

**ARTICLES OF ASSOCIATION  
of  
CHINA NEW ENERGY LIMITED**

**Adopted by Special Resolution passed on 16 May 2011**

**1 Definitions and Interpretations**

1.1 In these articles:-

"**acting in concert**" means persons who, pursuant to an agreement or understanding (whether formal or informal) actively co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control (meaning a holding, or aggregate holding of shares carrying 30 per cent. or more of the voting rights of a company irrespective of whether such holding or aggregate holding give de facto control) of that company;

"**address**" means, in relation to electronic communications, any number or address used for the purposes of such communication;

"**AIM**" means AIM, a market operated by the London Stock Exchange plc;

"**alternate Director**" means any alternate Director of the Company appointed in accordance with these Articles;

"**articles**" means the articles of association of the Company;

"**Auditors**" means the auditors for the time being of the Company or, in the case of joint auditors, any one of them;

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

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

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

"**City Code**" means the City Code on Takeovers and Mergers (United Kingdom) as issued from time to time by or on behalf of the Panel;

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

"**Company**" means the Company incorporated under the Law in respect of which these Articles have been registered;

**"Director"** means any director for the time being of the Company appointed in accordance with these Articles;

**"electronic communication"** has the same meaning as in the Electronic Communications (Jersey) Law 2000;

**"Employee Share Scheme"** means any employee and/or executive incentive plan or scheme established for the benefit of employees and/or executives and their relations (as determined in accordance with such plans or schemes) of the Company and/or any of its direct or indirect subsidiaries (whether or not such plan or scheme is open to all employees, executives or relations or not) and which is operated either by the Company or any of its direct or indirect subsidiaries or by a third party on their behalf and under the terms of which employees and/or executives and their relations may acquire and/or benefit from shares or any interest therein, whether directly or pursuant to any option over shares granted to them or otherwise;

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

**"equity securities"** has the meaning ascribed thereto in section 560(1) of the Companies Act 2006 of the United Kingdom;

**"Exchange Rules"** means the rules of the exchange or exchanges upon which the Company's securities are admitted to trade as published by such exchange or exchanges from time to time;

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

**"Financial Instrument"** means any financial instrument requiring disclosure in accordance with DTR 5.3.1;

**"Holder"** in relation to Shares means the member whose name is entered in the register of members as the holder of the Shares;

**"Law"** means the Companies (Jersey) Law 1991 (as amended), every order, regulation or other subordinate legislation made under it (including the Uncertificated Securities Order and every other statute from time to time in force concerning companies and affecting the Company as a matter of Jersey law);

**"Member"** means any holder of legal title to a Share and any other member of the Company;

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

**"operator"** means a person approved as an operator by the Jersey Financial Services Commission under the Uncertificated Securities Order;

**"Ordinary Resolution"** means a resolution of the Company in general meeting

adopted by a simple majority of the votes cast at that meeting or in writing in accordance with these Articles;

**"paid"** and **"paid up"** mean paid or credited as paid;

**"Panel"** means The Panel on Takeovers and Mergers in the United Kingdom, and any successor or replacement body thereof;

**"register"** means the register of Members of the Company to be kept pursuant to article 41 of the Law and/or the register of Members maintained pursuant to the Uncertificated Securities Order and, where the context requires, any register maintained by the Company or the approved operator of persons holding any renounceable right of allotment of a Share and cognate expressions shall be construed accordingly;

**"Related Person"** means, in relation to an individual, his or her spouse, children, step children, parents, grandparents, brothers and sisters and trusts of which that individual or any other Related Person is a beneficiary;

**"Relevant Change"** means a change to a Significant Shareholder's interest in Shares above three per cent. (3%), which increases or decreases such interest through any single percentage (or such other levels as may be prescribed by the AIM Rules or other competent Exchange Rules from time to time);

**"Seal"** means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Law;

**"Secretary"** means the secretary of the Company or other person appointed to perform the duties of the secretary of the Company including a joint assistant or deputy secretary;

**"Share"** means a share of the Company;

**"Significant Shareholder"** means any person who has a legal or beneficial interest (whether direct or indirect, including by way of a position in a Financial Instrument) of three per cent. (3%) or more in any class of Shares;

**"Special Resolution"** means a special resolution as defined in article 90 of the Law;

**"UKLA"** means the UK Listing Authority, a division of 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 of the United Kingdom or any successor enactment;

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

**"Uncertificated Securities Order"** means the Companies (Uncertificated Securities) (Jersey) Order 1999, as amended from time to time, including any provisions of or under the Law which alter or replace such regulations;

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

1.2 Unless the context otherwise requires words or expressions contained in these Articles bear the same meaning as in the Law but excluding any statutory modification thereof not in force when these articles **became binding on** the Company.

1.3 The Standard Table prescribed pursuant to the Law shall not apply to the Company and is hereby expressly excluded in its entirety

## **2 Share Capital**

2.1 Subject to the provisions of the Law 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.

2.2 The Company may, subject to the provisions of Article 40 of the Law, issue fractions of shares and any such fractional shares shall rank *pari passu* in all respects with the other shares issued by the Company.

2.3 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may (unless otherwise provided by the terms of the shares of that class) be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:-

2.3.1 with the consent in writing of seventy-five per cent of the holders of the issued shares of the class; or

2.3.2 with the sanction of a resolution passed by seventy-five per cent of the votes cast at a separate meeting of the holders of the shares of the class.

2.4 To every such separate meeting, all the provisions of these articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply except that the necessary quorum shall be persons holding or representing by proxy at least one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum).

2.5 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.6 Subject to the provisions of these articles and the Law, the unissued shares shall be at the disposal of the Directors and they may allot, grant options and/or warrants over

or otherwise dispose of them to such persons, at such times and generally on such terms and conditions as they think fit. Subject to the provisions of article 36 of the Law, no shares may be issued by the Company at a discount.

- 2.7 The Directors shall not exercise any power of the Company to allot Relevant Securities, unless they are authorised to do so by the Company in general meeting in accordance with Article 2 or otherwise by these Articles.
- 2.8 For purposes of Articles 2.7 to 2.17 (inclusive), "Relevant Securities" means any right to subscribe for, or to convert any security into, Shares (other than Shares so allotted).
- 2.9 A reference to the allotment of Relevant Securities pursuant to Article 2.7 includes the grant of such a right but (subject to Article 2.13 below) not the allotment of Shares pursuant to such a right.
- 2.10 The authority under Article 2.7 may be given for a particular exercise of the power or for its exercise generally, and may be unconditional or subject to conditions.
- 2.11 The authority under Article 2.7 must state:
- (a) the maximum amount of Relevant Securities that may be allotted or agreed to be allotted under it, which must not exceed the aggregate of twenty per cent. (20%) of the then existing issued share capital of the Company; and
  - (b) the date on which it will expire, which must be not later than the conclusion of the next annual general meeting of the Company following the passing of the resolution by virtue of which the authority is given, but such an authority may be previously revoked or varied by the Company in general meeting.
- 2.12 The authority under Article 2.7 may be renewed or further renewed by the Company in general meeting, each renewal being for a further period which must expire no later than the conclusion of the annual general meeting of the Company following the passing of the resolution to renew the authority. The resolution to renew the authority must state (or restate) the amount of Relevant Securities which may be allotted or agreed to be allotted under the authority or, as the case may be, the amount remaining to be allotted under it, and must specify the date on which the renewed authority will expire.
- 2.13 In relation to the authority under Article 2.7 for the grant of such rights as are mentioned in Article 2.8(b), the reference in Article 2.11 (as also the corresponding reference in Article 2.12) to the maximum amount of Relevant Securities that may be allotted or agreed to be allotted under the authority, is to the maximum amount of Shares which may be allotted pursuant to the rights.
- 2.14 The Directors may allot Relevant Securities, notwithstanding that authority under Article 2.7 has expired, if they are allotted in pursuance of an offer or agreement made by the Company before the authority expired and the authority allowed it to make an offer or agreement which would or might require

Relevant Securities to be allotted after the authority expired.

