shall apply notwithstanding any provisions to the contrary in any other article (including, without limitation, **Articles 134 to 145 (Dividends)**).

3.3 Notification of Substantial Shareholder and other status

3.3.1 Each shareholder and any other relevant Person shall serve notice in writing on the Company at the Office on:

- (a) him becoming a Substantial Shareholder (together with the percentage of voting rights, share capital or dividends he controls or is beneficially entitled to, details of the identity of the shareholder(s) who hold(s) the relevant Substantial Shareholding and such other information, certificates or declarations as the directors may require from time to time);
- (b) him becoming a Relevant Registered Shareholder (together with such details of the relevant Substantial Shareholder and such other information, certificates or declarations as the directors may require from time to time); and
- (c) any change to the particulars contained in any such notice, including on the relevant Person ceasing to be a Substantial Shareholder or a Relevant Registered Shareholder.

Any such notice shall be delivered by the end of the second business day after the day on which the Person becomes a Substantial Shareholder or a Relevant Registered Shareholder or the change in relevant particulars or within such shorter or longer period as the directors may specify from time to time.

3.3.2 The directors may at any time give notice in writing to any Person requiring him, within such period as may be specified in the notice (being seven days from the date of service of the notice or such shorter or longer period as the directors may specify in the notice), to deliver to the Company at the Office such information, certificates and declarations as the directors may require to establish whether or not he is a Substantial Shareholder or a Relevant Registered Shareholder or to comply with any Reporting Obligation. Each such Person shall deliver such information, certificates and declarations within the period specified in such notice.

3.4 Distributions in respect of Substantial Shareholdings

3.4.1 In respect of any Distribution, the directors may, if the directors determine that the condition set out in **Article 3.4.2** is satisfied in relation to any shares in the Company, withhold payment of such Distribution on or in respect of such shares. Any Distribution so withheld shall be paid as provided in **Article 3.4.3** and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.

3.4.2 The condition referred to in **Article 3.4.1** is that, in relation to any shares in the Company and any Distribution to be paid or made on and in respect of such shares:

- (a) the directors believe that such shares comprise all or part of a Substantial Shareholding of a Substantial Shareholder; and
- (b) the directors are not satisfied that such Substantial Shareholder would not be beneficially entitled to the Distribution if it was paid,

and, for the avoidance of doubt, if the shares comprise all or part of a Substantial Shareholding in respect of more than one Substantial Shareholder this condition is not satisfied unless it is satisfied in respect of all such Substantial Shareholders.

3.4.3 If a Distribution has been withheld on or in respect of any shares in the Company in accordance with **Article 3.4.1** it shall be paid as follows:

- (a) if it is established to the satisfaction of the directors that the condition in **Article 3.4.2** is not satisfied in relation to such shares, in which case the whole amount of the Distribution withheld shall be paid; and
- (b) if the directors are satisfied that sufficient interests in all or some of the shares concerned have been transferred to a third party so that such transferred shares no longer form part of the Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid (provided the directors are satisfied that following such transfer such shares concerned do not form part of a Substantial Shareholding); and
- (c) if the directors are satisfied that as a result of a transfer of interests in shares referred to in (b) above the remaining shares no longer form part of a Substantial Shareholding, in which case the Distribution attributable to such shares shall be paid.

In this **Article 3.4.3** references to the "transfer" of a share include the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of that share.

3.4.4 A Substantial Shareholder may satisfy the directors that he is not beneficially entitled to a Distribution by providing a Distribution Transfer Certificate. The directors shall be entitled

to (but shall not be bound to) accept a Distribution Transfer Certificate as evidence of the matters therein stated and the directors shall be entitled to require such other information, certifications or declarations as they think fit.

- 3.4.5 The directors may withhold payment of a Distribution on or in respect of any shares in the Company if any notice given by the directors pursuant to **Article 3.3.2** in relation to such shares shall not have been complied with to the satisfaction of the directors within the period specified in such notice. Any Distribution so withheld will be paid when the notice is complied with to the satisfaction of the directors unless the directors withhold payment pursuant to **Article 3.4.1** and until such payment the Persons who would otherwise be entitled to the Distribution shall have no right to the Distribution or its payment.
- 3.4.6 If the directors decide that payment of a Distribution should be withheld under **Article 3.4.1** or **Article 3.4.5** they shall within seven business days give notice in writing of that decision to the Relevant Registered Shareholder.
- 3.4.7 If any Distribution shall be paid on a Substantial Shareholding and an Excess Charge becomes payable, the Substantial Shareholder shall pay the amount of such Excess Charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. Without prejudice to the right of the Company to claim such amount from the Substantial Shareholder, such recovery may be made out of the proceeds of any disposal pursuant to **Article 3.6.2** or out of any subsequent Distribution in respect of the shares to such Person or to the shareholders of all shares in relation to or by virtue of which the directors believe that Person has an interest in the Company (whether that Person is at that time a Substantial Shareholder or not).

