

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains notices of the Resolutions to be voted on at the General Meeting of Caffyns Plc to be held on 14 January 2016 and the matters to be approved at Class Meetings to be held on the same date. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised for the purpose of the Financial Services and Markets Act 2000.

This Circular is not being sent to Shareholders with registered addresses in the United States, Australia, Canada, Japan or the Republic of South Africa, except where permitted by applicable law. Accordingly copies of this document or any accompanying documents must not be, directly or indirectly, distributed, forwarded or transmitted into the United States, Australia, Canada, Japan or the Republic of South Africa and all persons receiving such documents (including, without limitation, custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise distribute, forward or transmit them in, into or from the United States, Australia, Canada, Japan or the Republic of South Africa.

If you have sold or otherwise transferred all of your Shares, please immediately forward this document, together with the enclosed Form of Proxy and, if applicable, Redemption Form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Shares, you should retain these documents but immediately contact the stockbroker, bank or other agent through which the sale was effected. However, such documents should not be forwarded for transmission in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.

CAFFYNS PLC

(registered in England and Wales under number 00105664)

Proposed adoption of New Articles of Association of the Company

Proposed Redemption Option for the First Preference Shares and the New Preference Shares

Notices of General Meeting and Class Meetings

Applications by Preference Shareholders to sell Preference Shares to the Company pursuant to the Redemption Option may only be made on the applicable Redemption Form or, in the case of Preference Shares held in uncertificated form (that is, in CREST), by making an appropriate CREST instruction (a TTE Instruction).

The Redemption Option described in this document is conditional on the approval of Ordinary Shareholders and Second Preference Shareholders, which is being sought at the General Meeting to be held at 2:30 p.m. on 14 January 2016 at 4 Meads Road, Eastbourne, East Sussex BN20 7DR. Notices of the General Meeting and the Class Meetings are set out at the end of this document.

Shareholders are requested to return the appropriate Form of Proxy accompanying this document. To be valid, the Form(s) of Proxy accompanying this Circular must be completed and returned in accordance with the instructions therein so as to be received by post or by hand (only during normal business hours) at Capita Asset Services at PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and, in any event, not later than the relevant time on 12 January 2016. A first class reply-paid envelope for use in the United Kingdom only is enclosed for your convenience. The lodging of a Form of Proxy will not prevent a Shareholder from attending the General Meeting and / or the Class Meetings and voting in person if they so wish.

Preference Shareholders will also find enclosed with this Circular a Redemption Form for use in connection with the Redemption Option. To be effective, such forms must be returned as indicated on the relevant form so as to be received as soon as possible and, in any event, not later than 1:00 p.m. on 28 January 2016.

Copies of this document are available free of charge from the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until 21 January 2016 and can be found on the Company's website at www.caffynsplc.co.uk.

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SUMMARY OF THE PROPOSALS

THE FOLLOWING IS A SUMMARY OF THE PROPOSALS SET OUT IN THIS CIRCULAR. SHAREHOLDERS ARE ADVISED TO READ THE WHOLE OF THIS CIRCULAR AND NOT RELY SOLELY ON THE INFORMATION CONTAINED IN THIS SUMMARY.

The New Articles of Association

The Board is proposing to update the articles of association of the Company by adopting the New Articles of Association which reflect various changes in relevant laws and market practice. In particular, the New Articles of Association amend the rights of the Preference Shares such that the Company can comply with provisions of the Listing Rules which come into effect on 16 May 2016 and which require certain Shareholder votes to be decided only by holders of Premium Listed securities i.e. the Ordinary Shares.

Currently the Second Preference Shares have equal voting rights with the Ordinary Shares i.e. one vote per Share on all matters proposed in general meetings of the Company. In addition, the First Preference Shares and the New Preference Shares have certain voting rights and may vote on a proposed winding up of the Company, a sale of the whole or a major part of the assets and undertakings of the Company, or a variation to their class rights. Even though the First Preference Shares and the New Preference Shares have never been enfranchised to vote in their history, the current voting rights of the Preference Shares are not consistent with requirements of the Listing Rules as mentioned above.

Adoption of the New Articles of Association will therefore result in changes to the terms of the Preference Shares as follows:

with regards the First Preference Shares:

- removal of their limited voting rights, save in relation to a variation of their class rights
- a compensatory increase in the rate of the annual dividend from 6.5 per cent. to 7 per cent.

with regards New Preference Shares:

- removal of their limited voting rights, save in relation to a variation of their class rights
- a compensatory increase in the rate of the annual dividend from 10 per cent. to 11 per cent.

with regards the Second Preference Shares:

- amendment to their voting rights such that they will no longer be able to vote on any matter which must be voted on by Premium Listed securities only, or on any matter prohibited by law, statute or regulation from time to time.