- 2.15 The Company may at any time by way of Ordinary Resolution vary, restrict or revoke the authority of the Directors granted pursuant to Article 2.7.
- 2.16 Without prejudice to any resolution of the Company in general meeting made in accordance with Articles 2.7 to 2.15 (inclusive), effective from the date of admission of the issued share capital of the Company to AIM ("**Admission**"), the Directors shall have the authority to issue and allot, or agree to issue and allot, before the second annual general meeting of the Company following Admission, such number of Shares as in aggregate is equivalent to but not exceeding twenty per cent. (20%) of the total number of issued Shares immediately following Admission. Article 2.23 shall not apply to the allotment of Shares pursuant to the authority granted by this Article 2.16.
- 2.17 Nothing in Articles 2.7 to 2.16 (inclusive) affects the validity of any allotment.
- 2.18 Subject to the provisions of Articles 38 and 55 of the Law, the Company may issue Shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or at the option of the Holder holding such redeemable Shares and on such terms and in such manner as may be determined by Ordinary Resolution.
- 2.19 The Company may exercise the powers of paying commissions conferred by the Law. Subject to the provisions of the Law any such commission 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.
- 2.20 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 thereof) any interest in any share except an absolute right to the entirety thereof in the holder.
- 2.21 The Company shall not be required to enter the names of more than four joint holders in the register of members of the Company.
- 2.22 The Board may at any time after the allotment of a Share but before a person has been entered in the register as the Holder of the Share recognise a renunciation of the Share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on such terms and conditions as the Board thinks fit.
- 2.23 Subject to Articles 2.24, 2.25, 2.26 and 2.32, the Company, when proposing to allot Shares of any class:
- (a) shall not allot any of them on any terms to a person unless it has made an offer to each person who is a Holder and who holds Shares of the relevant class on the same or more favourable terms a proportion of those Shares which is as nearly as practicable equal to the proportion in nominal value held by the Holder of the relevant class of Shares then in issue; and

- (b) shall not allot any of those Shares to a person unless the period during which any such offer may be accepted by the relevant current Holders has expired or the Company has received a notice of the acceptance or refusal of every offer so made from such Holders.
- 2.24 Article 2.23 shall not apply to an allotment of Shares if such Shares are or are to be, wholly or partly paid otherwise than in cash.
- 2.25 Article 2.23 shall not apply to any Shares allotted or issued pursuant to the terms of an Employee Share Scheme.
- 2.26 Without prejudice to Article 2.16, Article 2.23 shall apply to the allotment of Shares subject to such exclusions or other arrangements as the Directors reasonably consider (having taken appropriate professional advice) to be necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or otherwise, provided that such exclusions or arrangements shall provide for such allotment to be made on terms that derogate to the minimum extent reasonably practicable from the principle that such allotment shall otherwise be made on a pre-emptive basis.
- 2.27 An offer under Article 2.23 shall be made to Holders in writing and shall be made to a Holder either personally or by sending it by post to that Holder or to his registered address or by leaving it at that address or by any other means authorised in writing by the Member concerned or to the address supplied by the Holder to the Company for the giving of notice to him or by means of electronic communication (in accordance with the Electronic Communications (Jersey) Law 2000). If sent by post the offer is deemed to be made at the date a posted document would be deemed to be delivered in accordance with Article 33.8. If sent by electronic communication, the offer is deemed received by the Holder within 24 hours of its dispatch.
- 2.28 Where Shares are held by two or more persons jointly, an offer under Article 2.23 may be made to the joint Holder first named in the register of Members in respect of the Shares.
- 2.29 In the case of a Holder's death or bankruptcy, the offer must be made:
  - (a) by sending it by post in a prepaid letter addressed to the persons claiming to be entitled to the Shares in consequence of the death or bankruptcy by name, or by the title of the representatives of the deceased, or trustee of the bankruptcy, or by any like description, at the address supplied for the purpose by those claiming; or
  - (b) until any such address has been so supplied giving the notice in any manner in which it would have been given if the death or bankruptcy has not occurred.
- 2.30 If the relevant Holder in relation to an offer under Article 2.23 has no registered address for the services of notices on him or is the holder of a warrant for Shares, the offer may be made by causing it or a notice of where a copy may be

obtained or inspected to be published in the London Gazette or the Financial Times.

- 2.31 An offer pursuant to Article 2.23 must state a period of not less than 14 days during which it may be accepted and the offer shall not be withdrawn before the end of that period.
- 2.32 Notwithstanding the provisions of Articles 2.23 to 2.31 (inclusive), the Directors may by virtue of a Special Resolution be given the power to allot Shares (whether directly, or by way of option or warrants for Shares convertible upon exercise of such options or warrants) either generally or in respect of a specific allotment such that:
- (a) Article 2.23 shall not apply to the allotment; or
  - (b) Article 2.23 shall apply to the allotment with such modifications as the Directors may determine; and
  - (c) the authority granted by the Special Resolution may be granted for such period of time as the Special Resolution permits, which must be not later than the conclusion of the next annual general meeting of the Company following the passing of the Special Resolution by virtue of which the authority is given, and such authority may be revoked by a further Special Resolution.
- 2.33 A Special Resolution under Article 2.32 shall not be proposed in respect of a specific allotment unless it is recommended by the Directors and there has been circulated, with the notice for the meeting at which the Special Resolution is to be decided, a proposal to the Holders entitled to have that notice a written statement by the Directors setting out:
- (a) their reasons for making the recommendations;
  - (b) the amount to be paid to the Company in respect of the Shares to be allotted; and
  - (c) the Director's justification of that amount.

### **3 Certificates and Uncertificated Shares**

- 3.1 The shares may be issued and held in electronic format.
- 3.2 Every member, upon becoming the holder of any shares, 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) or several certificate each for one or more of his shares upon payment, for every certificate after the first, of such reasonable sum as the Directors may determine. Every certificate shall be sealed with the seal 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 up thereon. 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.

- 3.3 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 and payment of the 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.
- 3.4 Subject to the Law and to the Uncertificated Securities Order, the Board has the power to resolve that a class of Shares shall become a participating security and/or that a class of Shares shall cease to be a participating security.
- 3.5 Uncertificated Shares of a class are not to be regarded as forming a separate class from certificated Shares of that class.
- 3.6 A Member may, in accordance with the Uncertificated Securities Order, change a Share of a class which is a participating security from a certificated Share to an uncertificated Share and from an uncertificated Share to a certificated Share and the Company or a Director may exercise a power of attorney, herewith granted by the relevant Member, to do all such acts and to execute all such documents and agreements on behalf of such Member in order to change an uncertificated Share into a certificated Share.
- 3.7 The Company may give notice to a Member requiring the Member to change uncertificated Shares to certificated Shares by the time stated in the notice. The notice may also state that the Member may not change certificated Shares to uncertificated Shares. If the Member does not comply with the notice, the Board may authorise a person to change the uncertificated Shares to certificated Shares in the name and on behalf of the Member.
- 3.8 While a class of Shares is a participating security, the Articles only apply to an uncertificated Share of that class to the extent that they are consistent with:
  - (a) the holding of Shares of that class in uncertificated form;
  - (b) the transfer of title to Shares of that class by means of a relevant system; and
  - (c) the Uncertificated Securities Order.

#### **4 Lien**

- 4.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (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 any amount payable in respect of it.
- 4.2 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 14 days after notice 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.

- 4.3 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.
- 4.4 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.

## **5 Calls on Shares and Forfeiture**

- 5.1 Subject to the terms of allotment the Directors may make calls upon the Members in respect of any moneys unpaid on their Shares (whether in respect of nominal value or premium) and each Member shall (subject to receiving at least 14 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 installments. A call may before receipt by the Company of any sum due thereunder be revoked in whole or 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 whereof the call was made.
- 5.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 5.3 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 5.4 If 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 at such rate not exceeding ten per cent per annum as the Directors may determine but the Directors may waive payment of the interest wholly or in part.
- 5.5 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. The Company may accept from a Member the whole or a part of the amount remaining unpaid on Shares held by him although no part of that amount has been called up.
- 5.6 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.

- 5.7 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than 14 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.
- 5.8 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.
- 5.9 A forfeited Share may be sold re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share to that person.
- 5.10 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 at such rate not exceeding ten per cent per annum as the Directors may determine 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.
- 5.11 A declaration under oath by a Director or the Secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

## **6 Transfer of Shares**

- 6.1 Subject to this Article 6, the shares are freely transferable.
- 6.2 Subject to the provisions of Article 6.3, 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 Shares are fully paid, by or on behalf of the transferee.
- 6.3 A Member may transfer all or any of his uncertificated Shares in accordance with the Uncertificated Securities Order.
- 6.4 Subject to the provisions of the Uncertificated Securities Order the transferor of a Share is deemed to remain the Holder of the Share until the name of the

transferee is entered in the register in respect of it.

6.5 The Directors may refuse to register a transfer unless the instrument of transfer is:-

6.5.1 lodged at the office or at such other place as the Directors may appoint and is 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;

6.5.2 in respect of only one class of shares; and

6.5.3 in favour of not more than four transferees.

6.6 If the Directors refuse to register a transfer of a Share they shall, within two months after the date on which the instrument of transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.