3.5 Distribution trust

- 3.5.1 If a Distribution is paid in respect of a Substantial Shareholding in circumstances where the Substantial Shareholder is not beneficially entitled to the Distribution, the Distribution and any income arising from it shall be held by the payee or other recipient to whom the Distribution is transferred by the payee on trust absolutely for the Persons nominated by the relevant Substantial Shareholder under **Article 3.5.2** in such proportions as the relevant Substantial Shareholder shall in the nomination direct or, subject to and in default of such nomination being validly made within 12 years after the date the Distribution is made, for the Company or for such charity as may be nominated by the directors from time to time.
- 3.5.2 The relevant Substantial Shareholder of shares of the Company in respect of which a Distribution is paid shall be entitled to nominate in writing any two or more Persons (not being Substantial Shareholders) to be the beneficiaries of the trust on which the Distribution is held under **Article 3.5.1** and the Substantial Shareholder may in any such nomination state the proportions in which the Distribution is to be held on trust for the nominated Persons, failing which the Distribution shall be held on trust for the nominated Persons in equal proportions. No Person may be nominated under this **Article 3.5.1** who is or would, on becoming a beneficiary in accordance with the nomination, become a Substantial Shareholder. If the Substantial Shareholder making the nomination is not by virtue of **Article 3.5.1** the trustee of the trust, the nomination shall not take effect until it is delivered to the Person who is the trustee.
- 3.5.3 Any income arising from a Distribution which is held on trust under **Article 3.5.1** shall until the earlier of (i) the making of a valid nomination under **Article 3.5.2** and (ii) the expiry of

the period of 12 years from the date when the Distribution is paid be accumulated as an accretion to the Distribution. Income shall be treated as arising when payable, so that no apportionment shall take place.

3.5.4 No Person who by virtue of **Article 3.5.1** holds a Distribution on trust shall be under any obligation to invest the Distribution or to deposit it in an interest-bearing account.

3.5.5 No Person who by virtue of **Article 3.5.1** holds a Distribution on trust shall be liable for any breach of trust unless due to his own wilful fraud or wrongdoing or, in the case of an incorporated Person, the fraud or wilful wrongdoing of its directors, officers or employees.

3.6 Obligation to dispose

3.6.1 If at any time, the directors believe that:

- (a) in respect of any Distribution declared or announced, the condition set out in **Article 3.4.2** is satisfied in respect of any shares in the Company in relation to that Distribution;
- (b) a notice given by the directors pursuant to **Article 3.3.2** in relation to any shares in the Company has not been complied with to the satisfaction of the directors within the period specified in such notice; or
- (c) any information, certificate or declaration provided by a Person in relation to any shares in the Company for the purposes of the preceding provisions of this **Article 3** was materially inaccurate or misleading,

the directors may give notice in writing (a "Disposal Notice") to any Persons they believe are Relevant Registered Shareholders in respect of the relevant shares requiring such Relevant Registered Shareholders within 21 days of the date of service of the notice (or such longer or shorter time as the directors consider to be appropriate in the circumstances) to dispose of such number of shares the directors may in such notice specify or to take such other steps as will cause the condition set out in **Article 3.4.2** no longer to be satisfied. The directors may, if they think fit, withdraw a Disposal Notice.

3.6.2 If:

- (a) the requirements of a Disposal Notice are not complied with to the satisfaction of the directors within the period specified in the relevant notice and the relevant Disposal Notice is not withdrawn; or
- (b) a Distribution is paid on a Substantial Shareholding and an Excess Charge becomes payable;

the directors may arrange for the Company to sell all or some of the shares to which the Disposal Notice relates or, as the case may be, that form part of the Substantial Shareholding concerned. For this purpose, the directors may make such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant share and, in the case of a share in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant share through a relevant system.

3.6.3 Any sale pursuant to **Article 3.6.2** above shall be at the price which the directors consider is the best price reasonably obtainable and the directors shall not be liable to the holder or holders of the relevant share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.

- 3.6.4 The net proceeds of the sale of any share under **Article** 3.6.2 (less any amount to be retained pursuant to **Article** 3.4.7 and the expenses of sale) shall be paid over by the Company to the former holder or holders of the relevant share upon surrender of any certificate or other evidence of title relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.
- 3.6.5 The title of any transferee of shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this **Article** 3.
- 3.7 General
- 3.7.1 The directors shall be entitled to presume without enquiry, unless any director has reason to believe otherwise, that a Person is not a Substantial Shareholder or a Relevant Registered Shareholder.
- 3.7.2 The directors shall not be required to give any reasons for any decision or determination (including any decision or determination not to take action in respect of a particular Person) pursuant to this **Article** 3 and any such determination or decision shall be final and binding on all Persons unless and until it is revoked or changed by the directors. Any disposal or transfer made or other thing done by or on behalf of the board or any director pursuant to this **Article** 3 shall be binding on all Persons and shall not be open to challenge on any ground whatsoever.
- 3.7.3 Without limiting their liability to the Company, the directors shall be under no liability to any other Person, and the Company shall be under no liability to any shareholder or any other Person, for identifying or failing to identify any Person as a Substantial Shareholder or a Relevant Registered Shareholder.
- 3.7.4 The directors shall not be obliged to serve any notice required under this **Article** 3 upon any Person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances or any accidental error in or failure to give any notice to any Person upon whom notice is required to be served under this **Article** 3 shall not prevent the implementation of or invalidate any procedure under this **Article** 3.
- 3.7.5 The provisions of **Articles** 153 to 161 (Notices) shall apply to the service upon any Person of any notice required by this **Article** 3. Any notice required by this **Article** 3 to be served upon a Person who is not a shareholder or upon a Person who is a shareholder but whose address is not within the United Kingdom and who has failed to supply to the company an address within the United Kingdom pursuant to **Article** 156, shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that Person or shareholder at the address if any, at which the directors believe him to be resident or carrying on business or, in the case of a holder of depository receipts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.
- 3.7.6 Any notice required or permitted to be given pursuant to this **Article** 3 may relate to more than one share and shall specify the share or shares to which it relates.
- 3.7.7 The directors may require from time to time any Person who is or claims to be a Person to whom a Distribution may be paid without deduction of tax under Regulation 7 of the Real Estate Investment Trusts (Assessment and Recovery of Tax) Regulations 2006 to provide such certificates or declarations as they may require from time to time.