In addition to the primary changes to the Articles referred to above, the changes also align certain provisions relating to directors' conflicts of interest with law and market practice. A number of other non-material changes have been made to align the Articles with law and market practice.

The adoption of the New Articles of Association is subject to the approval by Shareholders of Resolution 1 to be proposed at the General Meeting and the passing of the Resolutions to be proposed at each of the Class Meetings.

If the adoption of the New Articles of Association is not approved by Shareholders, the Company will be unable to comply fully with the Listing Rules from 16 May 2016.

The Redemption Option

Neither the First Preference Shares nor the New Preference Shares have automatic redemption rights. However, conditional upon the adoption of the New Articles of Association and the approval of Resolution 2 (with regard to the First Preference Shareholders) and Resolution 3 (with regard to the New Preference Shareholders) at the General Meeting, the Board is proposing to allow the First Preference Shareholders and the New Preference Shareholders the opportunity to elect to sell some or all of their Preference Shares back to the Company pursuant to the Redemption Option.

The Redemption Price at which Preference Shareholders can elect to sell some or all of their Preference Shares to the Company is as follows:

for each First Preference Share	108 pence
for each New Preference Share	167 pence

The Directors make no recommendation in relation to each Preference Shareholder's individual participation in the Redemption Option. Whether or not Preference Shareholders decide to sell back some or all of their Preference Shares to the Company is a matter for each Preference Shareholder and will depend, among other things, on their individual circumstances, including their tax position.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy from Ordinary Shareholders and Second Preference Shareholders in respect of the General Meeting	2:30 p.m. on 12 January 2016
Latest time and date for receipt of Forms of Proxy from Ordinary Shareholders in respect of the Ordinary Shares Class Meeting	2:45 p.m. on 12 January 2016
Latest time and date for receipt of Forms of Proxy from Second Preference Shareholders in respect of the Second Preference Shares Class Meeting	3:00 p.m. on 12 January 2016
Latest time and date for receipt of Forms of Proxy from First Preference Shareholders in respect of the First Preference Shares Class Meeting	3:15 p.m. on 12 January 2016
Latest time and date for receipt of Forms of Proxy from New Preference Shareholders in respect of the New Preference Shares Class Meeting	3:30 p.m. on 12 January 2016
General Meeting	2:30 p.m. on 14 January 2016
Ordinary Shares Class Meeting	2:45 p.m. on 14 January 2016
Second Preference Shares Class Meeting	3:00 p.m. on 14 January 2016
First Preference Shares Class Meeting	3:15 p.m. on 14 January 2016
New Preference Shares Class Meeting	3:30 p.m. on 14 January 2016
Latest time and date for receipt of Redemption Forms or TTE Instructions from Preference Shareholders in respect of the Redemption Option	1:00 p.m. on 28 January 2016
Record Date for participation in the Redemption Option	5:30 p.m. on 28 January 2016
Results of the Redemption Option announced	1 February 2016
Settlement date – cheques despatched and CREST accounts credited with proceeds in respect of Preference Shares purchased by the Company	8 February 2016
Balance certificates despatched	by 8 February 2016

Each of the times and dates in the expected timetable may be extended or brought forward without further notice.

If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service provider.

All references to times are to London times.

ACTION TO BE TAKEN

Redemption Option

Preference Shareholders will find enclosed with this Circular either:

- a grey Redemption Form for First Preference Shareholders; or
- an orange Redemption Form for New Preference Shareholders,

for use in connection with the Redemption Option. Preference Shareholders who hold their Preference Shares in certificated form and who wish to sell some or all of their Preference Shares to the Company, should complete and return the Redemption Form in accordance with the instructions contained therein and in Part III of this Circular. Preference Shareholders who hold their Preference Shares in uncertificated form, i.e. in CREST, and who wish to sell some or all of their Preference Shares to the Company, should issue a TTE Instruction in accordance with the instructions contained in Part III of this Circular.

First Preference Shareholders and New Preference Shareholders are not under any obligation to sell to the Company any of their Preference Shares under the Redemption Option.

Whether or not Preference Shareholders wish to sell to the Company any of their Preference Shares under the Redemption Option, they are requested to complete and return their relevant Form of Proxy for voting at the relevant Class Meeting.