6.7 No fee shall be charged for the registration of any instrument of transfer or, subject as otherwise herein provided, any other document relating to or affecting the title to any share.

6.8 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 the notice of the refusal is given.

## **7 Transmission of Shares**

7.1 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 herein contained shall release the estate of a deceased Member from any liability in respect of any Share which had been jointly held by him.

7.2 A person becoming entitled to a Share in consequence of the death, bankruptcy or incapacity of a Member may, upon such evidence being produced as the Directors may properly require, elect either to become the holder of the share or to make such transfer thereof as the deceased, bankrupt or incapacitated member could have made. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to transfer the Share he shall execute an instrument of transfer of the Share to the transferee. All of the articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the death, bankruptcy or incapacity of the Member had not occurred.

7.3 A person becoming entitled to a Share in consequence of the death, bankruptcy or incapacity 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.

## **8. Alteration of Share capital**

### **8.1 The Company may by Special Resolution:**

- (a) increase its share capital by creating new Shares of such amount and in such currency or currencies as it thinks expedient;
- (b) consolidate and divide all or any of its Shares (whether issued or not) into Shares of a larger amount than its existing Shares;
- (c) convert all or any of its fully paid Shares into stock, and re-convert that stock into fully paid Shares of any denomination;
- (d) sub-divide its Shares, or any of them, into Shares of smaller amount than is fixed by the Memorandum save that in a sub-division 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 divided;
- (e) subject to Article 8.2 and the Law, convert any of its fully paid Shares the nominal value of which is expressed in one currency into fully paid Shares of a nominal value of another currency and denominate the nominal value of its issued or unissued Shares in units of the currency into which they have been converted; and
- (f) cancel Shares which, at the date of the passing of the resolution to cancel them, have not been taken or agreed to be taken by a person, and diminish the amount of the Company's share capital by the amount of the Shares so cancelled.

### **8.2 A conversion under Article 8.1 shall be effected at the rate of exchange current at a time to be specified in the resolution, being a time within 40 days before the conversion takes effect.**

### **8.3 Whenever as a result of a consolidation of Shares any Members would become entitled to fractions of a Share, the Directors may, in their absolute discretion, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Law, 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.**

### **8.4 Subject to the provisions of the Law, the Company may issue Shares, or convert existing non-redeemable Shares (whether issued or not) into Shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or at the option of a Member holding such redeemable Shares and on such terms and in such manner as may be determined by Ordinary Resolution.**

### **8.5 Subject to the Law and to any rights for the time being attached to any existing Shares, the Company may by Special Resolution reduce its share capital or any capital redemption reserve or any share premium account in any way.**

### **8.6 Subject to the Law and to any rights for the time being attached to any existing**

Shares, the Company may purchase, or agree to purchase in the future, any Shares of any class (including redeemable Shares) in its own capital in any way.

## **9. General Meetings**

- 9.1 The Company shall hold an annual general meeting once every year. Such meetings shall be convened by the Board at such time and place as it thinks fit provided that there must not be a gap of more than 15 months between one annual general meeting and the next.
- 9.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 9.3 The Directors may call general meetings and on the requisition of Members, pursuant to the provisions of the Law, shall forthwith proceed to call a general meeting for a date not later than two months after the receipt of the requisition. If there are not sufficient Directors to call a general meeting, any Director or any Member of the Company may call such a meeting.

## **10. Notice of general meetings**

- 10.1 An annual general meeting or a general meeting called for the passing of a Special Resolution shall be called by at least 21 days' notice. All other meetings shall be called by at least 14 days' notice but a general meeting may be called by shorter notice if it is so agreed:-
  - 10.1.1 in the case of an annual general meeting, by all the Members entitled to attend and vote thereat; and
  - 10.1.2 in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the Shares giving that right.
- 10.2 The notice shall specify the day time and place of the meeting and the general nature of the business to be transacted and in the case of an annual general meeting, shall specify the meeting as such.
- 10.3 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all Members, to all persons entitled to a Share in consequence of the death bankruptcy or incapacity of a Member and to the Directors and auditors (if any).
- 10.4 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 the meeting.
- 10.5 The Board may determine that persons entitled to receive notices of meetings are those persons entered on the register at the close of business on a day determined by the Board, provided that, if the Company is an issuer, the day determined by the Board may not be more than 5 days before the day that the relevant notice of meeting is being sent.

- 10.6 The notice of meeting may also specify a time (which, if the Company is an issuer, shall not be more than 48 hours before the time fixed for the meeting) by which a person must be entered on the register in order to have the right to attend or vote at the meeting. Changes to entries on the register after the time so specified in the notice shall be disregarded in determining the rights of any person to so attend or vote.
- 10.7 Where the notice of meeting is published on a web site in accordance with Article 33.3, it shall continue to be published in the same place on that web site from the date of the notification given under Article 33.2(b) until the conclusion of the meeting to which the notice relates.
- 10.8 Where a notice of meeting published on a web site in accordance with Article 33.3 is by accident published in different places on the web site or published for part only of the period from the date of the notification given under Article 33.2(b) until the conclusion of the meeting to which the notice relates, the proceedings at such meeting are not thereby invalidated.

## **11. Proceedings at general meetings**

- 11.1 No business shall be transacted at any 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, shall be a quorum. One person actually present being a Member and acting as proxy for one or more other Members, or not himself being a Member but acting as proxy for two or more Members, shall for the purposes of these Articles be regarded as two persons when reckoning a quorum.
- 11.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or such day, time and place as the chairman may determine and if at such adjourned meeting a quorum is not present within five minutes from the time appointed for the holding of the meeting, those Members present in person or by proxy shall be a quorum.
- 11.3 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) is present within 15 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.
- 11.4 If no Director is willing to act as chairman, or if no Director is present within 15 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.
- 11.5 A Director or a representative of the auditors (if any) 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.
- 11.6 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. When a meeting is adjourned for 14 days or more, at least seven days' notice shall be given specifying the day, 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.

11.7 Without prejudice to any other power which he may have under the provisions of the Articles or at 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:

- (a) secure the proper and orderly conduct of the meeting;
- (b) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting; or
- (c) ensure that the business of the meeting is properly disposed of.

11.8 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 shall be duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a Member who is unable to be accommodated is able to:

- (a) participate in the business for which the meeting has been convened;
- (b) 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
- (c) be heard and seen by all other persons present in the same way.

11.9 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 terms of personal property that may be taken into the meeting place. The Board may authorise one or more persons, who shall include a Director or the Secretary or the chairman of the meeting to:

- (a) refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions; and
- (b) eject from a meeting any person who causes the proceedings to become disorderly.

11.10 A resolution put to the vote of a meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands a poll is duly demanded. Subject to the provisions of the Law, a poll may be demanded:-

11.10.1 by the chairman or;



- 11.10.2 by at least two Members having the right to vote on the resolution; or
  - 11.10.3 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 on the resolution; or
  - 11.10.4 by a Member or Members holding Shares conferring a right to vote on the resolution being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the Shares conferring that right;
  - 11.10.5 and a demand by a person as proxy for a Member shall be the same as a demand by the Member.
- 11.11 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.
- 11.12 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.
- 11.13 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a day, 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.
- 11.14 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.
- 11.15 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 day time and place as the chairman directs not being more than 30 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.
- 11.16 No notice need be given of a poll not taken forthwith if the day, 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 days' notice shall be given specifying the day, time and place at which the poll is to be taken.

## **12. Votes of Members**

- 12.1 Subject to any rights or restrictions attached to any Shares, on a show of hands every

Member who is present in person shall have one vote and on a poll every Member present in person or by proxy shall have one vote for every Share of which he is the Holder.

- 12.2 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.
- 12.3 A Member in respect of whom an order has been made by any court having jurisdiction (whether in Jersey or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator or other person authorised in that behalf appointed by the court, and any such receiver, curator 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 within Jersey as is specified in accordance with the Articles for the deposit of instruments of proxy 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.
- 12.4 No Member shall vote at any general meeting or at any separate meeting of the Holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that Share have been paid.
- 12.5 No objection shall be raised to the qualification of any person to vote 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.
- 12.6 On a poll votes may be given either personally or by proxy. A Member may appoint more than one proxy to attend on the same occasion.
- 12.7 Subject to Article 12.8, an instrument appointing a proxy shall be in writing in any usual form, or as approved by the Directors, and shall be executed by or on behalf of the appointer.
- 12.8 Subject to the Law and the Electronic Communications (Jersey) Law 2000, the Board may accept the appointment of a proxy received in an electronic communication on such terms and subject to such conditions as it considers fit. The appointment of a proxy received in an electronic communication shall not be subject to the requirements of Article 12.7 above. The Board may require the production of any evidence it considers necessary to determine the validity of such an appointment.
- 12.9 Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll (but shall not confer any further right to speak at the meeting except with the permission of the chairman) and to vote on a resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.