- 3.7.8 This **Article 3** may be amended by special resolution from time to time, including to give powers to the directors to take such steps as they may require in order to ensure that the Company can satisfy Condition D of Section 528 of the Corporation Tax Act 2010 (as such section may be modified, supplemented or replaced from time to time) which relates to close company status, which powers may include the ability to arrange for the sale of shares on behalf of shareholders.

SHARE CAPITAL

4. SHARES AND LIMITED LIABILITY

The share capital of the Company at the date of adoption of the Articles is divided into ordinary shares of ten pence (£0.10) each and the liability of the Members is limited to the amount, if any, unpaid on the shares held by them.

5. POWER TO ATTACH CLASS RIGHTS

Subject to the Statutes and without prejudice to any special rights attached to any existing shares or class of shares, any share in the Company may be issued with or have attached to them such special rights, conditions or restrictions as the Company may by ordinary resolution direct or failing such direction (but in the case of unclassified shares only) as the Board may determine. Where the equity share capital of the Company includes shares with different voting rights, the designation of each class of shares other than those with the most favourable voting rights will include the words "restricted voting" or "limited voting" or "non-voting".

6. AUTHORITY OF BOARD TO ALLOT SHARES

- 6.1 Subject to the Statutes and to the authority contained in a resolution of the Company in general meeting creating or authorising the same, the Board is generally and unconditionally authorised to allot or grant options over, offer or otherwise deal with or dispose of any shares in the capital of the Company or right to subscribe for or convert any security into shares to such persons, at such times and for such consideration and generally on such terms and conditions as it may determine.
- 6.2 Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

7. COMMISSIONS

The Company may exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Subject to the Statutes and the requirements of the UKLA or the London Stock Exchange (as the case may be), any such commission or brokerage may be satisfied in cash or by the allotment of fully or partly paid shares in the Company or the grant of an option to call for an allotment of shares or any combination of such or other methods as the Board may determine.

8. TRUSTS NOT RECOGNISED

Save as provided by the Articles or as ordered by a court of competent jurisdiction or otherwise required by law, no person shall be recognised (even when notice is given) by the Company as holding any share upon any trust and the Company shall not be bound by or required to recognise any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share, other than an absolute right to the whole of the share in the holder.

9. REDEEMABLE SHARES

The Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the Member and the Directors may determine the terms, conditions and manner of redemption of any such shares.

10. VARIATION OF CLASS RIGHTS

10.1 Subject to the Statutes, the rights attached to any class of shares may, whether or not the Company is being wound up, be modified, varied or abrogated:

10.1.1 in such manner (if any) as may be provided by those rights; or

10.1.2 in the absence of any such provision, either with the consent in writing of the holders of at least three quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of that class and then only subject to section 633 of the Companies Act.

10.2 The rights attached to any class of share are not, unless otherwise expressly provided by the Articles or in the rights attaching to the shares of that class, deemed to be modified, varied or abrogated by the creation or issue of further shares ranking *pari passu* (save as to the date from which such further shares shall rank for dividend) with every other share of that class or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Statutes and the Articles.

11. CLASS MEETINGS

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as a general meeting except that the necessary quorum (other than at an adjourned meeting) is two persons, present in person or by proxy, holding or representing by proxy at least one third in nominal value of the capital paid up on the issued shares of the class (excluding any shares of that class held as treasury shares) and, at an adjourned meeting, one person holding shares of the class in question present in person or by proxy and any holder of shares of the class in question present in person or by proxy and entitled to vote at the meeting may demand a poll and shall be entitled on a poll to one vote for every share of that class of which he is the holder. No Member, other than a Director, is entitled to notice of a separate class meeting or to attend unless he is a holder of shares of that class and no vote may be given except in respect of a share of that class.

UNCERTIFICATED SHARES

12. UNCERTIFICATED SHARES

12.1 Subject to the Uncertificated Securities Regulations, the Board may permit shares of any class to be held in uncertificated form and to be transferred by means of a relevant system and may determine that any class of shares shall cease to be a participating security. Where the Board permits shares to be held in uncertificated form, **Articles** 12.4 and 12.5 shall commence to have effect immediately prior to the time at which the operator of the relevant system concerned permits the class of shares to be a participating security.

12.2 Conversion of shares held in certificated form into shares held in uncertificated form, and vice versa, may be made in such manner as the Board may in its absolute discretion think fit (subject to the Uncertificated Securities Regulations and the facilities and requirements of the relevant system).

12.3 Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class is held in uncertificated form or is permitted in accordance with the Uncertificated Securities Regulations to become a participating security.

