

**Memorandum of Association**

**of**

**VELOSI LIMITED**

**(the "Company")**  
a par value company

**Interpretation**

1. Words and expressions contained in this Memorandum of Association have the same meanings as in the Law.

**Company name**

2. The name of the Company is Velosi Limited.

**Type of company**

3. The Company is a public company.
4. The Company is a par value company.

**Share capital**

5. The share capital of the Company is US\$1,200,000 divided into 60,000,000 ordinary shares of US\$0.02 each.

**Liability of members**

6. The liability of a member arising from the holding of a share in the Company is limited to the amount (if any) unpaid on it.

15.08.06

**COMPANIES (JERSEY) LAW 1991**

**PUBLIC COMPANY  
LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**Velosi Limited**

**Crills Advocates  
Jersey**

**COMPANIES (JERSEY) LAW 1991**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**Velosi Limited**

**1 Definitions and Interpretations**

1.1 In these Articles, unless the context otherwise requires, the following expressions shall have the following meanings:

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

**"AIM Rules"** means the Rules of the Alternative Investment Market of the London Stock Exchange plc, as amended from time to time;

**"Auditors"** means the auditors for the time being of the Company appointed in accordance with Article 33;

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

**"Articles"** means these articles of association as amended from time to time;

**"Board"** means the board of Directors of the Company or the Directors present at a meeting of Directors of the Company at which a quorum is present;

**"Cash Memorandum Account"** means an account so designated by the operator of the relevant system concerned;

**"clear days"** means in relation to the 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 Velosi Limited, incorporated under the Law with registration number 92978;

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

**"Holder"** means, in relation to Shares, the member whose name is entered in the Register of members of the Company as the holder of those Shares;

**"Interpretation Law"** means the Interpretation (Jersey) Law 1954 and any statutory modification or re-enactment of the same for the time being in force;

**"Jersey Regulation"** means the Companies (Uncertified Securities) (Jersey) Order 1999;

**"Law"** means the Companies (Jersey) Law 1991 as amended, including any statutory modification or re-enactment of the same from time to time in force;

**"Memorandum"** means the memorandum of association of the Company as amended from time to time;

**"month"** means a calendar month;

**"Office"** means the registered office of the Company situated in the Island of Jersey;

**"Ordinary Resolution"** means a resolution of the Company either in general meeting passed by a simple majority of the votes cast at that meeting or in writing in accordance with Article 16;

**"paid up"** means paid up and/or credited as paid up;

**"Register"** means the register of members of the Company to be kept pursuant to Articles 41 and 44 of the Law at a place in the Island of Jersey or, as the case may be, any overseas branch register kept pursuant to Article 2.13 of these Articles;

**"Regulations"** means collectively, the Jersey Regulations and the UK Regulations;

**"Regulatory Information Service"** means a service approved by the London Stock Exchange plc for the distribution to the public of AIM announcements and included within the list maintained on the London Stock Exchange plc's website [www.londonstockexchange.com](http://www.londonstockexchange.com).

**"Seal"** means the common seal or official seal of the Company;

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

**"securities"** include shares, loan notes, warrants, options and other securities convertible into shares and debentures;

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

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

**"UK Regulation"** means the Uncertified Securities Regulations 2001 (SI 2001 No. 3755) of the United Kingdom, including any modification of them or any regulations in substitution of them

made under Section 207 of the Companies Act 1989 of the United Kingdom from time to time in force;

**"United Kingdom"** means Great Britain and Northern Ireland; and

**"year"** means a calendar year.

1.2 In these Articles, save where the context otherwise requires:

- (a) the word "person" includes a firm, a body corporate, an unincorporated association or an authority;
- (b) the singular includes the plural and vice versa and words denoting any gender shall include all genders;
- (c) where a word or phrase is given a particular meaning, other grammatical forms of that word or phrase have corresponding meanings;
- (d) a reference to an "Article" is a reference to an article of these Articles;
- (e) a reference to writing includes typewriting, printing, telegram, facsimile, email or other modes of representing or reproducing words in a visible form;
- (f) headings are inserted for convenience and do not affect the interpretation of these Articles;
- (g) words or expressions defined in the Law and in the Interpretation Law shall have the same meaning where used in these Articles but excluding any statutory modification thereof not in force when these Articles became binding on the Company;
- (h) words and expressions used in the UK Regulations have the same meanings when used in these Articles;
- (i) references to a Share being in uncertified form are references to that Share being an uncertificated unit of a security;
- (j) a Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of the Law, these Articles, or the AIM Rules; and
- (k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

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

## **2 Share Capital**

2.1 Subject to the provisions of the Law, these Articles, any special rights attached to any existing Shares and, where applicable, the AIM Rules:

(a) any Share may be issued with such rights or restrictions as the Company may by Ordinary Resolution determine; and

(b) the Company may issue fractions of Shares and any such fractional Shares shall rank *pari passu* in all respects with the other Shares of the same class issued by the Company.

2.2 Subject to the Law, any of these Articles relating to authority, pre-emption rights or otherwise, any direction that may be given by the Company in general meeting by way of an Ordinary Resolution and, where applicable, the AIM Rules and without prejudice to any special rights or restrictions for the time being attached to any Shares or any class of Shares, all unissued Shares shall be at the disposal of the Board which may allot (with or without conferring a right of renunciation) or otherwise dispose of them to such persons, at such times and on such terms as the Board thinks proper, with full power to issue to any persons securities to subscribe for any class of Shares on such terms as the Board thinks fit, but so that no Shares shall be issued at a discount, save as may be permitted by the provisions of the Law and, where applicable, the AIM Rules.

2.3 Except in the circumstances mentioned in Article 2.4, the Board shall obtain the consent of the Company in general meeting by way of an Ordinary Resolution prior to allotting, issuing or granting:

(a) Shares;

(b) securities convertible into Shares; or

(c) options, warrants or similar rights to subscribe for any Shares or such convertible securities.

2.4 No such consent as is referred to in Article 2.3 shall be required:

(a) for Shares or other securities allotted in pursuance of an employees' share scheme; or

(b) for the allotment, issue or grant of Shares or securities pursuant to an offer made to the Holders and, where appropriate, to holders of other equity securities of the Company entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings in the Company. For the purposes of such allotment, issue or

grant, the Board may on any occasion determine that such allotment, issue or grant shall not be made available or made to any Holder with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such shares or securities would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Holders affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Holders for any purpose whatsoever; or

- (c) if, but only to the extent that, the existing Holders have by Ordinary Resolution in general meeting given a general mandate to the Directors, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such Shares or other securities or to grant any offers, agreements or options which would or might require Shares or other securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of Shares and other securities allotted or agreed to be allotted must not exceed the aggregate of ten per cent. (10%) of the then existing issued share capital of the Company plus the number of such securities repurchased by the Company itself since the granting of the general mandate.

2.5 A general mandate given under Article 2.4 shall only continue in force until:

- (a) the conclusion of the fifth annual general meeting of the Company following the passing of the resolution at which time it shall lapse unless, by Ordinary Resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or
- (b) revoked or varied by Ordinary Resolution of the Holders in general meeting, whichever occurs first.

2.6 A general mandate obtained pursuant to Article 2.4 may be refreshed before its expiry by Ordinary Resolution passed at a general meeting of the Company.

2.7 Subject to the provisions 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.

2.8 Where the Company allots Shares at a premium the aggregate amount of all premiums on Shares allotted as and when the premiums are paid up shall be transferred to an account called the share premium account which may be applied for any of the purposes permitted by and under the provisions of the Law.