- 12.10 Delivery or receipt of an appointment of proxy does not prevent a Member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- 12.11 The appointment of a proxy shall (unless the contrary is stated in it) be valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. The appointment of a proxy shall be valid for 12 months from the date of execution or, in the case of an appointment of proxy delivered in an electronic communication, for the duration specified by the Board.
- 12.12 A vote cast or poll demanded by a proxy or authorised representative of a company is valid despite the previous death or insanity or revocation of the appointment of the proxy or of the authority under which the appointment was made unless notice of such prior death, insanity or revocation shall have been received by the Company at the Office or, in the case of a proxy, any other place specified for delivery or receipt of the form of appointment of proxy or, where the appointment of proxy was contained in an electronic communication, at the address at which the form of appointment was received, not later than the last time at which an appointment of proxy should have been delivered or received in order to be valid for use at the meeting or adjourned meeting at which the vote was cast or the poll demanded or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for use on the holding of the poll at which the vote is cast.
- 12.13 The form of appointment of a proxy, and (if required by the Board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the Board, shall be:
- (a) in the case of an instrument in writing, delivered to the Office, or another place in Jersey specified in the notice convening the meeting or in the form of appointment of proxy or other accompanying document sent by the Company in relation to the meeting not less than 24 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the form of appointment of proxy proposes to vote;
  - (b) in the case of an appointment of a proxy contained in an electronic communication where an address has been specified for the purpose of receiving electronic communications:
    - (i) in the notice convening the meeting;
    - (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
    - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting;
  - (c) received at such address not less than 24 hours before the time for holding the meeting at which the person named in the form of appointment of proxy proposes to vote;

- (d) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, delivered or received as required by Articles 12.13(a) or 12.13(b) not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- (e) in the case of a meeting adjourned for not more than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the Secretary or to a Director.

An appointment of proxy not delivered or received in accordance with this Article 12 is invalid.

- 12.14 Notwithstanding the foregoing, in relation to any Shares which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an uncertified proxy instruction and may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction to be made by like means. The Board may in addition prescribe the method of determining the time at which any such uncertificated proxy instruction (and/or other instruction or notification) is to be treated as received by the Company or a participant acting on its behalf. The Board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a Holder as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that Holder.
- 12.15 No amendment to a resolution duly proposed as a Special Resolution or an extraordinary resolution (other than an amendment to correct a patent error) may be considered or voted on. No amendment to a resolution duly proposed as an Ordinary Resolution (other than an amendment to correct a patent error) may be considered or voted on unless either:
- (a) at least 24 hours before the time appointed for holding the meeting or adjourned meeting at which the Ordinary Resolution is to be considered, notice of the terms of the amendment and intention to move it has been lodged at the office; or
  - (b) the chairman in his absolute discretion decides that the amendment may be considered or voted on.
- 12.16 If an amendment proposed to a resolution under consideration is ruled out of order by the chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

### **13. Corporations acting by representatives**

- 13.1 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 meeting of any class

of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company. A corporation present at any meeting by such representative shall be deemed for the purpose of these Articles to be present in person.

#### **14. Resolution in writing**

- 14.1 Anything that may, in accordance with the provisions of the Law, be done by a resolution in writing signed by or on behalf of each Member, is authorised by these Articles without any restriction.
- 14.2 The Directors shall determine the manner in which resolutions shall be put to Members pursuant to the terms of this Article and without prejudice to their discretion, provision may be made in the form of any resolution in writing for each Member to indicate how many of the votes which he would have been entitled to cast at a meeting to consider the resolution he wishes to cast in favour of such resolution, and how many against such resolution or to be treated as abstentions and the result of any such resolution in writing shall be determined upon the same basis as on a poll.

#### **15. Number of Directors**

- 15.1 Unless and until otherwise determined by Ordinary Resolution the number of Directors shall not be subject to any maximum but shall not be less than two.

#### **16. Alternate Directors**

- 16.1 Any Director (other than an alternate Director) may appoint any other Director, or any other person, to be an alternate Director and may remove from office an alternate Director so appointed by him.
- 16.2 An alternate Director shall be entitled to attend, be counted towards a quorum and vote at any meeting of Directors and of any meeting of committees of Directors of which his appointor is a member at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director. It shall not be necessary to give notice of such a meeting to an alternate Director.
- 16.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.
- 16.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 16.5 Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

#### **17. Powers of Directors**

- 17.1 Subject to the provisions of the Law, the Memorandum and the Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company in any part of the world. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors. If an Ordinary Resolution is passed reducing the minimum number of Directors to one, a Director who has been appointed to act as a sole Director shall have and may exercise all the powers and authorities in and over the affairs of the Company as by these Articles are conferred on the Directors.
- 17.2 The Directors may, by power of attorney or otherwise appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

**18. Delegation of Directors' powers**

The Directors may delegate any of their powers to any committee consisting of one or more Directors and (if thought fit) one or more other persons but a majority of the members of the committee shall be Directors. No resolution of the committee shall be effective unless a majority of those present when it is passed are Directors. They may also delegate to any managing director or any other Director (whether holding any other executive office or not) such of their powers as they consider desirable to be executed by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

**19. Appointment and retirement of Directors**

- 19.1 The first Directors shall be determined in writing by the subscribers to the Memorandum, or a majority of them.
- 19.2 The Directors shall have power at any time, and from time to time, without sanction of the Company in general meeting, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. A Director appointed in this way may hold office only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that meeting. Such a Director is not required, and is not taken into account in determining the number of Directors who are, to retire by rotation at the meeting.
- 19.3 The Company may by Ordinary Resolution:
- 19.3.1 appoint any person as a Director; and
  - 19.3.2 remove any person from office as a Director.

- 19.4 No person other than a Director retiring (by rotation or otherwise) may be appointed or reappointed a Director at a general meeting unless:
- (a) he is recommended by the Board; or
  - (b) not less than 7 nor more than 42 days before the date fixed for the meeting, notice has been given to the Company by a Member (other than the person to be proposed) qualified to vote at the meeting of the intention to propose that person for appointment or reappointment. The notice shall (i) state the particulars which would, if the proposed Director were appointed or reappointed, be required to be included in the Company's register of Directors, (ii) be accompanied by notice given by the proposed Director of his willingness to be appointed or reappointed, and (iii) be lodged at the Office.
- 19.5 A Director may retire from office as a Director by giving notice in writing to that effect to the Company at the Office, which notice shall be effective upon such date as may be specified in the notice, failing which upon delivery, to the Office.
- 19.6 Subject to Article 19.7 below, at each annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, the number nearest to but not less than one third, shall retire from office provided that if there are fewer than 3 Directors who are subject to retirement by rotation, 1 shall retire from office.
- 19.7 If any one or more Directors:
- (a) were last appointed or reappointed 3 years or more prior to the meeting;
  - (b) were last appointed or reappointed at the third immediately preceding annual general meeting; or
  - (c) at the time of the meeting will have served more than 9 years as a non-executive Director of the Company (excluding as the chairman of the Board),
- he or they shall retire from office and shall be counted in obtaining the number required to retire at the meeting, provided that the number of Directors required to retire under Article 19.6 above shall be increased to the extent necessary to comply with this Article.
- 19.8 Subject to the Law and the Articles, the Directors to retire by rotation at an annual general meeting include, so far as necessary to obtain the number required, first, a Director who wishes to retire and not offer himself for reappointment, and, second, those Directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the Director to retire shall, in default of agreement between them, be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined on the basis of the composition of the Board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the Directors after that

time but before the close of the meeting.

- 19.9 A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be reappointed. If he is not reappointed or deemed reappointed, he may retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

## **20. Disqualification and removal of Directors**

- 20.1 The office of a Director shall be vacated if:

20.1.1 he ceases to be a Director by virtue of any provision of the Law or becomes prohibited by any other applicable law or the Exchange Rules from, or is disqualified from, being a Director; or

20.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or

20.1.3 he resigns his office by notice to the Company; or

20.1.4 the Company so resolves by Ordinary Resolution; or

20.1.5 all other Directors at such time request that the Director vacate his office.

## **21. Remuneration of Directors and Expenses**

- 21.1 The Directors shall be entitled to such remuneration as the Company may by Ordinary Resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

- 21.2 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.