12.4 In relation to any class of shares which is at the relevant time a participating security, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

12.4.1 the holding of shares of that class in uncertificated form;

12.4.2 the transfer of title to shares of that class by means of a relevant system; or

12.4.3 the provisions of the Uncertificated Securities Regulations,

and, without prejudice to the generality of this Article, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the operator of the relevant system, so long as that is permitted or required by the Uncertificated Securities Regulations, of an operator register of securities in respect of shares of that class in uncertificated form.

12.5 Without prejudice to the generality of **Article** 12.4 and notwithstanding anything contained in these Articles, where any class of shares is, for the time being, a participating security (such class being the "**Relevant Class**"):

12.5.1 the register relating to the Relevant Class shall be maintained at all times in the United Kingdom; and

12.5.2 unless the Board otherwise determines, shares of the Relevant Class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings.

13. COMPANY'S RIGHTS IN RESPECT OF UNCERTIFICATED SHARES

Where any class of shares is a participating security and the Company is entitled under the Statutes or the Articles to sell, transfer, dispose of, forfeit, re-allot, accept the surrender of or

otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the Statutes and the Articles and the facilities and requirements of the relevant system:

- 13.1 to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;
- 13.2 to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice;
- 13.3 to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice;
- 13.4 to take any action that the Board considers appropriate to achieve the sale, transfer, disposal of, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of it; and
- 13.5 to assume that the entries on any record of securities maintained by it in accordance with the Uncertificated Securities Regulations and regularly reconciled with the relevant operator register of securities are a complete and accurate reproduction of the particulars entered in the operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance upon such assumption; in particular, any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on such information.

SHARE CERTIFICATES

14. RIGHT TO SHARE CERTIFICATE

- 14.1 Subject to the Statutes, a person (except a financial institution in respect of which the Company is not required to complete and have ready for delivery a certificate) on becoming the holder of a share is entitled to receive, within two months after allotment (or such longer period as the terms of issue shall provide) or the lodgement of transfer, without payment, one certificate for all the certificated shares of each class registered in his name. In the case of joint holders, the Company shall not be bound to issue more than one certificate to all the joint holders and the receipt of a certificate by whichever of them is named first in the Register shall be sufficient in respect of all of them. Where part of the shares comprised in a certificate are transferred, the Member transferring is entitled, without payment, to a certificate for his retained holding. Certificated shares of different classes may not be included in the same certificate.
- 14.2 Every certificate shall be issued under the seal or in accordance with **Article 128** or **129** or with such other form of authentication as the Board may determine having regard to the terms of issue and the requirements of the Listing Rules, the UKLA and the London Stock Exchange and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up on them.

- 14.3 No Member shall be entitled to more than one certificate in respect of any one share held by him.

15. REPLACEMENT CERTIFICATES

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

CALLS ON SHARES

16. CALLS

- 16.1 The Board may, subject to the Articles and to any conditions of allotment, make such calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or premium) as it thinks fit and each Member shall (subject to receiving at least 14 clear days' notice specifying the time and place of payment) pay the amount of every call so made upon his shares to the Company at the time and place so specified.
- 16.2 A call may be made payable by instalments.
- 16.3 A call is deemed made as soon as the resolution of the Board authorising such call is passed and an entry in the minute book of a resolution of the Board making the call is conclusive evidence of the making of the call.
- 16.4 A call may be revoked or postponed in whole or in part as the Board may determine.
- 16.5 The joint holders of a share are jointly and severally liable to pay all calls in respect of the share. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made.

17. INTEREST ON UNPAID CALLS

If any amount in respect of any call or instalment of a call is not paid on or before the day appointed for payment, the person from whom the amount of the call or instalment is due shall pay interest from day to day on such amount at the Prescribed Rate from and including that

date until but excluding the date of actual payment and all costs, charges and expenses that may have been incurred by reason of such non-payment. The Board may, if it thinks fit, waive payment of such interest or costs, charges or expenses in whole or in part.

18. AMOUNTS DUE ON ALLOTMENT TREATED AS CALLS

Any amount which by the terms of allotment of a share is made payable upon allotment or at any fixed date whether on account of the nominal amount of the share or premium for all purposes of the Articles is deemed to be a call duly made, notified and payable on the date fixed for payment and, in case of non-payment, the provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such amount were a call duly made and notified.

19. POWER TO DIFFERENTIATE

The Board may, if it thinks fit, on the issue of shares differentiate between the holders of such shares as to the amount of calls to be paid and the time of payment of such calls.

20. PAYMENT IN ADVANCE

The Board may receive from any Member willing to advance the same, all or any part of the amounts uncalled and unpaid on shares held by him. The Board may pay interest from day to day on the amount paid in advance (until the same would, but for such advance, become presently payable) not exceeding, without the consent of the Company in general meeting, the Prescribed Rate.

FORFEITURE

21. NOTICE IF CALL NOT PAID

If a Member fails to pay in full any call or instalment of a call on or before the day appointed for payment, the Board may send a notice to him or to a person entitled by transmission to the share in respect of which the call was made requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all costs, charges and expenses incurred by the Company by reason of such non-payment.

22. SHARES LIABLE TO BE FORFEITED

The notice shall name a further day (not being less than 14 clear days following the date on which the notice is deemed received) on or before which, and the place where, the 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.