General Meeting and Class Meetings

General Meeting

Only the Ordinary Shareholders and Second Preference Shareholders are entitled to vote at the General Meeting. Ordinary Shareholders and Second Preference Shareholders are requested to complete and return the white Form of Proxy in accordance with the instructions thereon so as to be received as soon as possible and, in any event, not later than the times and dates specified on page 4 of this Circular. **Ordinary Shareholders and Second Preference Shareholders should read the notice of the General Meeting set out on pages 83 to 85 of this Circular.**

Class Meetings

Only the Ordinary Shareholders are entitled to vote at the Ordinary Shares Class Meeting. Ordinary Shareholders are requested to complete and return the yellow Form of Proxy in accordance with the instructions therein so as to be received as soon as possible and, in any event, not later than the times and dates specified on page 4 of this Circular. **Ordinary Shareholders should read the notice of the Ordinary Shares Class Meeting set out on pages 86 to 88 of this Circular.**

Only the Second Preference Shareholders are entitled to vote at the Second Preference Shares Class Meeting. Second Preference Shareholders are requested to complete and return the green Form of Proxy in accordance with the instructions therein so as to be received as soon as possible and, in any event, not later than the times and dates specified on page 4 of this Circular. **Second Preference Shareholders should read the notice of the Second Preference Shares Class Meeting set out on pages 89 to 91 of this Circular.**

Only the First Preference Shareholders are entitled to vote at the First Preference Shares Class Meeting. First Preference Shareholders are requested to complete and return the pink Form of Proxy in accordance with the instructions therein so as to be received as soon as possible and, in any event, not later than the times and dates specified on page 4 of this Circular. **First Preference Shareholders should read the notice of the First Preference Shares Class Meeting set out on pages 92 to 94 of this Circular.**

Only the New Preference Shareholders are entitled to vote at the New Preference Shares Class Meeting. New Preference Shareholders are requested to complete and return the blue Form of Proxy in accordance with the instructions therein so as to be received as soon as possible and, in any event, not later than the times and dates specified on page 4 of this Circular. **New Preference Shareholders should read the notice of the New Preference Shares Class Meeting set out on pages 95 to 97 of this Circular.**

General

The attention of Overseas Persons is drawn to the section headed “Overseas Persons” in paragraph 9 of Part III of this Circular.

Shareholders should read the whole of this Circular.

Shareholder Helpline

If you have any queries in relation to your holding in Shares please telephone Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If you are in any doubt about what action to take you should seek your own personal financial advice from your independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the FSMA.

PART I
LETTER FROM THE CHAIRMAN OF THE COMPANY

CAFFYNS PLC

(registered in England and Wales under number 00105664)

Directors:

Richard Wright (*Chairman*)
Simon G M Caffyn (*Chief Executive*)
Mark S Harrison (*Finance Director*)
Sarah J Caffyn (*Human Resources Director and Company Secretary*)
Nigel T Gourlay (*Non Executive*)
Nick W Hollingworth (*Non Executive*)

Registered Office:

Meads Road
Eastbourne
East Sussex
BN20 7DR

21 December 2015

To all Ordinary Shareholders, First Preference Shareholders, Second Preference Shareholders and New Preference Shareholders

Dear Sir / Madam

**Proposed adoption of New Articles of Association
Proposed Redemption Option for the First Preference Shareholders
and the New Preference Shareholders
Notices of the General Meeting and Class Meetings**

1. Introduction

On 18 December 2015, the Company announced a number of proposals which, subject to approval by Shareholders at the General Meeting and the Class Meetings, are intended to:

- update the Articles to:
 - reflect various changes in relevant law, regulation and market practice;
 - amend the voting rights of the First Preference Shares, the New Preference Shares and the Second Preference Shares to ensure the Company can continue to comply with the Listing Rules; and
 - increase the rate of dividend on the First Preference Shares and the New Preference Shares; and
- allow the First Preference Shareholders and New Preference Shareholders to sell to the Company some or all of their First Preference Shares and New Preference Shares respectively pursuant to the Redemption Option.

The purpose of this Document is to set out the background to and reasons for the Proposals and to recommend that Shareholders vote in favour of each of the Resolutions required to be passed to implement them at the General Meeting and at the Class Meetings. Notices convening the General Meeting and the Class Meetings, at which the Board will seek Shareholders' approval of the Resolutions, are set at the end of this Circular.

2. Background to, and reasons for, the Proposals

Introduction

The Proposals have been formulated, following engagement with various Shareholders, primarily to ensure that the Company remains eligible to retain the Premium Listing of the Ordinary Shares. If the voting rights attaching to the First Preference Shares, the New Preference Shares and the Second Preference Shares are left in their current form, the Company will be unable to comply with Listing Rule 9.2.21, from 16 May 2016.