## **22. Notice of Directors' shareholdings**

- 22.1 In this Article a reference to a Director includes a shadow Director. The Directors of the Company are obliged to notify the Company of their shareholdings in the Company upon becoming Directors. A Director who acquires Shares while acting as a Director is obliged to notify the Company of his shareholding or any increase in that shareholding as the case maybe. If a Director disposes of Shares while acting as a Director, he shall notify the Company of such change. All notifications under this Article must be made in writing in the form approved by the Company and notified to the Company on the day such acquisition, disposal or, in the case of new Directors, appointment takes place. For the purposes of this Article, a Director is deemed to have acquired or disposed of Shares if he has entered into any binding agreement in respect of such acquisition or disposal irrespective of whether such agreement constitutes an option, subscription right, derivative instrument, warrant or other right in respect of Shares (whether conditional or otherwise) and when completion of such



acquisition or disposal (if at all) is to take place. References to the Company's Shares in this Article are also deemed to include those of its direct and indirect subsidiaries.

22.2 The Company shall keep a register of Directors' interests (as determined by this Article) in Shares at the Office and such register shall be open for inspection by the Members without charge during normal business hours on such terms as the Directors may reasonably determine. A Director is obliged by virtue of this Article, in accordance with its terms, to also disclose to the Company Shares held by:

- (a) a wife, husband, civil law partner, infant son or infant daughter (including step children) of such Director;
- (b) a corporate entity in which the Director holds, controls or directs 33 per cent. or more of the voting rights or which is accustomed to act upon his instructions or directions from time to time; and
- (c) a nominee or trustee of a trust in which the Director or any wife, husband, civil law partner, infant son or infant daughter (including step children) holds or has a beneficial interest whether direct or indirect.

### **23. Directors' appointment and interests**

23.1 Subject to the provisions of the Law, the Directors may appoint one or more of their number to the office of managing director or to any other executive office in 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. Any such appointment, agreement or arrangement may be made upon such terms as the Directors determine and they may nominate 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.

23.2 Subject to the provisions of the Law, and provided that he has disclosed to the Directors the nature and extent of any material interests of his, a Director notwithstanding his office:

23.2.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any of its subsidiary undertakings or in which the Company or any of its subsidiary undertakings is otherwise interested;

23.2.2 may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;

23.2.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body

corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

23.2.4 may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as though he were a Director of the Company.

23.3 For the purposes of clause 23.2

23.3.1 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 with a specified person or class of persons shall be deemed to be sufficient disclosure of his interest in any such transaction or arrangement;

23.3.2 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; and

23.3.3 a Director shall be treated as having been interested if:

- (i) it is an interest of his spouse, child or step-child;
- (ii) it is an interest of a body corporate in which he owns or is interested in at least one-fifth of the share capital or is entitled to exercise or control the exercise of one-fifth of the voting power at any general meeting; or
- (iii) it is the interest of a person acting in his capacity as trustee of any trust the beneficiaries of which include the Director, his spouse, children or step-children of his or a body corporate in which the Director owns or is interested in at least one-fifth of the share capital or is entitled to exercise or control the exercise of one-fifth of the voting power at any general meeting.

23.4 Save as otherwise provided in this Article 23, a Director may not vote on or be counted in the quorum in relation to a resolution of the Board or of a committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company or any of its subsidiary undertakings is or is to be a party and in which he has an interest which is, to his knowledge, a material interest (otherwise than by virtue of his interest in Shares or debentures or other securities of or otherwise in or through the Company), but this prohibition does not apply to a resolution concerning any of the following matters:

- (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of

security;

- (c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (d) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company (including a subsidiary undertaking of the Company) in which he is interested (directly or indirectly) whether as an officer, shareholder, creditor or otherwise (a "**relevant company**"), if he does not hold an interest in 5 per cent. or more of either any class of the equity share capital of or the voting rights in the relevant company;
- (e) a contract, arrangement, transaction or proposal for the benefit of the employees of the Company or any of its subsidiary undertakings (including any pension fund or retirement, death or disability scheme) which does not award him a privilege or benefit not generally awarded to the employees to whom it relates; and
- (f) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

## **24. Directors' gratuities and pensions**

- 24.1 The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or who 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.

## **25. Proceedings of Directors**

- 25.1 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. 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 to a separate vote for each Director for whom he acts as alternate in addition to his own vote.
- 25.2 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 is an alternate Director shall be counted in the quorum, any Director acting as an alternate Director shall also be counted as one for each of the Directors for

whom he acts as alternate. Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all of the other Directors present at such meeting to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (in each case whether in person or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.

- 25.3 The continuing Directors or the only continuing Director may act notwithstanding any vacancies in their number but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting.
- 25.4 The Directors may appoint one of their number to be the chairman of the Board 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.
- 25.5 All acts done by a meeting of Directors, or of a committee of Directors, or by a person acting as a Director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.
- 25.6 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors or of a committee of Directors shall be 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.
- 25.7 A Director may vote in respect of any transaction, arrangement or proposed transaction or arrangement, in which he has an interest which he has disclosed in accordance with these Articles and if he does vote, his vote shall be counted, and he shall be counted towards a quorum at any meeting of the Directors at which any such transaction or arrangement or proposed transaction or arrangement, shall come before the Directors for consideration.
- 25.8 A Director may not vote on or be counted in the quorum in relation to a resolution of the Board or committee of the Board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment of two or more Directors to officers or employment 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 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.

**26. Secretary**

- 26.1 Subject to the provision of the Law, 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.

**27. Minutes**

- 27.1 The Secretary shall cause minutes to be made in books kept for the purpose in accordance with the Law.

**28. The Seal**

- 28.1 The common 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 who shall sign any instrument to which the common seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

- 28.2 Subject to the provisions of the Law the Directors may determine to have:

28.2.1 an official seal for use in any country, territory or place outside the island of Jersey, which shall be a facsimile of the common seal of the Company. Any such official seal shall in addition bear either the name of the country in which it is to be used or the words "branch seal";

28.2.2 an official seal for use only in connection with the sealing of securities issued by the Company and such official seal shall be a facsimile of the common seal of the Company but shall in addition bear the word "securities".

**29. Dividends**

- 29.1 Subject to the provisions of the Law, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the Members, but no dividend divided shall exceed the amount recommended by the Directors.

- 29.2 Subject to the provisions of the Law, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividends as well as on Shares which confer preferred rights with regard to dividends, 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 arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith, they shall not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.

- 29.3 Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on Shares on which the dividends is paid. 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 dividends as from a particular date, that Share shall rank for dividend accordingly.
- 29.4 A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.
- 29.5 Any dividend or other moneys payable in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the Holders of the Share or are jointly entitled to it by reason of the death, or bankruptcy of the Holder, to the registered address of the one of those persons who is first named in the register or to such person and to such address as the person or persons entitled may in writing direct (and in default of which directions to that one of the persons jointly so entitled as the Directors shall in their absolute discretion determine). Every cheque shall be made payable to the order of the person or persons entitled or to such person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint Holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share.
- 29.6 The Directors may deduct from any dividend, or other moneys, payable to any Member on or in respect of, a Share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.
- 29.7 No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.
- 29.8 Any dividend which has remained unclaimed for 10 years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

### **30. Accounts and audits**

- 30.1 No member shall (as such) have any right of inspecting any accounting records or other book or documents of the Company except as conferred by the Law or authorised by the Directors or by ordinary resolution of the Company.
- 30.2 The Company may appoint auditors to examine the accounts and report thereon in accordance with the Law.

### **31. Accounts to be sent to Members**

- 31.1 In respect of each financial year, a copy of the Company's annual accounts, the

Directors' report, the Directors' remuneration report, the auditors' report on those accounts and on the auditable part of the Directors' remuneration report shall be sent by post or delivered to:

- (a) every Member (whether or not entitled to receive notices of general meetings);
- (b) every holder of debentures (whether or not entitled to receive notices of general meetings); and
- (c) every other person who is entitled to receive notices of general meetings,

not less than 14 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Law.

31.2 This Article 31 does not require copies of the documents to which it applies to be sent or delivered to:

- (a) a Member or holder of debenture of whose address the Company is unaware;  
or
- (b) more than one of the joint holders of Shares or debentures.

31.3 The Board may determine that persons entitled to receive a copy of the Company's annual accounts, the Directors' report, the Directors' remuneration report, the auditors' report on those accounts and on the auditable part of the Directors' remuneration report are those persons entered on the register at the close of business on a day determined by the Board, provided that, if the Company is a participating issuer, the day determined by the Board may not be more than 14 clear days before the day that the relevant copies are being sent.

31.4 Where permitted by the Law, a summary financial statement derived from the Company's annual accounts, the Directors' report and the Director's remuneration report in the form and containing the information prescribed by the Law may be sent by post or delivered to a person so electing in place of the documents required to be sent or delivered by Article 31.1.