- 2.9 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.
- 2.10 Save as required by law, no person shall be recognised by the Company as holding any Share upon any trust and (save 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 save an absolute right of the Holder of such Share to the entirety thereof.
- 2.11 The Company shall not be required to enter the names of more than four joint Holders in respect of any Share in the Register.
- 2.12 The Company shall keep a Register in accordance with the provisions of the Law.
- 2.13 Subject to the provisions of Article 44 of the Law, the Board may exercise the powers conferred on the Company with regard to the keeping of an overseas branch, local or other register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

### **3 Special Rights Attaching to Classes of Shares**

- 3.1 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 issue 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:
- (a) in the case of a par value company, with the consent in writing of the Holders of a majority in nominal value of the issued Shares of that class; or
  - (b) in the case of a no par value company, with the consent in writing of the Holders of a majority in number of the issued Shares of that class; or
  - (c) with the sanction of an Ordinary Resolution passed at a separate meeting of the Holders of the issued Shares of that class.
- 3.2 The provisions of these Articles relating to general meetings or to the proceedings thereat shall apply, mutatis mutandis, to each separate meeting held pursuant to this Article save that:
- (a) in the case of a meeting of the Holders of a class of par value Shares, the quorum shall be persons holding or representing by proxy not less than one-third in nominal value of the issued Shares of that class; and
  - (b) in the case of a meeting of the Holders of a class of no par value Shares, the quorum shall be persons holding or representing by proxy not less than one-third in number of the issued Shares of that class,

but provided that if, at any adjourned meeting of such Holders, a quorum as above defined is not present, those Holders who are present shall be a quorum.

- 3.3 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 terms of issue of such Shares) be deemed not to be varied by the creation or issue of further Shares or further classes of Shares ranking *pari passu* therewith.

#### **4 Share Certificates**

- 4.1 Save where the Directors have determined that the relevant class of Shares shall be issued in or converted into uncertified form pursuant to the provisions of the Regulations, every Holder, upon becoming a Holder, 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 certificates 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.
- 4.2 Every certificate shall either be sealed with the Seal or signed by two Directors or a Director and the Secretary, or by such persons as the Directors shall authorise from time to time, 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 Directors may from time to time determine that such signatures or any of them need not be manual but may be printed or reproduced in any manner notwithstanding any other provisions of these Articles with respect to the affixing of the Seal. 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.
- 4.3 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.

#### **5 Lien**

- 5.1 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.
- 5.2 Without prejudice to the provisions of these Articles providing for the forfeiture or surrender of Shares, the Company may sell in such manner as the Directors may 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 such Shares or, where required by law, to the person entitled to it, demanding payment and stating that, if the notice is not complied with, the Shares may be sold.

- 5.3 To give effect to a sale of Shares pursuant to this Article, the Directors may authorise some person to execute an instrument of transfer in respect of the Shares.
- 5.4 A person any of whose Shares have been sold pursuant to this Article shall cease to be a Holder in respect of them and shall deliver to the Company for cancellation the certificate for the Shares sold (if any) but shall remain liable to the Company for all moneys which, at the date of sale, 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 such sale or at such rate not exceeding ten per cent per annum as the Directors may determine from the date of sale until payment provided that 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 sale or for any consideration received on their disposal.
- 5.5 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 delivery to the Company for cancellation of the certificate or certificates 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.

## **6 Calls on Shares and Forfeiture**

- 6.1 Subject to the terms of allotment, the Directors may make calls upon the Holders in respect of any consideration agreed to be paid for such Shares that remains unpaid and each Holder 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 such Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or 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.
- 6.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and proof of the resolution shall be sufficient evidence of the call having been made.
- 6.3 The joint Holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
- 6.4 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 upon which 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 provided that the Directors may waive payment of the interest wholly or in part.

- 6.5 An amount payable in respect of a Share on allotment or at any fixed date 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 Holder 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.
- 6.6 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.
- 6.7 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.
- 6.8 If the notice referred to in Article 6.7 is not complied with, any Share in respect of which it was given may, at the discretion of the Directors and before the payment required by the notice has been made, either:
- (a) 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; or
  - (b) be accepted by the Company as surrendered by the Holder thereof in lieu of such forfeiture.
- 6.9 A forfeited or surrendered 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 or surrender may be cancelled on such terms as the Directors think fit. Where, for the purposes of its disposal, a forfeited or surrendered Share is to be transferred to any person, the Directors may authorise some person to execute an instrument of transfer in respect of the Share.
- 6.10 A person any of whose Shares have been forfeited or surrendered shall cease to be a Holder in respect of them and shall deliver to the Company for cancellation the certificate for the Shares (if any) forfeited or surrendered but shall remain liable to the Company for all moneys which at the date of forfeiture or surrender 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 such forfeiture or surrender or at such rate not exceeding ten per cent per annum as the Directors may

determine from the date of forfeiture or surrender until payment provided that 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 surrender or for any consideration received on their disposal.

- 6.11 A declaration under oath by a Director or the Secretary that a Share has been forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, surrender or disposal of the Share.

## **7 Interests in Shares**

- 7.1 The Directors shall have power by notice in writing to require any Holder to disclose to the Company the identity of any person other than the Holder (an "interested party") who has any interest in the Shares held by the Holder and the nature of such interest.

- 7.2 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Directors shall determine.

- 7.3 The Company shall maintain a register of interested parties to which provisions of Articles 41 and 71 of the Laws shall apply mutatis mutandis and whenever in pursuance of a requirement imposed on a Holder as aforesaid the Company is informed of an interested party the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request:

(a) The Director may be required to exercise their powers under Article 7.1 on the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as carries at that date the right of voting at general meetings of the Company.

(b) The requisition must:

- (i) state that the requisitionists are requiring the Company to exercise its powers under this Article;
- (ii) specify the manner in which they require those powers to be exercised; and
- (iii) give reasonable grounds for requiring the Company to exercise those powers in the manner specified,

and must be signed by the requisitionists and deposited at the Office.

- (c) The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (d) On the deposit of a requisition complying with this Article it is the Directors' duty to exercise their powers under Article 7.1 in the manner specified in the requisition.

7.4 If any Holder has been duly served with a notice given by the Directors in accordance with Article 7.1 and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter serve a notice (a "**direction notice**") upon such Holder as follows:

- (a) a direction notice may direct that, in respect of:
  - (i) the Shares comprising the Holder's account in the Register which comprises or includes the Shares in relation to which the default occurred (all or the relevant number as appropriate of such Shares being the "**default shares**"); and
  - (ii) any other Shares held by the Holder;

the Holder shall not be entitled to vote at a general meeting or meeting of the Holders of any class of Shares of the Company either personally or by duly authorised representative (if a corporation) or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the Holders of any class of Shares of the Company; and

- (b) where the default shares represent at least 0.25 per cent in nominal value of the issued Shares of the class of Shares concerned, then the direction notice may additionally direct that:
  - (i) in respect of the default shares, any dividend or part thereof or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Holder;
  - (ii) no transfer other than an approved transfer as set out in Article 7.7(c) of any of the Shares held by such Holder shall be registered unless:
    - (A) the Holder is not himself in default as regards supplying the information requested; and
    - (B) the transfer is of part only of the Holder's holding and when presented for registration is accompanied by a certificate by the Holder in a form satisfactory to the Directors to the effect that after due and careful enquiry the Holder is satisfied that no person in default as regards

supplying such information is interested in any of the Shares the subject of the transfer.

- (c) The Company shall send to each other person appearing to be interested in the Shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

7.5 If Shares are issued to a Holder as a result of that Holder holding other Shares in the Company and if the Shares in respect of which the new Shares are issued are default shares in respect of which the Holder is for the time being subject to particular restrictions, the new Shares shall on issue become subject to the same restrictions whilst held by that Holder as such default shares. For this purpose, Shares which the Company procures to be offered to Holders pro rata (or pro rata ignoring fractional entitlements and Shares not offered to certain Holders by reason of legal or practical problems associated with offering Shares outside the United Kingdom or Jersey) shall be treated as Shares issued as a result of a Holder holding other Shares in the Company.