23. FORFEITURE

If the notice referred to in the previous Article is not complied with, any share in respect of which it has been given may, at any time before payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends declared or other amounts payable in respect of the forfeited share and not actually paid before forfeiture.

24. NOTICE AFTER FORFEITURE

When a share has been forfeited, the Company shall send notice of the forfeiture to the person who was before forfeiture the holder of the share or the person entitled by transmission to the share. An entry of the fact and date of forfeiture shall be made in the Register. No forfeiture is invalidated by an omission to send such notice or to make those entries.

25. DISPOSAL OF FORFEITED SHARE

Subject to the Statutes, a forfeited share and all rights attaching to it shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was its holder before such forfeiture or to any other person on such terms and in such manner as the Board shall think fit. At any time before a sale, re-allotment or disposal, the forfeiture may be cancelled on such terms as the Board may think fit. Where a forfeited share held in certificated form is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of a forfeited share to the transferee. Where a forfeited share held in uncertificated form is to be transferred to any person, the Board may exercise any of the Company's powers under **Article 13.3** to effect the transfer of the share to that person. The Company may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.

26. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

A Member whose shares have been forfeited shall cease to be a Member in respect of such shares and shall, if the share is a certificated share, surrender to the Company the certificate for the forfeited shares. He remains liable to pay and shall immediately pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with daily interest from the time of forfeiture until payment at the Prescribed Rate.

27. EVIDENCE OF FORFEITURE

A statutory declaration that the declarant is the Secretary or a Director and that a share has been forfeited on a date stated in the declaration is conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share and such declaration shall (subject, if necessary, to the execution of an instrument of transfer or transfer by means of the relevant system, as the case may be) constitute good title to the share. The person to whom the share is disposed of shall be registered as the holder of the share and is not bound to see to the application of the purchase money (if any) and his title to the share is not affected by any

irregularity in or invalidity of the proceedings with reference to the forfeiture or disposal of the share.

28. SURRENDER

- 28.1 A Member may surrender any share:
 - 28.1.1 in respect of which the Board may issue a notice of intended forfeiture;
 - 28.1.2 which the Board may forfeit;
 - 28.1.3 which has been forfeited; or
 - 28.1.4 in lieu of forfeiture where the share is nil paid or partly paid and has not yet been called but which the Member notifies the Board he does not wish to pay up.
- 28.2 The Board may accept the surrender of any such share.
- 28.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.
- 28.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.
- 28.5 In the case of a surrender of a share by a Member pursuant to **Article 28.1.4**, such share may be offered for surrender by the Member on terms that the Company waives all moneys payable in respect of such share and all interest on such moneys and the Board may accept the surrender on those terms.

LIEN

29. LIEN ON SHARES NOT FULLY PAID

The Company has a first and paramount lien on every share (not being a share which is fully paid up) registered in the name of any Member, either alone or jointly with any other person, for all moneys payable in respect of the share, whether the due date for the payment has arrived or not. The lien extends to all dividends from time to time declared or other moneys payable in respect of the share but the Board may at any time declare any share to be exempt, in whole or in part, from this Article.

30. ENFORCEMENT OF LIEN BY SALE

For the purposes of enforcing the lien the Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 clear days after a notice in writing stating and demanding payment of the amounts presently payable and giving notice of intention to sell in default, has been given to the holder of the share or the person entitled by transmission to the share. To give effect to a sale, the Board may, if the shares are certificated shares, authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder or the person entitled by transmission to, or in accordance with the directions of, the purchaser. If the shares are uncertificated shares the Board may exercise any

of the Company's powers under **Article 13.3** to effect the transfer of the shares to, or in accordance with the directions of, the purchaser. The purchaser is not bound to see to the application of the purchase money and his title to the share is not affected by any irregularity in or invalidity of the proceedings connected with the sale.

31. APPLICATION OF PROCEEDS OF SALE

The net proceeds of a sale effected by the preceding Article, after payment of the costs of the sale, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable. Any residue shall (whether the shares sold are certificated shares or uncertificated shares, subject to a like lien for any moneys not presently payable as existed upon the shares prior to the sale and, if the shares sold are certificated shares, on surrender to the Company for cancellation of the certificate for the shares sold or the provision of an indemnity (with or without security) as to any lost or destroyed certificate required by the Board) be paid to the holder of or the person entitled by transmission to the shares immediately prior to the sale.

TRANSFER OF SHARES

32. FORM OF TRANSFER

Subject to the Articles, any Member may transfer all or any of his certificated shares by instrument of transfer in any usual form or in such other form as the Board may approve and the instrument must be executed by or on behalf of the transferor and (except in the case of a share which is fully paid up) by or on behalf of the transferee but need not be under seal. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it. Transfers of shares in uncertificated form shall be effected by means of the relevant system in accordance with the Statutes and the Articles.