31.5 Any documents required or permitted to be sent by the Company to a person pursuant to this Article 31 shall be treated as sent if:

- (a) sent by electronic communication in accordance with the Electronic Communications (Jersey) Order 2000 to an address for the time being notified to the Company by that person for that purpose; or
- (b) published on a web site, provided that the following conditions are met:
  - (i) the Company and that person have agreed that such documents may be accessed by him on a web site (instead of their being sent by post or otherwise delivered to him); and
  - (ii) that person is notified, in a manner for the time being agreed for the purpose between him and the Company, of:

- (A) the publication of the documents on a web site;
- (B) the address of that web site;
- (C) the place on that web site where the documents may be accessed; and
- (D) how they may be accessed.

31.6 Documents treated in accordance with Article 31.5(b) above as sent to any person are to be treated as sent to him not less than 14 clear days before the date of a meeting if, and only if:

- (a) the documents are published on the web site throughout a period beginning at least 14 clear days before the date of the meeting and ending with the conclusion of the meeting; and
- (b) the notification given for the purposes of Article 31.5(b)(ii) above is given not less than 14 clear days before the date of the meeting.

31.7 Nothing in Article 31.6(b) above shall invalidate the proceedings of a meeting where any documents that are required to be published as mentioned in Article 31.6(a) above are by accident published in different places on the web site or published for a part, but not all, of the period mentioned in that Article.

## **32. Capitalisation of profits**

32.1 The Directors may with the authority of an Ordinary Resolution of the Company:

- 32.1.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- 32.1.2 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 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 capital redemption reserve may for the purpose of this Article, only be applied in paying up unissued Shares to be allotted to Members credited as fully paid up;
- 32.1.3 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 regulation in fractions; and



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

### **33. Notices**

- 33.1 A notice to be given to or by a person pursuant to the Articles (other than a notice convening a meeting of the Board or of a committee of the Board) shall be in writing or in an electronic communication and sent or delivered in accordance with the Electronic Communications (Jersey) Order 2000 to an address for the time being notified for that purpose to the person giving the notice.

- 33.2 A notice or other document may be given to a Member by the Company:

- (a) personally; or
- (b) by sending it by post in a pre-paid envelope addressed to the Member at his registered address; or
- (c) be leaving it at that address (or at another address notified for the purpose) in an envelope addressed to the Member; or
- (d) by giving it by electronic communication to an address for the time being notified to the Company by the Members for that purpose; or
- (e) by any other means authorised in writing by the Member concerned.

- 33.3 A notice of general meeting may, instead of being sent to the Member in any of the ways specified in Article 33.2 above, be given to a Member by the Company by publishing the notice on a web site, provided that the following conditions are met:

- (a) the Members have resolved by Ordinary Resolution that notices of general meetings may be accessed by a Member on a web site instead of being sent to the Members in one of the ways specified in Article 33.2 above; and
- (b) Members are given a notification, in the manner set out for the time being by Ordinary Resolution, containing the following information:
  - (i) the fact that the notice has been or will be published on the web site;
  - (ii) the address of the web site;
  - (iii) the place on the web site where the notice may be accessed and how it may be accessed;
  - (iv) a statement that it concerns a notice of general meeting served in accordance with the Law;
  - (v) the place, date and time of the general meeting; and

- (vi) whether the general meeting is to be an annual or extraordinary general meeting.

A notice given under this Article 33.3 is deemed to be given at the time of the notification under Article 33.3(b).

- 33.4 A notice given by electronic communication under Article 33.2(d) above which fails to reach the Member at the Member's notified address shall be sent on two more occasions to the Member at the same address on the same day. If the notice does not reach the Member, the Company shall within two days dispatch to the Member by first class post the same notice which shall be deemed to be effective as of the date the electronic communications were sent.
- 33.5 In the case of joint Holders of a Share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding and notice given in this way is sufficient notice to all joint Holders.
- 33.6 If a Member (or, in the case of joint Holders, the person first named in the register) has a registered address outside Jersey and the United Kingdom but has notified the Company of an address in Jersey or the United Kingdom as the case may be at which notices or other documents may be given to him, or an address to which notices may be given by electronic communication, he is entitled to have notices given to him at that address, but otherwise no such Member or person is entitled to receive a notice or other document from the Company.
- 33.7 If by reason of the suspension or curtailment of postal services in the United Kingdom or Jersey the Company is unable effectively to convene a general meeting by notices sent by post to those Members who have not notified an address for electronic communications pursuant to Article 33.2(d), the Board may, in its absolute discretion and as an alternative to any other method of service permitted by the Articles, resolve to convene a general meeting by a notice advertised in at least 1 United Kingdom national newspaper. In this case, the Company shall send confirmatory copies of the notice to those Members by post if at least 7 clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 33.8 A notice or other document addressed to a Member at his registered address or address for service in Jersey or the United Kingdom is, if sent by post, deemed to be given at the expiration of 24 hours after it was put in the post if pre paid as first class post and at the expiration of 48 hours after it was put in the post if pre paid as second class post, and in proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre paid and posted.
- 33.9 Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.
- 33.10 A notice contained in an electronic communication sent in accordance with the Articles other than a notice given under Article 33.3 (to which the provisions of that Article apply) is deemed to be given at the expiration of 24 hours after the time it was sent.
- 33.11 A notice or document not sent by post but left at a registered address or address for service in Jersey or the United Kingdom is deemed to be given on the day it is left.

- 33.12 Where notice is given by newspaper advertisement, the notice is deemed to be given to all Members and other persons entitled to receive it at noon on the day when the advertisement appears or, where notice is given by more than 1 advertisement and the advertisements appear on different days, at noon on the last of the days when the advertisements appear.
- 33.13 A notice or other document served or delivered by the Company by any other means authorised in writing by the Member concerned is deemed to be served when the Company has taken the action it has been authorised to take for that purpose.
- 33.14 A Member present in person or by proxy at a meeting of the Holders of a class of Shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.
- 33.15 A person who becomes entitled to a Share by transmission, transfer or otherwise is bound by a notice in respect of that Share which, before his name is entered in the register, has been properly served on a person from whom he derives his title.
- 33.16 Where a person is entitled by transmission to a Share, the Company may give a notice or other document to that person as if he were the Holder of a Share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt Member (or by similar designation) at an address in Jersey or the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this Article is sufficient notice to any other person interested in the Share.

#### **34. Winding up**

- 34.1 If the Company is wound up, the Company may, with the sanction of a Special Resolution and any other sanction required by the Law, divide the whole or any part of the assets of the Company among the Members in specie and the liquidator or, where there is no liquidator, the Directors 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, and with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.

#### **35. Indemnity**

- 35.1 In so far as the Law allows, every present or former officer or auditor, if any, of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer or auditor. The Directors may without sanction of the Company in general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Law in respect of any liability which would otherwise attach to such officer or former officer.

#### **36. Takeover Provisions**

- 36.1 A person must not:
- (a) effect or purport to effect a Prohibited Acquisition (as defined in Article 36.5);
  - (b) except as a result of a Permitted Acquisition (as defined in Article 36.4):
    - (i) whether by himself, or with persons determined by the Directors to be acting in concert with him, acquire after the date that this Article shall come into effect (the "**Effective Date**") Shares which, taken together with Shares held or acquired after the Effective Date by persons determined by the Directors to be acting in concert with him, carry 30 per cent. or more of the voting rights attributable to Ordinary Shares of the Company; or
    - (ii) whilst he, together with persons determined by the Directors to be acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights attributable to Ordinary Shares, acquire after the Effective Date, whether by himself or with persons determined by the Directors to be acting in concert with him, additional Shares which, taken together with Shares held by persons determined by the Directors to be acting in concert with him, increases his voting rights attributable to Ordinary Shares (each of the limits described in Article 36.1(b)(i) and (ii) being a "**Limit**").
- 36.2 Where any person breaches any Limit, except as a result of a Permitted Acquisition, or becomes interested in any Shares as a result of a Prohibited Acquisition, that person is in breach of this Article.
- 36.3 The Directors may do all or any of the following where they have reason to believe that any Limit is or may be breached, or any Prohibited Acquisition has been or may be effected:
- (a) require any Member or person appearing or purporting to be interested in any Shares to provide such information as the Directors consider appropriate to determine any of the matters under this Article;
  - (b) have regard to such public filings as they consider appropriate to determine any of the matters under this Article;
  - (c) make such determinations under this Article as they think fit, either after calling for submission from affected Members or other persons or without calling for such submission;
  - (d) determine that the voting rights attached to such number of Shares held by such persons as the Directors may determine are held, or in which such persons are or may be interested, in breach of this Article ("**Excess Shares**") are from a particular time incapable of being exercised for a definite or indefinite period;
  - (e) determine that some or all of the Excess Shares must be sold;

- (f) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; or
- (g) take such other action as it thinks fit for the purposes of this Article including:
  - (i) prescribing rules (not inconsistent with this Article);
  - (ii) setting deadlines for the provision of information;
  - (iii) drawing adverse inferences where information requested is not provided;
  - (iv) making determinations or interim determinations;
  - (v) executing documents on behalf of a Member;
  - (vi) paying costs and expenses out of proceeds of sale; and
  - (vii) changing any decision or determination or rule previously made.