7.6 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any Shares which are transferred by such Holder by means of an approved transfer as set out in Article 7.7(c). As soon as practical after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Directors shall procure that the restrictions imposed by Articles 7.4 and 7.5 shall be removed and that dividends and other moneys withheld pursuant to Article 7.4(b)(i) are paid to the relevant Holder.

7.7 For the purpose of this Article:

- (a) a person shall be treated as appearing to be interested in any Shares if the Holder holding such Shares has given to the Company a notification which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the Shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the Shares;
- (b) the prescribed period in respect of any particular Holder is 28 days from the date of service of the said notice in accordance with Article 7.1 except where the default shares represent at least 0.25 per cent in nominal value of the issued Shares of the class of Shares concerned in which case such period shall be 14 days;
- (c) a transfer of Shares is an approved transfer if but only if:
  - (i) it is a transfer of Shares to an offeror by way or in pursuance of acceptance of a takeover offer (within the meaning of Article 116 of the Law) in respect of Shares in the Company; or

- (ii) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the Shares to a party unconnected with the Holder and with other persons appearing to be interested in such Shares; or
- (iii) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000 of United Kingdom) or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

7.8 For the purposes of this sub paragraph any person referred to in Article 7.9 shall, *mutatis mutandis*, be included amongst the persons who are connected with the Holder or any person appearing to be interested in such Shares.

7.9 Any Holder who has given notice of an interested party in accordance with Article 7.2 who subsequently ceases to have any party 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 Directors shall promptly amend the register of interested parties accordingly.

7.10 For the purposes of Article 7.7(c) a person shall be treated as being connected with a Holder if that person is:

- (a) a spouse, child (under the age of 18) or step child (under the age of 18) of the Holder; or
- (b) an associated body corporate which is a company in which the Holder alone, or with connected persons, is directly or indirectly beneficially interested in 20% or more of the nominal value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20% of the voting power at general meetings; or
- (c) a trustee (acting in that capacity) of any trust, the beneficiaries of which include the member or persons falling within paragraphs (a) or (b) above excluding trustees of an employees' share scheme or pension scheme; or
- (d) a partner (acting in that capacity) of the member or persons in categories in paragraphs (a) to (c) (inclusive) above.

## **8 Transfer of Shares**

8.1 The Company may permit the holding in uncertificated form of one or more classes of Shares determined by the Directors for this purpose in order that the transfer of title to any such Shares may be effected by means of a computer system in accordance with the Jersey Regulations provided that the Register shall be held in Jersey pursuant to each of Articles 41 and 44 of the Law.

- 8.2 Unless and until the Directors determine that one or more classes of Shares may be held in uncertificated form, the Shares shall be issued in certificated form and all the provisions of these Articles relating to the issue, holding and surrender of certificates and transfer and transmission of certificated Shares shall apply to the same. All of such provisions shall also apply to any Shares of a class which the Directors have determined may be held in uncertificated form but where with the approval of the Directors the Holder of the relevant Shares has notified his wish to hold the relevant holding of Shares in registered certificated form.
- 8.3 Without prejudice to Articles 8.1 and 8.2 the Directors shall have power to implement such arrangements as they may in their absolute discretion think fit in order for any class of Shares to be a participating security (subject always to the Regulations and the facilities and requirements of the relevant system concerned). Where they do so:
- (a) these Articles shall be construed accordingly and shall be deemed to be modified, amended or extended to the extent necessary to ensure that the same are consistent with the provisions of the Regulations and to permit the holding of Shares of the relevant classes in uncertificated form and the transfer of title to Shares of the relevant classes by means of a computer system; and
  - (b) the following provisions of this Article shall commence to have effect immediately prior to the time at which the operator of the relevant system concerned permits the class of Shares concerned to be a participating security.
- 8.4 In relation to any class of Shares which is, for the time being, a participating security, and for so long as such class remains a participating security, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:
- (a) the holding of Shares of that class in uncertificated form;
  - (b) the transfer of title of Shares of that class by means of a relevant system; or
  - (c) the Regulations.
- 8.5 Without prejudice to the generality of Article 8.4 and notwithstanding anything contained in these Articles, where any class of Shares is, for the time being, a participating security (such class being referred to hereinafter as the "**Relevant Class**"):
- (a) shares of the Relevant Class may be issued in uncertificated form in accordance with and subject as provided in the Regulations;
  - (b) unless the Directors otherwise determine, Shares of the Relevant Class held by the same Holder or joint Holder in certificated form and uncertificated form shall be treated as separate holdings;

- (c) Shares of the Relevant Class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Regulations;
  - (d) title of Shares of the Relevant Class which are recorded on the register as being held in uncertificated form may be transferred by means of the relevant system concerned and accordingly (and in particular but without limitation) Article 8.6 shall not apply in respect of such Shares to the extent that such Article requires or contemplates the effecting of a transfer by an instrument in writing and the production of a certificate for the Share to be transferred;
  - (e) the Company shall comply with the provisions of Regulations 21 and 22 of the UK Regulations in relation to the Relevant Class and Article 8.9 in particular shall be read as subject to the said Regulation 22;
  - (f) the provisions of these Articles with respect to meetings of or including holders of the Relevant Class, including notices of such meetings, shall have effect subject to the provisions of Regulation 34 of the UK Regulations;
  - (g) where relevant Articles 4, 5, 6 and 7.4(b)(ii)(B) shall not apply so as to require the Company to issue a certificate to any person holding shares of the Relevant Class in uncertificated form.
- 8.6 Any instrument of transfer of a Share shall be in writing in any form which the Directors may approve (which shall specify the full name and address of the transferee) and shall be signed by or on behalf of the transferor (and, in the case of any partly paid Share, the transferee) and the transferor shall be deemed to remain the Holder of the Share until the name of the transferee is entered in the Register in respect thereof.
- 8.7 The Directors may decline to register any transfer of Shares prohibited by Article 7 and may decline to register any transfer of Shares unless the instrument of transfer is deposited at the Office or such other place as the Directors may reasonably require, accompanied by the certificate of the Shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. If the Directors decline to register a transfer of any Share, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
- 8.8 The registration of transfers of Shares or of transfers of any class of Shares may be suspended at such times and for such periods as the Directors may determine.
- 8.9 No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any Share.

8.10 The Company shall be entitled to retain any instrument of transfer of any Share which is registered, but any instrument of transfer of any Share which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

## **9 Transmission of Shares**

9.1 If a Holder 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) or the guardian of an incompetent member or the trustee of a bankrupt member, shall be the only persons recognised by the Company as having any title to his interest provided that nothing herein contained shall release the estate of a deceased Holder from any liability in respect of any Share which had been jointly held by him.

9.2 A person becoming entitled to a Share in consequence of the death, bankruptcy or incapacity of a Holder may, upon such evidence being produced as the Directors may properly require including but not limited to probate of the will, or letters of administration of the estate, or confirmation as executer or of the appointment of a guardian, elect either to become the Holder of such Share or to make such transfer thereof as the deceased, bankrupt or incapacitated Holder 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 provisions of these Articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Holder and the death, bankruptcy or incapacity of the Holder had not occurred.

9.3 A person becoming entitled to a Share in consequence of the death, bankruptcy or incapacity of a Holder shall have the rights to which he would be entitled if he were the Holder of such Share save that he shall not before being registered as the Holder be entitled in respect of it to be sent any notice given pursuant to these Articles (unless specifically provided for) or to attend or vote at any general meeting or at any separate meeting of the Holders of that class of Shares in the Company.

## **10 Alteration of Share Capital**

10.1 Whenever, as a result of a consolidation of Shares, any Holders would become entitled to fractions of a Share, the Directors may, in their absolute discretion, on behalf of those Holders, 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 Holders, 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.