Information relating to the Company's current capital structure and on the Proposals is set out below.

The Board believes the Proposals are fair and reasonable and in the best interests of the Company and of Shareholders as a whole.

The current capital structure and voting rights of Company

The Company currently has four classes of shares:

- Ordinary Shares;
- First Preference Shares;
- New Preference Shares; and
- Second Preference Shares.

The Ordinary Shares and the First Preference Shares were listed on the London Stock Exchange in 1961. The Second Preference Shares were issued in 1961 but were not listed. The New Preference Shares were a bonus issue to holders of Ordinary Shares in 1978 and were listed in that year. Today, the Ordinary Shares have a Premium Listing on the Official List and the First Preference Shares and the New Preference Shares have Standard Listings on the Official List. The Second Preference Shares are not listed.

Ordinary Shareholders have the right to participate in dividends to the extent that a dividend is declared and such dividends may be variable (as opposed to fixed). Ordinary Shareholders are also entitled to receive distributions which may exceed the nominal value of their Ordinary Shares on a winding up of the Company.

First Preference Shareholders, New Preference Shareholders and Second Preference Shareholders only have the right to participate in fixed levels of dividends and specified amounts in the event of a capital distribution.

The Articles currently provide that (subject to any special rights or restrictions attached to either class) the Ordinary Shares and the Second Preference Shares have equal voting rights, that is to say both Ordinary Shareholders and Second Preference Shareholders are entitled to vote on all matters proposed in general meetings of the Company on the basis of one vote per share.

The First Preference Shares and the New Preference Shares may currently only vote on the following matters:

- a proposed winding up of the Company;
- a sale of the whole or a major part of the assets and undertakings of the Company; and
- a variation to their class rights,

unless, their dividend payments are more than six months in arrears, in which case the First Preference Shares and the New Preference Shares are enfranchised such that they have full voting rights.

Neither the First Preference Shares nor the New Preference Shares have been enfranchised to vote in their history.

Changes to the Listing Rules

In May 2014, as part of a package of measures, the FCA introduced new provisions in relation to the governance of companies with Premium Listed securities. In particular, the FCA introduced Listing Rule 9.2.21 which requires that in certain circumstances where a shareholder vote is required by the Listing Rules that vote must only be decided by a resolution of the holders of Shares which have a Premium Listing. As at the date of this Circular, only the Ordinary Shares have a Premium Listing.

Listing Rule 9.2.21 applies where the following circumstances require a Shareholder vote to be taken:

- cancellation of the listing of equity shares as per Listing Rule 5.2;
- a transfer of the listing of equity shares with a premium listing into or out of the category of premium listing as per Listing Rule 5.4A;

- approval of an employees' share scheme if the scheme involves or may involve the issue of new shares or the transfer of treasury shares or a long-term incentive scheme in which one or more directors is eligible to participate in accordance with Listing Rule 9.4;
- the transactions set out in Listing Rule 9.5 including an issue of equity shares in specified circumstances;
- any significant transaction, which is a class 1 transaction as set out in Listing Rule 10;
- any related party transaction as defined by Listing Rule 11; and
- dealings in the Company's own securities and treasury shares in accordance with Listing Rule 12.

A two year transitional period was provided for companies with existing Premium Listings but with capital structures that were inconsistent with these measures, such as Caffyns, to make arrangements to comply with Listing Rule 9.2.21. This transitional period ends on 16 May 2016.

If the Company cannot comply with Listing Rule 9.2.21 from 16 May 2016, i.e. if the holders of Shares which are not admitted to Premium Listing purport to vote on matters which are prohibited under Listing Rule 9.2.21 after 16 May 2016, the Company has an obligation to inform the UKLA. The Company highlights that the UKLA has the power to suspend the listing of a company which fails to meet its continuing obligations, with the ultimate sanction being the cancellation of its listing.

The Proposals

The key elements of the Proposals and their impact on each class of Preference Shareholder are set out below.

First Preference Shares

Adoption of the New Articles of Association will remove the limited voting rights of the First Preference Shares, save in relation to a variation of class rights of the First Preference Shares.

In order to compensate First Preference Shareholders for the loss of their limited voting rights, the adoption of the New Articles of Association will also result in an increase in the rate of the annual dividend of the First Preference Shares from 6.5 per cent. to 7 per cent.