36.4 An acquisition is a "**Permitted Acquisition**" if:

- (a) the acquisition is made in circumstances in which the City Code, if it applied to the Company, would require an offer to be made as a consequence and such offer is made in accordance with Rule 9 of the City Code, as if it so applied; or
- (b) the acquisition has been approved by way of an ordinary resolution of such Members who are determined by the Directors not to be acting in concert with the party making the acquisition concerned.

36.5 An acquisition is a "**Prohibited Acquisition**" if Rules 4, 5 or 6 of the City Code, would in whole or part apply to the acquisition if the Company were subject to the City Code and the acquisition were made (or, if not yet made, would if and when made be) in breach of or otherwise would not comply with Rules 4, 5 or 6 of the City Code.

36.6 Subject to Article 36.10, the Directors have full authority to determine the application of this Article, including as to the deemed application of the whole or any part of the City Code. Such authority shall include all discretion vested in the Panel as if the whole or any part of the City Code applied including, without limitation, the determination of conditions and consents, the consideration to be offered and any restrictions on the exercise of control. Any resolution or determination of, or decision or exercise of any discretion of power by, the Directors or any Director or by the Chairman of any meeting acting in accordance with their fiduciary duties and in good faith under or pursuant to the provisions of Article 36.6 which complies with Articles 36.10 shall be final and conclusive; and anything done by, or on behalf of, or on the authority of, the Directors or any Director acting in accordance with their fiduciary duties and in good faith pursuant to the provisions of Article 36.6 which complies with Article 36.10 shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise on any ground whatsoever. Subject to compliance with Article 36.10, the Directors shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance

with Article 36.6.

- 36.7 Any one or more of the Directors may act as the attorney(s) of any Member in relation to the execution of documents and other actions to be taken for the sale of Excess Shares determined by the Directors under Article 36.6.
- 36.8 If as a consequence of the Company redeeming or purchasing its own Shares, there is a resulting increase in the percentage of the voting rights attributable to the Ordinary Shares held by a person or persons determined by the Directors to be acting in concert and such an increase would constitute a breach of any Limit, provided that the prior approval by way of an ordinary resolution of such Members who are determined by the Directors not to be acting in consent is obtained, such an increase shall be deemed a Permitted Acquisition.
- 36.9 This Article shall have effect only during such times as the City Code does not apply to the Company.
- 36.10 In exercising any discretion under this Article 36, the Directors shall be obliged to seek prior advice from the Company's solicitors at such time and consult with the Company's nominated adviser at such time, as to the approach to be adopted in exercising such discretion so as to seek to ensure that such outcome is achieved as near as reasonably practicable to the outcome that would arise if the Company were subject to the City Code in the circumstances.
- 36.11 No Member shall be entitled to bring a claim against the Company or any Director in respect of any exercise of the discretions afforded by Article 36 if and to the extent that such discretions are exercised in a manner consistent with the advice obtained under Article 36.10.
- 36.12 The Company shall fully indemnify and hold harmless its solicitors and nominated adviser for the time against any claim that may be made against them by any person in respect of advice or guidance provided to the Company or the Directors for the purposes of Article 36.10.

### **37. Treasury Shares**

- 37.1 The Company may hold as treasury shares any of the limited shares in the capital of the Company that it has redeemed or purchased as treasury shares in accordance with the Law.
- 37.2 The Company may hold so many Shares in the Company that it has redeemed or purchased as treasury shares in accordance with the Law as it thinks fit, provided that at least 1 person (not being the Company) holds at least 1 non-redeemable share in the capital of the Company.
- 37.3 If the Company hold Shares as treasury shares, and on any day there ceases to be at least 1 person (not being the Company) who holds at least 1 non-redeemable Share in the capital of the Company, the Company shall, within 12 months after that day, dispose of to another person or persons (not being the Company) at least 1 non-redeemable share in the Company.

- 37.4 The Company may:

- (a) cancel the Shares that it holds as treasury shares;
- (b) sell the Shares that it holds as treasury shares;
- (c) transfer the Shares that it holds as treasury shares for the purposes of or under an employees' share scheme; or
- (d) hold the Shares that it holds as treasury shares without cancelling, selling or transferring them.

37.5 While Shares are held by the Company as treasury shares:

- (a) the Company shall not, for the purposes of Articles 71, 89 and 92(2) of the Law be treated as being a member or as holding Shares in the Company;
- (b) the Register shall include an entry relating to the number of those Shares held as treasury shares;
- (c) the annual return provided under Article 71 of the Law shall include an entry relating to the number of those Shares held as treasury shares on 1<sup>st</sup> January in the year of the return;
- (d) the Company shall not exercise any voting rights attaching to those Shares;
- (e) if a provision of the Law (other than article 58B of the Law) or these Articles requires:
  - (i) a proportion of votes attaching to Shares held in the Company to be obtained or
  - (ii) a proportion of the holders of Shares of the Company, (which may include persons representing by proxy or other holders of Shares of the Company) to consent or not to consent,

in order for a resolution to be passed or an action or decision to be taken or not to be taken by any person, those shares held as treasury shares by the Company shall not for the purposes of that provision be taken into account in determining:

- (i) the total number of Shares held in the Company, or
- (ii) whether such a proportion has been attained;
- (f) the Company shall not make or receive any dividend, or any other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up), in respect of those Shares;
- (g) the rights in respect of those Shares shall not be exercised by or against the Company;
- (h) the obligations in respect of the Shares shall not be enforceable by or against

the Company; and

- (i) any purported exercise or enforcement of a right, obligation or requirement referred to in Article 37.5(d) to 37.5(h) (inclusive) is void.

37.6 Nothing in Article 37.5 shall prevent:

- (a) an allotment of Shares by the Company as fully paid bonus shares in respect of treasury shares; or
- (b) the payment by the Company of any amount payable on the redemption of redeemable shares that are held as treasury shares.

### **38. Warrants**

38.9 The Company may issue a warrant ("**Share Warrant**") stating that the registered holder of such Share Warrant is entitled to subscribe for the Shares specified in it. The Company shall ensure that a register of such Share Warrants and their respective holders (with names, addresses and contact details) is created and maintained on the Company's statutory books in similar manner to the register of Members of the Company (such register being the "**Warrant Register**").

38.10 The powers referred to in Article 38.1 may be executed by the Board which may determine and vary the conditions on which Share Warrants shall be issued, and in particular on which:

- (a) a new Share Warrant will be issued in the place of one damaged, defaced, worn out or lost (provided that no new Share Warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed); and
- (b) the holder of a Share Warrant (as entered on the Warrant Register) shall be entitled to receive notice of and to attend general meetings of the Company but will not have any right to vote at or to speak at any such general meeting.

### **39. Information to Regulators**

39.1 While all or any of the Shares for the time being shall be admitted on AIM, there shall be forwarded to the appropriate officer or office of the London Stock Exchange plc such number of copies of such documents as may be required under its rules, regulations or practice.

39.2 Whenever a listing on the London Stock Exchange plc for all or any of the Shares for the time being shall be in force, there shall be forwarded to the appropriate officer of the UKLA, such number of copies of such documents as may for the time being be required under its regulations or practice.

### **40. Obligation to disclose interests**

40.1 Each Member shall be under an obligation to make certain notifications in accordance with the provisions of this Article 40.