33. RIGHT TO REFUSE REGISTRATION

33.1 Subject to **Article 41**, the Board may refuse to register a transfer of a certificated share unless the instrument of transfer:

33.1.1 is in respect of only one class of shares;

33.1.2 is in favour of not more than four joint transferees;

33.1.3 is duly stamped (if required);

33.1.4 is not in favour of a minor, infant, bankrupt or person with mental disorder; and

33.1.5 is lodged at the Office or such other place as the Board may decide accompanied by the certificate for the shares to which it relates (save in the case of a transfer by a recognised person to whom no certificate was issued) and such other evidence (if any) as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

- 33.2 The Board may in its absolute discretion and without assigning any reasons therefor, refuse to register any transfer of a certificated share which is not fully paid, provided that this discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis.
- 33.3 The Board may, in circumstances permitted by the UKLA and the London Stock Exchange, disapprove the transfer of a certificated share provided that exercise of such powers does not disturb the market in the shares.
- 33.4 The Board may refuse to register the transfer of an uncertificated share in any circumstances permitted by the UKLA, the London Stock Exchange, the Uncertificated Securities Regulations and the rules and practices of the operator of the relevant system provided that exercise of such powers does not disturb the market in the shares.

34. NOTICE OF REFUSAL TO REGISTER

If the Board refuses to register a transfer of any share it shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company or the operator instruction was received, as the case may be, send to the transferee notice of the refusal together with reasons for the refusal. The Directors shall send to the transferee such further information about the reasons for the refusal as the transferee may reasonably request.

35. FEES ON REGISTRATION

No fee shall be charged for the registration of a transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

36. RETENTION OF INSTRUMENTS OF TRANSFER

Subject to **Article 37**, all instruments of transfer which are registered may be retained by the Company but any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it when notice of the refusal is given.

37. DESTRUCTION OF DOCUMENTS

37.1 The Company may destroy:

- 37.1.1 all instruments of transfer of shares which have been registered or operator instructions for the transfer of shares, and all other documents on the basis of which any entry is made in the Register, at any time after the expiration of six years following the date of registration;
- 37.1.2 all dividend mandates or any variation or cancellation of them or notifications of change of address (including an electronic address) or name at any time after the expiration of two years from the date of recording them; and

- 37.1.3 all cancelled share certificates at any time after the expiration of one year from the date of cancellation.
- 37.2 It shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company.
- 37.3 This **Article 37** shall apply only to the destruction of documents in good faith and without notice of any claim to the Company (regardless of the parties to the claim) that the document might be relevant to the claim.
- 37.4 Nothing in this **Article 37** imposes on the Company any liability in respect of the destruction of any such document earlier than provided for in this **Article 37** or in any case where the conditions of this **Article 37** are not fulfilled.
- 37.5 References in this **Article 37** to the destruction of any document include references to its disposal in any manner.

TRANSMISSION OF SHARES

38. ON DEATH

If a Member dies, the survivor or survivors (where the deceased was a joint holder) and the executors or administrators of the deceased (where he was a sole or only surviving holder) shall be the only persons recognised by the Company as having any title to his interest in the shares. Nothing in the Articles releases the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

39. ELECTION OF PERSON ENTITLED BY TRANSMISSION

- 39.1 Any person becoming entitled by transmission to a share may, upon such evidence as to title being provided as the Board may require and subject to these Articles, elect either to be registered himself as holder of the share or have a person nominated by him registered as holder. All the Articles relating to the transfer of shares apply to any such election as if the death or bankruptcy or other event giving rise to transmission had not occurred and the election was a transfer by the Member.
- 39.2 If any person becoming entitled by transmission to a certificated share elects to be registered himself he shall give notice in writing to the Company to that effect. If he elects to have another person registered, and the share is a certificated share, he shall execute an instrument of transfer of the share to that person. If he elects to become holder or have another person registered and the share is an uncertificated share, he shall take any action the Board may require (including without limitation the execution of any document and the giving of any instruction by means of a relevant system) to enable himself or that person to be registered as the holder of the share.

- 39.3 The Board may give notice requiring a person to make the election referred to in this **Article 38**. If that notice is not complied with within 60 days the Board may withhold payment of all dividends and other amounts payable in respect of the share until the election has been made.

40. RIGHTS ON TRANSMISSION

Subject to the Articles, a person becoming entitled by transmission to a share shall be entitled to receive, and may give a good discharge for, all benefits arising or accruing on or in respect of the share and the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the person entitled by transmission is not entitled to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a Member in respect of the share. Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease.

DISCLOSURE OF INTERESTS IN SHARES

41. SANCTIONS FOR FAILURE TO DISCLOSE INTEREST IN SHARES

Where notice is served by the Company under section 793 of the Companies Act (a "**section 793 notice**") on a Member, or another person whom the Company knows or has reasonable cause to believe to be interested in shares held by that Member, and the Member or other person has failed in relation to any shares (the "**default shares**", which expression includes any shares issued to such Member after the date of the section 793 notice in respect of those shares) to give the Company the information required within 14 days following the date of service of the section 793 notice, the Board may serve on the holder of such default shares a notice (a "**disenfranchisement notice**") whereupon the following sanctions apply, unless the Board otherwise decides:

- 41.1 the Member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll; and
- 41.2 where the default shares represent at least 0.25 per cent in nominal value of the issued shares of their class (calculated exclusive of any shares held as treasury shares):
- 41.2.1 a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the Member is not entitled to elect, under **Article 146**, to receive shares instead of a dividend; and
- 41.2.2 no transfer of any of the default shares shall be registered unless:
- (a) the transfer is an excepted transfer; or
 - (b) the Member is not himself in default in supplying the information required and the Member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer; or

(c) registration of the transfer is required by the Uncertificated Securities Regulations, (and, for the purpose of ensuring this **Article 41.2.2** can apply to all shares held by the holder, the Company may, in accordance with the Uncertificated Securities Regulations, issue written notification to the operator of the relevant system requiring the conversion into certificated form of any shares held by the holder in uncertificated form).