The First Preference Shares have no automatic redemption rights. However, conditional upon the approval of Resolutions 1 and 2 at the General Meeting and the passing of all the Resolutions at the Class Meetings, the Board has decided to allow First Preference Shareholders the option to sell some or all of their First Preference Shares back to the Company, pursuant to the Redemption Option, on the following terms:

for each First Preference Share 108 pence

Further details of the terms of the Redemption Option are set out in paragraph 4 below and in Part III of this Circular and in the Redemption Form.

New Preference Shares

Adoption of the New Articles of Association will remove the limited voting rights of the New Preference Shares save in relation to a variation of class rights of the New Preference Shares.

In order to compensate New Preference Shareholders for the loss of their limited voting rights, the adoption of the New Articles of Association will also result in an increase in the rate of the annual dividend of the New Preference Shares from 10 per cent. to 11 per cent.

The New Preference Shares have no automatic redemption rights. However, conditional upon the approval of Resolutions 1 and 3 at the General Meeting and the passing of all the Resolutions at the Class Meetings, the Board has decided to allow New Preference Shareholders the option to sell some or all of their New Preference Shares back to the Company, pursuant to the Redemption Option, on the following terms:

for each New Preference Share 167 pence

Further details of the terms of the Redemption Option are set out in paragraph 4 below and in Part III of this Circular and in the Redemption Form.

Second Preference Shares

Adoption of the New Articles of Association will amend the voting rights of the Second Preference Shares such that they will no longer be able to vote on any matter which under the Listing Rules, as amended from time to time, are required to be voted on only by Premium Listed securities, i.e. the Ordinary Shares, or otherwise on any matter prohibited by law, statute or regulation from time to time.

For the avoidance of doubt, the Second Preference Shares will retain the right to vote on all other resolutions proposed at a general meeting of the Company.

The Second Preference Shareholders are receiving no compensation for the amendment to the voting rights of the Second Preference Shares.

3. The New Articles of Association

It is proposed that the New Articles of Association be approved and adopted as the new articles of association of the Company in substitution for and to the exclusion of the existing Articles.

In addition to the primary changes to the Articles referred to above, the changes also align certain provisions relating to Directors' conflicts of interest, with law and market practice. A number of other non-material changes have been made to align the Articles with law and market practice.

A mark up of the Articles reflecting the proposed changes to adopt the New Articles of Association, is set out in Part V of this Circular.

In addition, copies of the New Articles of Association and the mark up of the Articles referred to above will be available for inspection, during normal business hours from the date of this Circular until the date of the General Meeting and the Class Meetings (Saturdays, Sundays and public holidays excepted), at the registered office of the Company and at the office of the Company's solicitors (Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW). They will also be made available for inspection at the place of the General Meeting and the Class Meetings for a period of 15 minutes prior to and during the continuance of the relevant meeting and on the Company's website at www.caffynsplc.co.uk.

Adoption of the New Articles of Association is conditional upon the passing of Resolution 1 to be proposed at the General Meeting and the Resolutions to be proposed at each of the Class Meetings.

If the relevant Resolutions for the adoption of the New Articles of Association are not passed, the Company will, on 16 May 2016 be unable to comply with Listing Rule 9.2.21.

4. The Redemption Option

Conditionally upon the passing of the Resolutions at the General Meeting and the Class Meetings, the Company is offering in this Circular to acquire some or all of the First Preference Shares and the New Preference Shares from the First Preference Shareholders and New Preference Shareholders respectively pursuant to the Redemption Options on the following bases:

for each First Preference Share	108 pence
for each New Preference Share	167 pence

in each case with dividends accrued as at the date of completion of the Redemption Option.

The Redemption Price in each case represents a yield of six per cent. and is higher than the amount to which First Preference Shareholders and New Preference Shareholders are strictly entitled to on a return of capital under the Articles to compensate them in part for the loss of future dividend income.

On the assumption that all of the First Preference Shareholders and the New Preference Shareholders elect to sell back all of their First Preference Share and their New Preference Shares to the Company, the maximum consideration payable by the Company pursuant to the Redemption Option (before taking into account any accrued dividends) would be £1.5 million. The Company will fund this amount from its existing bank facilities.

Preference Shareholders' attention is drawn to Part III of this Circular which, together with the Redemption Form, constitutes the terms and conditions of the Redemption Option. Details of how Preference Shareholders will be able to elect to sell back some or all of their Preference Shares to the Company, either by the return of a Redemption Form or by issuing a TTE Instruction, can be found in paragraph 4.3.2 of Part III of this Circular.