- 40.2 If at any time the Company shall have a class of Shares admitted to trading on a stock exchange in the United Kingdom, the provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) ("**DTR 5**") of the UK Financial Services Authority Handbook (the "**Handbook**") shall be deemed to be incorporated by reference into these Articles and accordingly the vote holder and issuer notification rules set out in DTR 5 shall apply to the Company and each Holder. Notwithstanding the time limits for disclosure set out in DTR 5, the Company is required by the Exchange Rules to announce via a Regulatory Information Service, all the information contained in any vote holder notification "without delay" (and in any event within two business days).
- 40.3 For the purposes of the incorporation by reference of DTR 5 into these Articles and the application of DTR 5 to the Company and each Holder, the Company shall (for the purposes of this Article 40 only) be deemed to be an "issuer", as such term is defined in DTR 5 (and not, for the avoidance of doubt, a "non-UK issuer", as such term is defined in DTR 5).
- 40.4 For the purposes of this Article 40 only, defined terms in DTR 5 shall bear the meaning set out in DTR 5, and if the meaning of a defined term is not set out in DTR 5, the defined terms shall bear the meaning set out in the Glossary to the Handbook (in such case, read as the definition applicable to DTR 5).
- 40.5 For as long as the Company is admitted to AIM and in order for the Company to comply with its disclosure obligations under the AIM Rules;
- (a) a Significant Shareholder shall, without delay (and in any event within two business days) after becoming, or becoming aware that he is, a Significant Shareholder, give notice in writing to the Company, stating the information required under paragraph (c) of this Article 40.5. Each Holder is also required, to the extent that he is lawfully able to do so, to notify the Company if any other person acquires or ceases to have a noticeable interest of which he is the registered Holder, or, if unable lawfully to provide such notification, to use his reasonable endeavours to procure that such other person makes notification of his interests to the Company;
  - (b) where there is a Relevant Change, a Significant Shareholder shall give notice in writing to the Company, stating the information required under paragraph (c) of this Article 40.5, without delay (and in any event within two business days) after he becomes aware of such a change;
  - (c) the information referred to in paragraph (a) and (b) of this Article 40.5 is as follows:
    - (i) the identity and address of each Holder of the relevant Shares and of any person entitled to exercise voting rights on behalf of each such Holder;
    - (ii) the date on which the transaction or Relevant Change (as applicable) was effected;
    - (iii) the price, amount and class of the Shares and/or Financial Instrument in which the person involved has a legal or beneficial interest or

interests or position (whether direct or indirect), including the voting rights attached to the relevant Shares and/or Financial Instruments before and after the transaction or Relevant Change (as applicable) was effected;

- (iv) the circumstances by reason of which the person involved has acquired such interests, the nature of the transaction and the reason for the notification;
- (v) the thresholds that were crossed;
- (vi) the nature and extent of the Significant Shareholder's interest in the transaction, including the chain controlled undertakings (as construed in accordance with the DTR) through which the voting rights and/or the Financial Instrument are effectively held;
- (vii) where the notification concerns a Financial Instrument, the detailed nature of the exposure; and
- (viii) such other particulars as may be prescribed by the AIM Rules and/or any other competent Exchange Rules from time to time.

40.6 For the purposes of Article 40.5 and 40.6 and the definitions of "Relevant Change" and "Significant Shareholder", references to an interest in Shares or Financial Instruments shall include a direct or indirect holding of the voting rights of any class of Shares, and a person will be an indirect holder of voting rights to the extent that he is entitled to acquire, dispose of or exercise voting rights in respect of them in any of the following cases or a combination of them:

- (a) voting rights held by a third party with whom that person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company;
- (b) voting rights held by a third party under an agreement concluded with that person providing for the temporary transfer for consideration of the voting rights in question;
- (c) voting rights attaching to Shares which are lodged as collateral with that person provided that person controls the voting rights and declares its intention of exercising them;
- (d) voting rights attaching to Shares in which that person has the life interest;
- (e) voting rights which are held, or may be exercised within the meaning of points (a) to (d) or, in cases (f) and (h) by a firm undertaking investment management, or by a management company, or by an undertaking controlled by that person;
- (f) voting rights attaching to Shares deposited with that person which the person can exercise at its discretion in the absence of specific instructions from the Member(s);

- (g) voting rights held by a third party in his own name on behalf of that person;
  - (h) voting rights which that person may exercise as a proxy where that person can exercise the voting rights at his discretion in the absence of specific instructions from the Member(s); and
  - (i) voting rights held by a depository where that person holds the underlying depository interests in respect thereof.
- 40.7 In addition to the obligations set out in Article 40.1 to 40.5 (inclusive) the Company may, by issuing a notice in writing in such form as the Directors may from time to time approve (a "**Disclosure Notice**"), require a registered Member to disclose the nature of his interest in a relevant shareholding in the Company held at such time or at any time in the previous three years, in accordance with this Article.
- 40.8 The Company may issue a Disclosure Notice to any Member at any time and the Member shall be obliged to respond in writing confirming such details as the Disclosure Notice requires within 14 days of receipt of the Disclosure Notice.
- 40.9 A Member who holds less than 0.25 per cent. of the issued Shares of any particular class is obliged to disclose to the Company by virtue of a Disclosure Notice:
- (a) whether such shareholding is held legally and beneficially by that Member, without any residual or equitable interest or encumbrance or other third party interest in such shareholding of any sort; and
  - (b) if such Member does not hold his shareholding legally and beneficially for himself only, in what capacity he holds it (for example, whether as trustee, nominee or otherwise); and
  - (c) the class of persons for whom or on whose behalf he ultimately holds it or which otherwise has the ultimate interest or interests in such shareholding including, but not limited to whether or not such interest is held on behalf of a family trust, individual holding or investment company, trading company or otherwise,
  - (d) but nothing in this Article 40.9 shall oblige the registered Member to disclose the actual identity of such persons.
- 40.10 A Member who holds 0.25 per cent. or more of the issued Shares is obliged pursuant to a Disclosure Notice to disclose:
- (a) the matters required by Article 40.9(a);
  - (b) if he does not hold the relevant shareholding legally and beneficially for himself only pursuant to Article 40.9(a), the capacity in which he holds the relevant Shares; and
  - (c) the identity or identities of all persons or entities for whom or on whose behalf the relevant Shares are ultimately held or the persons or entities which hold the ultimate beneficial interest or have a beneficial interest in the Shares or which ultimately influence or control the holding of the Shares to the extent these are

known by him.

- 40.11 In this Article, references to the ultimate holding or to persons or entities on whose behalf the relevant Shares are ultimately held require disclosure of the person or persons or entities which ultimately control, benefit or have an interest in the Shares such that the Directors may reasonably determine the identity of the person or persons or entities which have an indirect interest in the relevant Shares and the nature of that shareholding and a registered Member will not comply with the provisions of this Article by virtue of disclosing the legal entities or persons through whom the relevant Shares are held without also disclosing the actual identity of the relevant person or persons or entities for whom the relevant Shares are ultimately held.
- 40.12 Nothing in this Article will require a registered Member to disclose the specific structure or order of the persons or entities behind a relevant shareholding except to the extent that such arrangements have an impact on who the ultimate beneficiaries, controllers or parties able to exercise influence over the relevant Shares in accordance with Article 40.10(c).
- 40.13 In the event that a registered Member fails to make the appropriate disclosures in accordance with this Article, the Directors may, by notice in writing and in their discretion, suspend voting and/or dividend rights, and/or refuse to register any transfers in respect of the relevant Shares, until such time as the appropriate disclosure are properly made. Any dividends declared and paid in such period shall be withheld by the Company and shall be payable without interest as soon as reasonably practicable upon compliance. For the purposes of these Articles, to the extent permissible by Law, Members whose voting rights have been suspended in accordance with this Article shall be entitled to receive notice of all general meetings of the Company but shall not be entitled to be present or to vote at the relevant general meetings. All resolutions passed at such general meetings shall be valid and binding, notwithstanding the suspension of voting rights.
- 40.14 The Board may be required to exercise their powers under Article 40.8 on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth (10%) of the voting rights at general meetings of the Company at that date. The requisition must:
- (a) state that the requisitions are requiring the Company to exercise its powers under Article 40.8;
  - (b) specify the manner in which they require those powers to be exercised;
  - (c) give reasonable grounds for requiring the Company to exercise those powers in the manner specified; and
  - (d) be signed by the requisitionists and deposited at the Office.
- 40.15 The requisition may consist of several documents in like form, each signed by one or more requisitionists.
- 40.16 On the deposit of a requisition complying with Article 40.14 and 40.15, it is the Board's duty to exercise its powers under Article 40.8 in the manner specified in the requisition.

- 40.17 Any person who has given notice of an interested party in accordance with Article 40.8 who subsequently ceases to have any person interested in his Shares or has any other person interested in his Shares shall notify the Company in writing of the cessation or change in such interest and the Board shall promptly amend the Register of Interested Persons (as defined in Article 40.18) accordingly.
- 40.18 The Directors shall keep a register for purposes of Article 40 (the "Register of Interested Persons") at the Office and shall procure that the information received by the Company in accordance with Article 40 shall be inscribed thereon.
- 40.19 Neither the Company nor the Directors shall in any event be liable to any person as a result of the Directors having imposed any restrictions pursuant to Article 14 if the Directors have acted in good faith.