42. REMOVAL OF SANCTIONS

The sanctions under **Article 41** cease to apply seven days after the earlier of receipt by the Company of:

- 42.1 notice of registration of an excepted transfer, in relation to the default shares the subject of the excepted transfer; and
- 43.2 all information required by the section 793 notice, in a form satisfactory to the Board, in relation to any default shares.

43. NOTICE TO PERSON OTHER THAN A MEMBER

Where, on the basis of information obtained from a Member in respect of a share held by him, the Company issues a section 793 notice to another person, it shall at the same time send a copy of the section 793 notice to the Member, but the accidental omission to do so, or the non-receipt by the Member of the copy, does not invalidate or otherwise affect the application of **Article 41**.

44. INTEREST IN SHARES, FAILURE TO GIVE INFORMATION AND EXCEPTED TRANSFERS

44.1 For the purpose of **Articles 41** to **43**:

- 44.1.1 "**interested**" has the meaning given to it in sections 820 to 825 of the Companies Act;
- 44.1.2 reference to a person having failed to give the Company the information required by a section 793 notice, or being in default in supplying such information, includes:
 - (a) reference to his having failed or refused to give all or any part of it; and
 - (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- 44.1.3 "**excepted transfer**" means, in relation to shares held by a Member:
 - (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 974 of the Companies Act); or
 - (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or
 - (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the

shares to a person who is unconnected with the Member and with any other person appearing to be interested in the shares.

44.2 **Articles** 41 to 44 are in addition to and without prejudice to the Statutes.

ALTERATIONS TO CAPITAL

45. CONSOLIDATION, SUB-DIVISION AND CANCELLATION

Subject to the Companies Act, the Company may by ordinary resolution:

- 45.1 consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; and
- 45.2 sub-divide all or any of its shares into shares of a smaller amount (provided that the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived) and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

46. FRACTIONS

If, as the result of consolidation and division or sub-division of shares, Members become entitled to fractions of a share, the Board may on behalf of the Members deal with the fractions as it thinks fit. In particular, the Board may:

- 46.1 sell fractions of a share to a person (including, subject to the Statutes, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than five pounds (£5), or such other sum as the Board may decide, the sum may be retained for the benefit of the Company). Where certificated shares are to be sold, the Board may authorise a person to execute an instrument of transfer of shares to, or in accordance with the directions of, the purchaser and may cause the name of the purchaser or transferee to be entered in the Register as the holder of the shares. Where uncertificated shares are to be sold, the Board may do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the purchaser. The purchaser need not be further concerned with the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or
- 46.2 subject to the Statutes, issue to a Member credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the Board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of

shares. A resolution of the Board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company under **Article 147**. In relation to the capitalisation the Board may exercise all the powers conferred on it by **Article 147** without an ordinary resolution of the Company.

GENERAL MEETINGS

47. ANNUAL GENERAL MEETING

An annual general meeting of the Company shall be held in each year (in addition to any other meetings which may be held in that year) and such meeting shall be specified as the annual general meeting in the notice calling it. Subject to this Article and the Statutes, the annual general meeting shall be held at such time and place as the Board shall decide.

48. CONVENING OF GENERAL MEETINGS

The Board may convene general meetings. The Board must convene a general meeting on receipt of a requisition in accordance with the Statutes or, in default, a general meeting may be convened by such requisitionists, as provided by the Statutes. If at any time there are not sufficient Directors capable of acting to form a quorum of the Board, any Director may convene a general meeting. If there is no Director, any Member may convene a general meeting. In the case of a general meeting convened on a requisition or by requisitionists, no business other than that stated in the requisition or proposed by the Board shall be transacted.

49. LENGTH AND FORM OF NOTICE

An annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed for traded companies under the Companies Act. Notice shall be given to such Members as are, under the Articles, or the terms of issue of shares, entitled to receive such notices from the Company and to the Directors and the Auditors. Every notice of meeting shall specify the place, date and time of the meeting and the general nature of the business to be transacted and, if a meeting is convened to pass a special resolution, the intention to propose the resolution as a special resolution. Where the Company has given an electronic address in any notice of meeting, any documents or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice.

50. OMISSION TO SEND NOTICE

The accidental omission to send notice of any general meeting or, in cases where it is sent out with the notice, an invitation to appoint a proxy, to, or the failure to send either due to circumstances beyond the Company's control to, or the non-receipt of either by, any person entitled to receive notice does not invalidate any resolution passed or proceedings held at that meeting

PROCEEDINGS AT GENERAL MEETINGS

51. QUORUM

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two persons entitled to vote, each being a Member or a proxy for a Member or a duly authorised representative of a corporation which is a Member (including for this purpose two persons who are proxies or corporate representatives of the same Member), shall be a quorum at any general meeting including, without limitation, any adjourned general meetings. The absence of a quorum does not prevent the appointment of a chairman in accordance with the Articles, which is not treated as part of the business of the meeting.