Preference Shareholders should note that, once submitted, a Redemption Form or TTE Instruction is irrevocable and cannot be withdrawn without the consent of the Company. Preference Shareholders should also note that, once they have elected to sell to the Company some or all of their Preference Shares, those Preference Shares may not be switched, sold, transferred, charged or otherwise disposed of other than in accordance with the Redemption Option.

Preference Shareholders are not obliged to sell back any Preference Shares. Those Preference Shareholders who do not wish to sell back any Preference Shares under the Redemption Option should not return a Redemption Form or issue a TTE Instruction (as applicable).

The Directors make no recommendation in relation to each Preference Shareholder's individual participation in the Redemption Option. Whether or not Preference Shareholders decide to sell back some or all of their Preference Shares to the Company is a matter for each Preference Shareholder and will depend, among other things, on their individual circumstances, including their tax position.

If Preference Shareholders are in any doubt as to what action to take, the Board recommends that they immediately seek their own personal financial advice from a stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the FSMA if they are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

5. General Meeting and Class Meetings

In order for the Proposals to become effective, the Resolutions must first be approved by Shareholders at the General Meeting and the Class Meetings. Set out at the end of this Circular are the Notices convening the General Meeting and the Class Meetings, all to be held on 14 January 2016 at 4 Meads Road, Eastbourne, East Sussex BN20 7DR and at which the Resolutions will be proposed.

The Company is seeking the approval of Shareholders as follows:

- in respect of the adoption of the New Articles of Association:
 - by Resolution 1 being passed at the General Meeting by not less than 75 per cent. of the Shareholders (comprising only the Ordinary Shareholder and the Second Preference Shareholders) who vote in person or by proxy at the General Meeting; and
 - by the Resolution proposed at each of the Class Meetings being passed by not less than 75 per cent. of the relevant Shareholders who vote in person or by proxy at each Class Meeting.
- in respect of the Redemption Option for the First Preference Shareholders, by Resolution 2 being passed by more than 50 per cent. of the Shareholders (comprising only the Ordinary Shareholders and the Second Preference Shareholders) who vote in person or by proxy at the General Meeting;
- in respect of the Redemption Option for the New Preference Shareholders, by Resolution 3 being passed by more than 50 per cent. of the Shareholders (comprising only the Ordinary Shareholders and the Second Preference Shareholders) who vote in person or by proxy at the General Meeting.

The consequences of Resolution 1 being passed at the General Meeting (and the Resolutions proposed at each of the Class Meetings being passed) is that:

- The First Preference Shareholders and the New Preference Shareholders will no longer have any voting rights whatsoever, save in respect of any variations to the rights of their respective share class, but will be entitled to an increased dividend rate of 7 per cent. and 11 per cent. respectively; and
- The Second Preference Shareholders will continue to have the right to vote at general meetings of the Company, but will no longer be able to vote on specific matters which concern Listing Rule 9.2.21 (further details of which are set out in section 2 of this Part I) or any matters prohibited by law, statute or regulation from time to time.

6. Action to be taken in relation to the General meeting and the Class Meetings

i) General Meeting

Ordinary Shareholders and Second Preference Shareholders should check that they have received the following with this Circular:

- a white Form of Proxy for use in respect of the General Meeting.

Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your white Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post (or by hand during normal business hours only) at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 2:30 p.m. on 12 January 2016 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this Circular). Proxies submitted via CREST must be received by the Company's agent (ID RA10) by no later than 2:30 p.m. on 12 January 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

This will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the white Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the General Meeting, or any adjournment thereof.

ii) Ordinary Share Class Meeting

Ordinary Shareholders should also check that they have received the following with this Circular:

- a yellow Form of Proxy for use in respect of the Ordinary Share Class Meeting.

Whether or not you propose to attend the Ordinary Share Class Meeting in person, you are strongly encouraged to complete, sign and return your yellow Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post (or by hand during normal business hours only) at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 2:45 p.m. on 12 January 2016 (or, in the case of an adjournment of the Ordinary Share Class Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the Ordinary Share Class Meeting set out at the end of this Circular). Proxies submitted via CREST must be received by the Company's agent (ID RA10) by no later than 2:45 p.m. on 12 January 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

This will enable your vote to be counted at the Ordinary Share Class Meeting in the event of your absence. The completion and return of the yellow Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the Ordinary Share Class Meeting, or any adjournment thereof.

iii) Second Preference Share Class Meeting

Second Preference Shareholders should also check that they have received the following with this Circular:

- a green Form of Proxy for use in respect of the Second Preference Share Class Meeting.