- 10.2 Subject to the provisions of the Law, the Company may 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 the Holder holding such redeemable Shares and on such terms and in such manner as may be determined by Ordinary Resolution.
- 10.3 The Company may by Special Resolution alter its share capital as stated in its Memorandum in any of the ways permitted or provided for under the Laws.
- 10.4 Subject to confirmation by the court and the provisions of the Law the Company may by Special Resolution reduce its share capital in any way.
- 10.5 The Company may from time to time subject to the provisions of the Law purchase its own Shares (including any redeemable Shares) in any manner authorised by the Law provided that in the event that the Company shall purchase any Shares which are admitted to listing or trading on any investment exchange such purchase shall be made in accordance with any relevant restrictions imposed by any such listing authority or exchange.

## **11 General Meetings**

- 11.1 The Company shall hold a general meeting as its annual general meeting once in every calendar year at such time and such place as may be determined by the Directors and so that not more than eighteen months shall be allowed to elapse between any two such general meetings provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.
- 11.2 The above mentioned general meeting shall be called the "Annual General Meeting". All other general meetings shall be called "Extraordinary General Meetings".
- 11.3 The Directors may whenever they think fit convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on a requisition made in accordance with the Law in writing and signed by members holding in the aggregate not less than one-tenth in nominal value of the Shares carrying the right to vote at the meeting.

## **12 Notice of General Meetings**

- 12.1 An Annual General Meeting or an Extraordinary General Meeting called for the passing of a Special Resolution shall be called by at least 21 clear days' notice. All other general meetings shall be called by at least 14 clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
- (a) in the case of an Annual General Meeting, by all the Holders entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the Holders having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent of the total voting rights of the Holders who have that right.

12.2 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.

12.3 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all Holders, to all persons recognised by the Directors as having become entitled to a Share following the death, bankruptcy or incapacity of a Holder and to the Directors and auditor (if any).

12.4 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.

### **13 Proceedings at General Meetings**

13.1 No business shall be transacted at any meeting unless a quorum is present. The quorum shall be:

(a) if all the issued Shares are held by the same Holder, one person being such Holder present in person or by proxy; and

(b) otherwise, two persons entitled to vote upon the business to be transacted, each being a Holder present in person or by proxy.

13.2 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 (such day and time not being more than 14 days hence) 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 Holders present in person or by proxy shall be a quorum.

13.3 Any Holder may participate in a general meeting by means of a conference telephone, internet instant communication, or similar communications equipment whereby all the Holders participating in the general meeting can hear each other (or in the case of internet communication, view each other's words) and the Holders participating in this manner shall be deemed to be present in person at such meeting for all the purposes of these Articles.

13.4 If the place specified in the notice convening a meeting as the place of the meeting (hereinafter called the "Specified Place") is inadequate to accommodate all Holders entitled to attend who wish to do so, then provided that the following requirements are satisfied the meeting shall be duly constituted and its proceedings valid. These requirements are that the chairman of the meeting is satisfied that adequate facilities are available to ensure that any Holder who is unable to be

accommodated in the Specified Place is nonetheless able to participate in the business for which the meeting has been convened, to hear all persons present who speak thereat (whether personally or by microphones or loudspeakers or otherwise) whether in the Specified Place itself or elsewhere, and to be in like manner heard himself by all other Holders present. If the Specified Place is inadequate to accommodate all Holders entitled to attend and who wish to do so then the chairman may, in his absolute discretion, adjourn the meeting and the chairman of the meeting shall have power to specify some other place for holding the meeting, notwithstanding that by reason of such adjournment some Holders may be unable to be present at such adjourned meeting. Any such Holder may nevertheless execute a form of proxy for the adjourned meeting and if he shall do so and shall deliver the same to the chairman of the meeting or to the Secretary or to a member of the Auditors, such proxy shall be valid notwithstanding that it is given at less notice than would otherwise be required under these Articles.

- 13.5 If a notice signed by the Holders of more than half the issued Shares of the Company, appointing a person to be chairman of the meeting, is presented at the beginning of the meeting, then such person shall be nominated as chairman of the meeting. In absence of such notice, 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.
- 13.6 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 Holders present and entitled to vote shall choose one of their number to be chairman.
- 13.7 A Director or a representative of the Auditor (if any) shall, notwithstanding that he is not a Holder, be entitled to attend and speak at any general meeting and at any separate meeting of the Holders of any class of Shares.
- 13.8 The chairman may, with the consent of a general meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the general meeting from time to time and from place to place, but no business shall be transacted at an adjourned general meeting other than business which might properly have been transacted at such meeting had the adjournment not taken place. No notice of any adjourned meeting need be given save that, when a general meeting is adjourned for 14 days or more, at least seven clear 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.
- 13.9 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:

- (a) by the chairman; or
- (b) by at least two Holders having the right to vote on the resolution; or
- (c) by a Holder or Holders representing not less than one-tenth of the total voting rights of all the Holders having the right to vote on the resolution; or
- (d) by a Holder or Holders 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,

and a demand by a person as proxy for a Holder shall be the same as a demand by the Holder.

- 13.10 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.
- 13.11 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result on a show of hands declared before the demand was made.
- 13.12 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be Holders) 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.
- 13.13 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
- 13.14 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such 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 on a show of hands and the demand is duly withdrawn before the poll is taken, the meeting shall continue as if the demand had not been made.
- 13.15 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.

## **14 Votes of Holders**

- 14.1 Subject to any rights or restrictions attached to any Shares, on a show of hands, every Holder who is present in person shall have one vote and, on a poll, every Holder present in person or by proxy shall have one vote for every Share of which he is the Holder.
- 14.2 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 of the Company.
- 14.3 A Holder 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 that 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 these 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.
- 14.4 No Holder shall vote at any general meeting or at any separate meeting of the Holders of any class of Shares, 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.
- 14.5 No objection shall be raised to the qualification of any person to vote save 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.
- 14.6 On a poll, votes may be given either personally or by proxy. A Holder may appoint more than one proxy to attend on the same occasion.
- 14.7 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 appointor.
- 14.8 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office or at such other place as is specified for that purpose in the notice of the meeting or in the instrument of proxy issued by the Company at least 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, at least 24 hours before the time appointed for taking the poll and, in default, the instrument of proxy shall not be treated as valid.

14.9 A vote given or a poll demanded by proxy or by a duly authorised representative of a body corporate shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

## **15 Corporations Acting by Representatives**

Any corporation which is a Holder may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meeting or at any meeting of any class of Holders, 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 a natural person who is a Holder. A corporation present at any meeting by such representative shall be deemed for the purposes of these Articles to be present in person.

## **16 Resolutions in Writing**

16.1 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 Holder or a majority thereof is authorised by these Articles without any restriction. Any such resolution may consist of several documents in the like form signed by one or more Holders or their attorneys and signature in the case of a corporate body which is a Holder shall be sufficient if made by a director thereof or its duly appointed attorney.

16.2 The Directors may determine the manner in which resolutions shall be put to Holders pursuant to the terms of this Article and, without prejudice to the discretion of the Directors, provision may be made in the form of a resolution in writing for each Holder 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 or against such resolution or to be treated as abstentions and the result of any such resolution in writing need not be unanimous and shall be determined upon the same basis as on a poll.

## **17 Number of Directors**

The number of Directors (other than Alternate Directors) shall not be more than twelve (or such other amount as may be approved from time to time by the Company by Ordinary Resolution) and shall be not less than two.

## **18 Alternate Directors**

- 18.1 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.
- 18.2 An Alternate Director shall be entitled to attend, participate in, be counted towards a quorum and vote at any meeting of Directors and 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.
- 18.3 An Alternate Director shall cease to be an Alternate Director if his appointor ceases to be a Director.
- 18.4 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.
- 18.5 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.