52. CHAIRMAN

The chairman of the Board or, in his absence, the deputy chairman shall preside at every general meeting; but if there is no chairman or deputy chairman or neither is willing or able to preside or if neither is present within 15 minutes after the time fixed for the start of the meeting, the Directors present shall choose a Director or, if only one Director is present and willing to act, he shall be chairman. In default, the Members present in person or by proxy shall choose one of their number to be chairman of the meeting.

53. QUORUM NOT PRESENT

53.1 If within 15 minutes (or such longer period as the chairman in his absolute discretion may decide) from the time fixed for the start of a general meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting, if convened by or on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time and place as the chairman of the meeting may decide.

53.2 At an adjourned meeting if a quorum is not present within 15 minutes (or such longer period as the chairman in his absolute discretion may decide) from the time fixed for the start of the meeting or if during the adjourned meeting a quorum ceases to be present the adjourned meeting shall be dissolved.

53.3 The Company shall give not less than 10 clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

54. ADJOURNED MEETING

54.1 The chairman of the meeting may, with the consent of the meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place or for an indefinite period. Without prejudice to any other power which he may have under the Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to:

54.1.1 secure the proper and orderly conduct of the meeting; or

- 54.1.2 give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or
- 54.1.3 ensure that the business of the meeting is properly dealt with.
- 54.2 Whenever a meeting is adjourned for 14 days or more or for an indefinite period, at least seven clear days' notice, specifying the place, date and time of the adjourned meeting shall be given as in the case of an original meeting and the general nature of the business to be transacted.
- 54.3 Except in the circumstances set out in **Articles** 53.3 and 54.2, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

55. ACCOMMODATION OF MEMBERS AT MEETING

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all Members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a Member who is unable to be accommodated is able:

- 55.1 to participate in the business for which the meeting has been convened;
- 55.2 to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere; and
- 55.3 to be heard and seen by all other persons present in the same way.

56. SECURITY

The Board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that may be taken into the meeting place. The Board is entitled to refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions.

57. ORDER OF MEETING

Subject to the Statutes, the chairman shall take such action as he thinks fit to promote the orderly conduct of general meetings. The decision of the chairman on points of order, matters of procedure or arising incidentally out of the business of the meeting shall be final and conclusive, as shall be his determination, in good faith, whether any point or matter is of such a nature.

58. AMENDMENT OF RESOLUTIONS

- 58.1 A special resolution may be amended by ordinary resolution if:
- 58.1.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - 58.1.2 the amendment does not go beyond what is necessary to correct a clear error in the resolution.
- 58.2 An ordinary resolution may be amended if:
- 58.2.1 written notice of the terms of the proposed amendment and of the intention to move the amendment have been delivered to the Company at the Office at least 48 hours before the time for holding the meeting or the adjourned meeting at which the ordinary resolution in question is proposed and the proposed amendment does not, in the reasonable opinion of the chairman, materially alter the scope of the resolution; or
 - 58.2.2 the chairman of the meeting, in his absolute discretion, decides that the proposed amendment may be considered or voted on.
- 58.3 With the consent of the chairman, an amendment may be withdrawn by its proposer before it is voted on. If an amendment proposed to any resolution under consideration is ruled out of order by the chairman, the proceedings on the resolution shall not be invalidated by any error in the ruling.

VOTING

59. METHOD OF VOTING

- 59.1 At a general meeting, a resolution put to the vote of the meeting is decided on a show of hands unless, before a vote on a show of hands on that resolution or immediately after the declaration of the result of the show of hands, a poll is demanded by:
- 59.1.1 the chairman of the meeting; or
 - 59.1.2 the Directors; or
 - 59.1.3 no fewer than five Members present in person or by proxy and entitled to vote at the meeting; or
 - 59.1.4 a Member or Members present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
 - 59.1.5 by a Member or Members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 59.2 Unless a poll is demanded and the demand is not withdrawn a declaration by the chairman of the meeting that a resolution has, on a show of hands, 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 minute book of the Company, is conclusive evidence of the fact without proof of the votes recorded in favour of or against such resolution.

60. PROCEDURE ON A POLL

- 60.1 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 at such time (not being more than 30 days from the date of the meeting or the adjourned meeting at which such poll is demanded) and place and in such manner as the chairman of the meeting directs and the result of the poll is deemed to be the resolution of the meeting at which the poll is demanded. No notice need be given of a poll not taken immediately 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.
- 60.2 If a poll is properly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be Members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- 60.3 The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. In the case of a poll demanded before the declaration of the result of a show of hands, where the demand is subsequently duly withdrawn, the meeting shall continue as if the demand had not been made.
- 60.4 The demand for a poll (other than on the election of the chairman or on a question of adjournment) does not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

61. OBJECTION TO AND ERROR IN VOTING

Any objection raised to the qualification of any voter, or to the counting of or failure to count any vote, does not invalidate the decision of the meeting on any resolution unless it is raised at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. Any objection or error raised in due time shall be referred to the chairman of the meeting and only invalidates the decision of the meeting on any resolution if the chairman decides that the same is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman on such matters is final and conclusive.

62. VOTES OF MEMBERS

- 62.1 Subject to any special terms as to voting upon which any share may be issued, or may be held, on a show of hands every Member present in person and entitled to vote has one vote, and on a poll every Member present in person or by proxy and entitled to vote has one vote for every share of which he is the holder.