Whether or not you propose to attend the Second Preference Share Class Meeting in person, you are strongly encouraged to complete, sign and return your green Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post (or by hand during normal business hours only) at Caffyns Plc, 4 Mead Road, Eastbourne, East Sussex BN20 7DR, no later than 3:00 p.m. on 12 January 2016 (or, in the case of an adjournment of the Second Preference Share Class

Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

This will enable your vote to be counted at the Second Preference Share Class Meeting in the event of your absence. The completion and return of the green Form of Proxy will not prevent you from attending and voting at the Second Preference Share Class Meeting, or any adjournment thereof.

iv) First Preference Share Class Meeting

First Preference Shareholders should check that they have received the following with this Document:

- a pink Form of Proxy for use in respect of the First Preference Share Class Meeting.

Whether or not you propose to attend the First Preference Share Class Meeting in person, you are strongly encouraged to complete, sign and return your pink Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post (or by hand during normal business hours only) at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 3:15 p.m. on 12 January 2016 (or, in the case of an adjournment of the First Preference Share Class Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold your First Preference Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the First Preference Share Class Meeting set out at the end of this Circular). Proxies submitted via CREST must be received by the Company's agent (ID RA10) by no later than 3:15 p.m. on 12 January 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

This will enable your vote to be counted at the First Preference Share Class Meeting in the event of your absence. The completion and return of the pink Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the First Preference Share Class Meeting, or any adjournment thereof.

v) New Preference Share Class Meeting

New Preference Shareholders should check that they have received the following with this Document:

- a blue Form of Proxy for use in respect of the New Preference Share Class Meeting.

Whether or not you propose to attend the New Preference Share Class Meeting in person, you are strongly encouraged to complete, sign and return your blue Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post (or by hand during normal business hours only) at Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 3:30 p.m. on 12 January 2016 (or, in the case of an adjournment of the New Preference Share Class Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold your New Preference Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the New Preference Share Class Meeting set out at the end of this Circular). Proxies submitted via CREST must be received by the Company's agent (ID RA10) by no later than 3:30 p.m. on 12 January 2016 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

This will enable your vote to be counted at the New Preference Share Class Meeting in the event of your absence. The completion and return of the blue Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the New Preference Share Class Meeting, or any adjournment thereof.

7. Voting undertakings

The Company has received irrevocable undertakings to vote in favour of the relevant Resolutions from Shareholders who have a beneficial interest in respect of the following Shares:

- 808,345 Ordinary Shares representing approximately 29.3 per cent. of the issued Ordinary Shares (in respect of both the General Meeting and the Ordinary Share Class Meeting);
- 17,125 First Preference Shares representing approximately 4.4 per cent. of the issued First Preference Shares (in respect of the First Preference Share Class Meeting);
- 48,337 New Preference Shares representing approximately 7.5 per cent. of the issued New Preference Shares (in respect of the New Preference Share Class Meeting); and
- 2,000,000 Second Preference Shares representing approximately 100 per cent. of the issued Second Preference Share (in respect of the General Meeting and the Second Preference Share Class Meeting).

This includes irrevocable undertakings to vote in favour of the Resolutions received from the Directors, who between them hold in aggregate 108,568 Ordinary Shares representing approximately 3.9 per cent. of the issued Ordinary Shares, 200 First Preference Shares representing approximately 0.05 per cent. of the issued First Preference Shares and 3,255 New Preference Shares representing approximately 0.5 per cent. of the issued New Preference Shares.

In addition, the Company has received an undertaking from James Sharpe & Co, Ltd, a provider of private client broking services, which advises beneficial holders of, in aggregate,

- 228,375 Ordinary Shares representing approximately 8.3 per cent. of the issued Ordinary Shares;
- 213,151 First Preference Shares representing approximately 54.8 per cent. of the issued First Preference Shares;
- 183,244 New Preference Shares representing approximately 28.3 per cent. of the issued New Preference Shares,

that it will advise its clients to vote in favour of the relevant Resolutions.

8. Taxation

Your attention is drawn to Part IV of this Circular which contains guidance on the taxation implications of the Redemption Option.

9. Recommendations

The Directors believe that the adoption of the New Articles of Association and the making of the Redemption Option, are in the best interests of the Company and its Shareholders as a whole.

Accordingly the Directors recommend that Shareholders vote in favour of all the Resolutions to be proposed at the General Meeting and at the Class Meetings as they intend to do in respect of their own beneficial holdings of Shares amounting, in aggregate, to 108,568 Ordinary Shares (representing 3.9 per cent. of the issued Ordinary Shares), 200 First Preference Shares (representing 0.05 per cent. of the issued First Preference Shares) and 3,255 New Preference Shares (representing 0.5 per cent. of the issued New Preference Shares).