## **19 Powers of Directors**

- 19.1 Subject to the provisions of the Law, the Memorandum, these Articles, the AIM Rules and 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.
- 19.2 No alteration of the Memorandum or these Articles and no direction given by Special Resolution 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.
- 19.3 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.
- 19.4 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.

## **20 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, provided that a majority of the members of the committee shall be Directors. No resolution of a committee shall be effective unless a majority of those present when it is passed are Directors. The Directors may also delegate to any managing director of the Company or any other Director (whether holding any other executive office or not) such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions that the Directors may impose, 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 these Articles regulating the proceedings of Directors so far as they are capable of applying.

## **21 Appointment of Directors**

21.1 The first Directors shall be determined in writing by the subscribers to the Memorandum, or a majority of them.

21.2 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, provided that such appointment does not cause the number of directors to exceed any number determined in accordance with Article 17.

21.3 The Company may from time to time, by Ordinary Resolution, or by notice to the Company in writing deposited at the Office and signed by the Holders of more than half the issued Shares of the Company, suspend, whether temporarily or indefinitely, the power of the Directors specified under Article 21.2.

21.4 The Company may by Ordinary Resolution, or by notice in writing signed by the Holders of more than half the issued Shares of the Company and deposited at the Office, appoint any person as a Director.

21.5 A Director shall not require a Share qualification, but shall (whether he holds a Share or not) be entitled to attend and speak at any general meeting of, or at any separate meeting of the Holders of any class of Shares.

## **22 Disqualification, Removal and Resignation of Directors**

22.1 The office of a Director shall be vacated if:

- (a) he ceases to be a Director by virtue of any provision of the Law or the AIM Rules or becomes prohibited by law or the AIM Rules from, or is disqualified from, being a Director;
- or

- (b) he resigns his office by notice to the Company left at the Office; which notice shall be effective upon such date as may be specified in such notice, failing which upon delivery, to the Office; or
- (c) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (d) the Company so resolves by Ordinary Resolution; or
- (e) is asked to resign by notice in writing signed by each of the other Directors; or
- (f) is or has been suffering from mental ill health and the Directors resolve that his office be vacated; or
- (g) is removed by notice to the Company in writing signed by the Holders of more than half the issued Shares of the Company and deposited at the Office.

**22.2 Subject to the provisions of these Articles:**

- (a) All Directors shall submit themselves for election by the Holders at the first opportunity after their appointment, and shall not remain in office for longer than three years since their last election or re-election without submitting themselves for re-election. At each Annual General Meeting, the Directors subject to retirement in accordance with Article 22.2(b) shall retire from office. A Director retiring at such meeting shall retain office until the dissolution of such meeting and accordingly on retiring a Director who is re-elected or deemed to have been re-elected pursuant to Article 22.3 will continue in office without a break.
- (b) The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election and any Director who has been, or who by the time of the next annual general meeting will have been, in office for three years. In so far as the number of Directors retiring as calculated above is less than one-third of the Directors or if their number is not three or a multiple of three the number nearest to but not exceeding one-third of the Directors, the Directors who have been longest in office shall also retire. As between two or more Directors who have been in office an equal length of time, the Directors to retire shall in default of agreement between them be the Director(s) most senior in age. The length of time a Director has been in office shall be computed from the date of his last election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election.

**22.3 The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by Ordinary Resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is**

expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 21) fill up any other vacancies.

## **23 Remuneration of Directors**

The Directors (including non-executive Directors) shall be entitled to such remuneration as the Company may by Ordinary Resolution determine or in accordance with such agreements relating to the provision of the services of the Directors as shall be entered into by the Company from time to time and, unless such resolution or agreement provides otherwise, the remuneration shall be deemed to accrue from day to day.

## **24 Directors' Expenses**

24.1 The Directors (including non-executive Directors) shall be paid out of the funds of the Company their travelling and other expenses properly and necessarily expended by them in attending meetings of the Directors (or of committees appointed pursuant to Article 28.5 or members or otherwise on the affairs of the Company. They shall also be paid by way of remuneration for their services such sum as the Directors shall determine subject to any rates or limits (if any) fixed by the Company in general meeting.

24.2 If any of the Directors shall be appointed agent or to perform extra services or to make any special exertions or to go or reside abroad for any of the purposes of the Company the Directors may remunerate such Director accordingly by either a fixed sum or by commission or participation in profits or otherwise or partly in one way and partly in another as they think fit. Such remuneration may be either in addition to or substitution for his remuneration provided for in Article 23.

## **25 Directors' Appointments**

25.1 Subject to the provisions of the Law, the Directors may appoint one or more of their number to the office of managing director and/or chief executive officer of the Company 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 remunerate any such Director for his services as they think fit. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such Director. The Directors may also from time to time (without prejudice to any claim for damages for breach of any agreement between the Director and the Company) revoke, withdraw, alter or vary all or any of such Directors powers or appointment.

25.2 The Directors may from time to time, and at any time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of Director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local or advisory director or otherwise) as the Directors may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties, and subject to any contract between him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of these Articles or of the Law, and accordingly shall not be a member of the board of Directors or (subject to Article 28.5) of any committee thereof, nor shall he be entitled to be present at any meeting of the Directors or of any such committee, except at the request of the Directors or of such committee, and if present at such request he shall not be entitled to vote thereat.

## **26 Directors' Interests**

26.1 A Director may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as member or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of or from his interests in such other company unless the Company otherwise directs.

26.2 No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor subject to the provisions of the Law, Article 26.3 and, where applicable, the AIM Rules, shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided or liable to be set aside.

26.3 A Director who has directly or indirectly an interest in a transaction entered into or proposed to be entered into by the Company or by a subsidiary of the Company which to a material extent conflicts or may conflict with the interests of the Company and of which he has actual knowledge shall disclose to the Company (by notice to the Directors) the nature and extent of his interest. Subject thereto any such Director shall not be liable to account to the Company for any profit or gain realised by him on such transaction.

26.4 A Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement with the Company shall, at the meeting of the Board at which the question of entering into the transaction is first taken into consideration (or if the Director did not at the date of that meeting know his interest existed in the transaction at the first meeting of the Board after he knows that he is or has become interested), declare the nature of his interest. For the purposes of this Article 26.4:

- (a) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (b) 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.

26.5 Subject to Articles 26.3, 26.6, 26.7 and 26.8 a Director may vote in respect of any such transaction and if he does so vote his vote shall be counted and he shall be capable of being counted towards the quorum at any meeting of the Directors at which any such transaction shall come before the Directors for consideration.

26.6 Save as provided in this Article 26, a Director shall not vote at a meeting of the Directors in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company. A Director shall not be counted in the quorum present at a meeting in relation to any resolution on which he is not entitled to vote.

26.7 A Director shall (in the absence of some material interest other than as indicated below) be entitled to vote (and be counted in the quorum) at a meeting of the Directors in respect of any resolution concerning any of the following matters, namely:

- (a) relating to the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;
- (b) relating to the giving of any security, guarantee 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 under a guarantee or indemnity or by the giving of security;
- (c) relating to any contract, arrangement or other proposal concerning an offer of shares, debentures or other security of or by the Company or any of its subsidiary undertakings in which offer he is, or may be, entitled to participate as a holder of securities or interested as a participant in the underwriting or sub-underwriting thereof;
- (d) relating to any contract, arrangement or other proposal concerning another company in which he and any persons connected with him do not to his knowledge hold an interest in shares representing ten per cent, or more of either any class of the equity share capital or the voting rights in such company;

- (e) relating to any contract, arrangement or other proposal concerning an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not awarded to the employees to whom such arrangement relates;
  - (f) concerning any contract, arrangement or other proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of any Directors or for the benefit of persons including Directors; or
  - (g) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, breach of duty or breach of trust for which he may be guilty in relation to the Company or any of its subsidiaries of which he is a director, officer or auditor.
- 26.8 A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any Company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.
- 26.9 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under this Article 26) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 26.10 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director (other than himself) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fully disclosed.
- 26.11 Subject to the provisions of the Law and, where applicable, the AIM Rules, a Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine.
- 26.12 Subject to the provisions of the Law and, where applicable, the AIM Rules, any Director 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 if he were not a Director.

## **27 Directors' Gratuities and Pensions**

- 27.1 The Directors may establish, maintain, participate in or contribute to or procure the establishment, maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company or any of its predecessors in business or of any company which is a holding company or a subsidiary of the Company or who may be or have been Directors or officers of the Company or of any such other company as aforesaid and who hold or have held executive positions or agreements for service with the Company or any such other company, and the wives, husbands, widowers, widows, families and dependants of any such persons. Any Director who holds or has held any such executive position or agreement for service shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments.
- 27.2 The Board may also establish and maintain any employees' share scheme, share option or share incentive scheme whereby selected employees of the Company or of any company which is a subsidiary of the Company are given the opportunity of acquiring shares in the capital of the Company on the terms and subject to the conditions set out in such scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer, allotment or issue to trustees of shares in the Company or its holding company to be held for the benefit of employees (including officers) of the Company and lend money to such trustees or employees to enable them to purchase such shares provided that if any Shares are to be issued to employees or trustees under the provisions of any such scheme pursuant to which the rights attaching to such Shares shall be altered or varied then any such scheme shall be approved by Special Resolution and these Articles shall be deemed to be altered so far as appropriate by the Special Resolution approving such scheme.

## **28 Proceedings of Directors**

- 28.1 The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings and proceedings as they think fit and may determine the quorum necessary for the transaction of business which in default of such determination shall be two. A person who holds office only as an Alternate Director shall, if his appointor is not present, be counted in the quorum. A Director who is also appointed an Alternate Director shall, if his appointor is not present, be counted as two Directors for the purpose of making a quorum of Directors when such quorum exceeds two so that, when the quorum is two, not fewer than two individuals shall be present.
- 28.2 Any Director may participate in a meeting of the Directors or in a committee thereof by means of a conference telephone or similar communications equipment whereby all the Directors participating in the meeting can hear each other (or in the case of internet instant communication, read each others words) and the Directors participating in this manner shall be deemed to be present in

person at such meeting for all the purposes of these Articles. A meeting of the Directors shall be deemed to take place where the largest group Directors participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the meeting then is.

- 28.3 A Director may at any time (and the Secretary upon the request of a Director shall) convene a meeting of the Directors. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the chairman shall have a second or casting vote. A Director who is also an Alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 28.4 The Company may by Ordinary Resolution, or by notice in writing signed by the Holders of more than half the issued Shares of the Company and deposited at the Office, appoint a person to be chairman of the Board of Directors and determine the period for which he is to hold office. In the absence of any such resolution or notice, the Directors may elect a chairman of their meetings and determine the period for which he is to hold office but if no such chairman is elected or if at any meeting the chairman is not present at the time appointed for holding the same the Directors present shall choose one of their number to be chairman of such meeting.
- 28.5 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 such a committee shall be effective unless a majority of those present when it is passed are Directors. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed upon it by the Directors. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under the Articles.
- 28.6 Except in the case of manifest fraud or will-full deceit, all acts done by any meeting of the Directors or of a committee appointed by the Directors or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or a member of a committee appointed by the Directors.
- 28.7 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, or by all the members of a committee appointed pursuant to Article 28.5, shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) at a meeting of such a committee duly convened and held and may consist of several documents in the like form each signed by one or more Directors or (as the case may be)

committee members. The Directors may communicate such resolution(s) amongst themselves by use of facsimile transmission.

## **29 Secretary**

Subject to the provisions 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.

## **30 Minutes**

30.1 The Directors shall cause the Secretary to keep minutes or records to be made and kept in books or registers provided for the purpose:

- (a) of all appointments of Directors and Secretaries in accordance with the provisions of the Law;
- (b) of all resolutions and proceedings of all meetings of the Company class meetings of members and meetings of the Directors and of committees appointed pursuant to Article 28.5; and
- (c) of the names of the persons present at each meeting referred to in Article 30.1(b).
- (d) Such minutes or records may be kept electronically.

## **31 The Seal**

31.1 The Directors shall provide for the safe custody of the Seal which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf and every instrument to which the Seal shall be affixed shall unless otherwise determined by resolution of the Directors be signed by one Director.

31.2 The Directors may at any time resolve that the Company shall have, or shall cease to have, a common seal.

31.3 Subject to the provisions of the Law, the Directors may resolve to have or cease to have:

- (a) an official seal for use in any country territory or place outside Jersey, which shall be a copy of the common seal of the Company. Any such official seal may bear such additional identifying marks as the Directors deem appropriate; and
- (b) an official seal for use only in connection with the sealing of securities issued by the Company and such official seal shall be a copy of the common seal of the Company but shall in addition bear the word "securities".

## **32 Dividends**

- 32.1 The Company in general meeting may by Ordinary Resolution declare dividends but no dividend shall exceed the amount recommended by the Directors in accordance with the respective rights of the Holders and the declaration of the Directors as to the amount of the profits shall be conclusive.
- 32.2 The Directors may from time to time pay to the Holders such interim dividends as appear to the Directors to be justified by the profits of the Company. If the share capital is divided into different classes, the Directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on Shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith, they shall not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any Shares having deferred or non-preferred rights.
- 32.3 No dividend shall be paid otherwise than out of profits and in accordance with the provisions of Article 114 of the Law.
- 32.4 Subject to any rights or privileges for the time being attached to any Shares in the capital of the Company having preferential, deferred or other special rights in regard to dividends, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the Shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls.
- 32.5 All dividends shall be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid except that if any Share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date (either past or future) such Share shall rank for dividend accordingly.
- 32.6 The Directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall at their discretion be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

- 32.7 The Directors may deduct from any dividend payable to any Holder all such sums of money (if any) as may be due and payable by him to the Company on account of calls or otherwise.
- 32.8 If several persons are registered as joint holders of any Share any one of them may give effectual receipts for any dividend payable on the share.
- 32.9 Notice of any dividend that may have been declared shall be given in the manner set out in these Articles, to the person entitled to share therein.
- 32.10 No dividend shall bear interest against the Company.
- 32.11 Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the Holder entitled or in the case of joint Holders to that one whose name stands first on the Register in respect of their joint holding and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible for any loss in transmission and payment by cheque or warrant as provided herein shall be a good discharge to the Company. Without prejudice to the generality of the foregoing, in respect of Shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the operator of the relevant system to credit the Cash Memorandum Account of the Holder or joint Holders or person or persons entitled thereto or, if permitted by the Company, of such person as the Holder or joint Holders or person or persons entitled thereto may in writing direct. Nothing in this Article 32.11 shall prevent the payment by or on behalf of the Company of any dividend or other monies payable by electronic means and such payment shall be a good discharge thereof to the Company and shall be at the risk of the person entitled to the money represented thereby.
- 32.12 All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No unclaimed dividend shall bear interest against the Company. The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a Share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

### **33 Accounts and Audits**

- 33.1 The Directors shall cause accounting records to be kept which are sufficient to show and explain the Company's transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company at that time and enable the Directors to ensure that any accounts prepared by the Company comply with the requirements of the Law and, where appropriate, the AIM Rules.
- 33.2 The accounting records shall be kept at the Office or at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors, the Secretary and

any liquidator of the Company provided that if such records are kept outside of Jersey, returns with respect to the business dealt with in such records shall be sent to and kept in Jersey where they must at all times be open to the inspection of the Directors, the Secretary and any liquidator of the Company and must be such as to disclose with reasonable accuracy the financial position of the business in question at intervals of not more than six months and enable the Directors to ensure that any accounts prepared by the Company comply with the requirements of the Law and, where appropriate, the AIM Rules. Subject to the provisions of the Law such accounting records shall be preserved for a period of at least ten years from the date on which they are made.

- 33.3 The Directors shall determine and may vary the accounting reference date for the Company by resolution of the Directors and shall cause to be prepared accounts for the Company for periods of not more than eighteen months (a) beginning on the date of incorporation of the Company or (b) if the Company has previously prepared a profit and loss account beginning at the end of the period covered by the most recent account or (c) if the Company has not prepared such an account for a period ending within twelve months before the entry into force of Article 104 of the Law beginning on a date to be determined by the Directors not later than the date of the entry into force of Article 104 of the Law. Such accounts shall be prepared in accordance with generally accepted accounting principles and show a true and fair view of the profit or loss of the Company for the period and of the state of the Company's affairs at the end of the period and comply with any other requirements of the Law and, where applicable, the AIM Rules.
- 33.4 The Company's accounts shall be approved by the Directors and signed on their behalf by at least one Director.
- 33.5 Within seven months after the end of the financial period the accounts of the Company for that period shall be prepared examined and reported on by Auditors and laid before a general meeting with a copy of the Auditors' report.
- 33.6 Within seven months after the end of each financial period, the Directors shall deliver to the registrar of companies in Jersey a copy of the accounts for that period signed by one of the Directors on behalf of them all and a copy of the Auditors' report thereon together with certified correct translations where such documents are not produced in the English language.
- 33.7 Auditors shall be appointed for the Company under the provisions of the Law to examine and report in accordance with the Law on the accounts of the Company. The provisions of the Law and, where applicable, the AIM Rules shall govern inter alia the powers and duties of the Auditors the Auditors' report on the accounts of the Company and the re-appointment removal and replacement of the Auditors.

## **34 Capitalisation of Profits and Reserves**

34.1 Subject to any necessary sanction or authority being obtained the Company in general meeting may at any time and from time to time pass a resolution that any sum not required for the payment or provision of a fixed dividend with or without further participation in profits; and

- (a) for the time being standing to the credit of any reserve fund of the Company including premiums received on the issue of any shares or debentures of the Company ; or
- (b) being undivided profits in the hands of the Company,

be capitalised and that such sum be appropriated as capital to and amongst the Holders in the shares and proportions in which they would have been entitled thereto if the same had been distributed by way of dividend and in such manner as the resolution may direct and the Directors shall in accordance with such resolution apply such sum in paying up in full or in part (where permitted by the Law and, where applicable, the AIM Rules) any unissued Shares or debentures of the Company on behalf of such Holders and appropriate such Shares or debentures to and distribute the same credited as fully paid up or partly paid up (where permitted by the Law and, where applicable, the AIM Rules) amongst them in the proportions aforesaid in satisfaction of their shares and interests in the said capitalised sum or shall apply such sum or any part thereof on behalf of such Holders in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued Shares or debentures held by them. Where any difficulty arises in respect of any such distribution the Directors may settle the same as they think expedient and in particular they may fix the value for distribution of any fully paid up Shares or debentures make cash payments to any Holders on the footing of the value so fixed in order to adjust rights and vest any such Shares or debentures in trustees upon such trusts for or for the benefit of the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors.

## **35 Scrip Dividend**

35.1 The Directors may in relation to any dividend whether declared or not offer Holders of Shares in respect of the whole of their holdings of Shares the right to elect to receive additional fully paid Shares instead of cash in respect of such dividends subject to such minimum holding provisions as resolved by the Directors from time to time.

35.2 The Directors may in their absolute discretion, but having due regard to the best interests of the Company and its Holders as a whole determine that elections may be satisfied by either of the following procedures or by a combination of these procedures:

- (a) By the allotment of new Shares credited as fully paid to a value equal to or as near as may be the whole or part of the cash dividend. The value of each new Share shall be

calculated by reference to the average of the middle market quotations of the Company's Shares on the Alternative Investment Market (or such other stock exchange upon which the Shares may be quoted from time to time) on each of the first five business days commencing on the date on which the Shares were most recently quoted Ex-Dividend; and/or

- (b) By the application of the whole or part of the cash dividend, which would in the absence of the election have been paid to the relevant Holder ("**Participating Holder**"), in the purchase by an agent appointed by the Directors or the nominees of such agent for and on behalf of the Participating Holder of existing issued Shares which are fully paid at prices negotiated or calculated by such agent in accordance with normal market practices but not exceeding the estimated net asset value per Share published on the consortium list by 'Datastream' on the record date in respect of the relevant dividend (or as published or shown on such date by a similar market securities valuation service approved by the Directors) and such agent may for these purposes but subject to the foregoing limit, purchase Shares on different occasions at different prices.
- 35.3 Subject to Article 35.4 the aggregate number of new Shares (if any) to be allotted to Participating Holders by the Directors pursuant to Article 35.2(a) and the number of existing issued Shares (if any) purchased on behalf of Participating Holders in accordance with Article 35.2(b) shall be divided between the Participating Holders pro-rata or as nearly as may be to their existing holdings of Shares and the respective registrar shall ensure that such allotments and/or transfers are duly registered in the Register.
- 35.4 No fraction of a Share will be allotted in accordance with Article 35.2(a) or transferred to a Holder in accordance with Article 35.2(a) and any cash balances remaining will be retained for the benefit of the Company.
- 35.5 The Directors shall give notice in writing to the Holders of the right of election accorded to them and shall send forms of election with such notice and shall specify the procedure, the place and the latest time by which duly completed forms of election must be lodged at the Office or such other place as the Directors shall reasonably determine in order to be effective.
- 35.6 In the event that Holders are allotted any additional Shares in accordance with Article 35.2(a) the Company shall capitalise a sum equal to the aggregate nominal value of the additional Shares to be allotted out of the sums standing to the credit of the profit and loss account of the Company or the profits of the Company which could otherwise have been applied in paying dividends in cash as the Directors may determine, and shall appropriate to the share premium account a sum equal to the balance of the aggregate value of the additional Shares to be allotted, calculated in accordance with the provisions of Article 35.2(a) and shall apply the same in paying up in full the appropriate number of unissued Shares for allotment and distribution amongst the Holders.

- 35.7 The Directors may do all acts and things considered necessary or expedient to give effect to such capitalisation with full power to make such provision in connection with the allotment and issue of scrip dividends as they think fit.
- 35.8 Any additional Shares allotted in accordance with Article 35.2(a) shall rank pari passu in all respects with the fully paid Shares then in issue save only as regards participation in the relevant dividend.
- 35.9 The Directors may on any occasion determine that rights of election shall not be made available to any Holders whose registered addresses are in any territory or jurisdiction where in the absence of a prospectus, registration statement or other special formalities the circulation of an offer of rights of election would or might be unlawful, and in such event the provisions of this Article should be read and construed subject to such determination.
- 35.10 The Directors shall be entitled to register or authorise registration of transfers of Shares to satisfy elections notwithstanding that neither the Directors nor the respective registrar are on the payment date in respect of the relevant dividend in possession of an instrument of transfer signed by or on behalf of the transferor, or any other instrument of transfer or any certificate in respect of such Shares or accompanying warrant certificate.
- 35.11 The Directors shall as and where necessary make all appropriations and applications of the profits or sum resolved to be capitalised (if any) in accordance with Article 35.2(a) and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto. Where any difficulty arises in respect of any appropriation and distribution the Directors may settle the same as they think expedient and in particular they may fix the value for distribution of any fully paid up Shares or debentures, make cash payments (except from share premium account or capital redemption reserve fund) to any Holders on the footing of the value so fixed in order to adjust rights and vest any Shares or debentures in trustees upon such trusts for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors.

## **36 Untraced Shareholders**

- 36.1 The Company shall be entitled to sell at the best price reasonably obtainable the Shares of a Holder or the Shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:
- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 36.1(b) (or, if published on different dates, the earlier thereof) at least three dividends in respect of the Shares in question have become payable and all warrants and cheques in respect of the Shares in question sent in the manner authorised by these Articles have remained uncashed; and

- (b) the Company on expiry of the said period of 12 years shall have inserted advertisements in one national newspaper in the United Kingdom and in a newspaper circulating in the area of the registered address of such Holder or other person who may be affected in accordance with these Articles, as appearing in the Register, giving notice of its intention to sell the said Shares; and
- (c) during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall not have received indication, either of the whereabouts or of the existence of such Holder or person; and
- (d) notice shall have been given to any relevant listing authority or investment exchange of its intention to make such sale.

36.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said Shares and such instrument of transfer shall be as effective as if it had been executed by the registered Holder of or person entitled by transmission to such Shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Holder or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Holder or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than Shares of the Company or its holding company if any) as the Directors may from time to time think fit.

### **37 Borrowing Powers and Granting Security**

37.1 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other debt securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

37.2 The Directors may exercise all the powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale. Payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures or securities to exchange the same for shares in the Company of any class authorised to be issued.

## **38 Notices**

**38.1** Any Notice or document, whether or not, to be given or issued under these Articles from the Company to a Holder shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication.

**38.2** Any such notice may be served or delivered by the Company on or to any Holder:

- (a) personally;
- (b) by sending it through the post in a prepaid envelope addressed to such Holder at his registered address or at any other address supplied by him to the Company for the purpose;
- (c) by transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by the Holder to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the Holder;
- (d) by advertisement in one daily newspaper published in the Island of Jersey and one daily newspaper published in the United Kingdom and, where the Company keeps an overseas branch register, in at least one daily newspaper published in the territory in which such register is maintained;
- (e) to the extent permitted by applicable laws:-
  - (i) through the Regulatory Information Service; or
  - (ii) by placing it on the Company's website or the website of the London Stock Exchange,

and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Holder by any of the means set out above.

In the case of joint Holders of a Share, all notices shall be given to the joint Holder whose name stands first in the Register in respect of the joint holding and notice so given shall be sufficient notice to all the joint Holders.

**38.3** A Holder present, either in person or by proxy, at any general meeting or of the Holders of any class of Shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

- 38.4 Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the Register, has been duly given to a person from which he derives his title.
- 38.5 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.
- 38.6 Electronic communication of a notice (properly addressed and dispatched to the Holder's electronic address last notified in writing) is given or deemed to have been given at the time the electronic notice leaves the information system of the Company or the information system any other person sending the notice on the Company's behalf (as the case may be).
- 38.7 A notice placed on the Company's website or the website of the London Stock Exchange is deemed given by the Company to a Holder on the day following that on which a notice of availability is deemed served on the Holder.
- 38.8 A notice given by advertisement in accordance with Article 38.2(d) shall be deemed to have been served on the day on which the advertisement first appears.
- 38.9 Notices served through the Regulatory Information Service shall be deemed given by the Company to a Holder on the day following the day the notice is given to the Regulatory Information Service.
- 38.10 A notice may be given by the Company to the persons recognised by the Directors as being entitled to a Share in consequence of the death, bankruptcy or incapacity of a Holder by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Holder, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or curator of the Holder or by any like description at the address, if any, supplied for that purpose by such persons. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death, bankruptcy or incapacity had not occurred. If more than one person would be entitled to receive a notice in consequence of the death, bankruptcy or incapacity of a Holder, notice given to any one of such persons shall be sufficient notice to all such persons.
- 38.11 Subject to the provisions of these Articles, notice of every general meeting shall be given to every Holder, to each Director and to such other persons as the Directors shall at any time and from time to time determine.
- 38.12 In proving service or delivery under this Article 38, a certificate in writing signed by a Director, the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be in the absence of manifest error conclusive evidence thereof.

## **39 Winding Up**

- 39.1 Subject to the claims of any secured creditors and to the provisions of any enactment as to preferential payments the Company's property shall on winding up be realised and applied in satisfaction of the Company's liabilities *pari passu* and subject thereto any surplus shall then be distributed amongst the Holders according to their rights and interests in the Company. Subject to the rights of the Holders of shares issued upon special conditions if the assets available for distribution to Holders shall be insufficient to pay the whole of the paid up capital such assets shall be shared on a *pro rata* basis amongst Holders by reference to the number of fully paid up Shares held by each Holder respectively at the commencement of the winding up.
- 39.2 If the Company shall be wound up the liquidator or where there is no liquidator the Directors may with the sanction of a Special Resolution divide amongst the Holders in specie any part of the assets of the Company or vest the same in trustees upon such trusts for the benefit of the Holders as the liquidator or the Directors (as the case may be) with the like sanction shall think fit.

## **40 Authentication of Documents**

Any Director or the Secretary or any person appointed by the Board for the purpose may authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee which is so certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## **41 Indemnity**

- 41.1 Every director, Secretary, agent, servant and employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay the costs, charges, losses, liabilities, damages and expenses which any such person may incur in the course of the discharge by him of his duties as director, Secretary, agent servant, or employee of the Company as the case may be provided that this indemnity shall not be applicable in circumstances where any such person has incurred such costs, charges, losses, liabilities, damages and expenses through his own fraud wilful misconduct or gross negligence.
- 41.2 In so far as the Law and, where applicable, the AIM Rules allow every present or former officer 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.

41.3 Pending the determination of any proceedings against any such Directors or officers, the Company shall be entitled to lend such amount of money and upon such terms and conditions (including interests (if any)) as the Board shall determine to the relevant Director or officer for the purposes of funding his defence against any claims where this Article 41 might apply. Any loans from the Company shall be subject to compliance by the Company of the provisions of the Law and the AIM Rules.

## **42 Signatures**

For the purposes of these Articles, a cable or telex or facsimile or electronic transmission message purporting to come from a Holder or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a Holder from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such Holder or Director or alternate Director in the terms in which it is received.

## **43 Security Arrangements, Orderly Conduct and Confidential Information**

43.1 The Directors can put in place arrangements, both before and during any general meeting, which they consider to be appropriate for the proper and orderly conduct of the general meeting and the safety of people attending it. This authority includes power to refuse entry to, or remove from, meetings people who fail to comply with the arrangements.

43.2 The chairman of a meeting can take any action he considers appropriate for proper and orderly conduct at a general meeting. The chairman's decision on points of order, matters of procedure or on matters that arise incidentally from the business of a meeting is final, as is the chairman's decision on whether a point or matter is of this nature.

43.3 Subject to any requirements of applicable laws, no Holder at a general meeting is entitled to require disclosure of or any information about any detail of the Company's trading, or any matter that is or may be in the nature of a trade secret, commercial secret or secret process, or that may relate to the conduct of the business of the Company, if the Directors decide it would be inexpedient in the interests of the Company to make that information public.

43.4 Subject to any requirements of applicable laws, no Holder shall be entitled to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

#### **44 Provision of Information to Regulators**

- 44.1 While all or any of the Shares or securities of the Company for the time being shall be admitted on AIM, these shall be forwarded to the appropriate officer or office of the London Stock Exchange such number of copies of such documents as may be required under its regulations or practice or the AIM Rules.
- 44.2 Whenever a listing on the London Stock Exchange for all or any of the Shares or securities of the Company for the time being shall be in force, there shall be forwarded to the appropriate officer on the UK Listing Authority, such number of copies of such documents as may for the time being be required under its regulations or practice.