However the Directors make no recommendation in relation to each Preference Shareholders' individual participation in the Redemption Option. Whether or not Preference Shareholders decide to sell some or all of their Preference Shares to the Company is a matter for each Preference Shareholder and will depend, among other things, on their individual circumstances including their tax position.

10. Further information

Your attention is drawn to the additional information set out in Parts II to V of this Circular.

11. Shareholder helpline

If you have any queries in relation to your holding in Shares, please telephone Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Yours faithfully,

Richard Wright
Chairman

PART II

RISK FACTORS

Preference Shareholders considering whether to sell to the Company some or all of their Preference Shares should read the whole of this Circular carefully.

In considering the Redemption Option, Preference Shareholders should have regard to the following risk factors. The risk factors below are those considered by the Board to be material to the Redemption Option at the date of this Circular; additional risks and uncertainties that are not currently known or are not currently considered material may emerge or become material.

Risk factors relating to the Redemption Option

- The Redemption Option is subject to certain conditions (principally the need for Shareholder approval at the General Meeting), the non-fulfilment of which would mean that the Redemption Option could not be implemented and that the Company would have to bear the abortive costs of making the Redemption Option.
- In order to pay the consideration to which Preference Shareholders may become entitled pursuant to valid elections under the Redemption Option, the Company will make increased use of its existing bank facilities and, potentially increase its financial risk.
- Preference Shareholders who elect to sell some or all of their Preference Shares under the Redemption Option will receive the Redemption Price, which may be less than the price at which they bought their Preference Shares.
- Changes in economic conditions (including, for example, interest rates, exchange rates, rates of inflation, industry conditions and competition), political, diplomatic, social and demographic events and trends, tax laws and other factors could substantially and adversely affect the values of the Company and, as a consequence, the Company's share price and prospects.
- Redemption Forms and TTE Instructions, once submitted, are irrevocable. The price of the Shares and the Company's Net Asset Value may rise or fall following submission of a Redemption Form or TTE Instruction. After settlement of a TTE Instruction, the Preference Shareholder will not be able to access the Preference Shares concerned in CREST for any transaction or for charging purposes.

PART III

TERMS AND CONDITIONS OF THE REDEMPTION OPTION

1. Elections

- 1.1 All Preference Shareholders (other than certain Overseas Persons) may elect to sell some or all of their Preference Shares to the Company as principal, subject to the Terms and Conditions set out in this Circular and in the accompanying relevant Redemption Form (which together with this Circular shall constitute the Redemption Option). Preference Shareholders are not obliged to sell any of their Preference Shares.
- 1.2 The Redemption Option will be made at the relevant Redemption Price and the consideration for each Preference Share purchased by the Company pursuant to the Redemption Option will be paid in accordance with the settlement procedures set out in paragraph 5 of this Part III.
- 1.3 Upon the Redemption Option becoming unconditional and unless the Redemption Option has been (and remains) suspended or has lapsed or has been terminated in accordance with the provisions of paragraph 2 of this Part III, the Company will accept the elections of Preference Shareholders validly made in accordance with this Part III, subject as mentioned below, on the basis that each Preference Shareholder (other than certain Overseas Persons) will be entitled to sell to the Company all of their Preference Shares.

2. Conditions, Suspension and Termination

- 2.1 The Redemption Option is conditional on the following (together the “Conditions”):
 - 2.1.1 the passing of the Resolutions; and
 - 2.1.2 the Redemption Option not having been terminated in accordance with this paragraph 2 of this Part III prior to the fulfilment of the conditions referred to in sub-paragraph 2.1.1 above.

The Company will not purchase Preference Shares pursuant to the Redemption Option unless the Conditions have been satisfied in full. The Conditions may not be waived by the Company. If the Conditions are not satisfied prior to the close of business on 28 January 2016, the Company may postpone the date for satisfaction of all necessary Conditions to the Redemption Option up until 29 February 2016, after which time the Redemption Option, if not then completed, will lapse.

3. Redemption Price

The Redemption Price will be 108 pence for each First Preference Share and 167 pence for each New Preference Share.

4. Procedure for electing to sell Preference Shares to the Company

4.1 Completion of Redemption Forms

To elect to sell Preference Shares, Preference Shareholders who hold their Preference Shares in certificated form must complete, sign and return the accompanying relevant Redemption Form with their Share certificate(s) (and/or other documents) of title in respect of the Preference Shares they elect to sell) in accordance with this paragraph 4 and the instructions printed on the relevant Redemption Form, which shall be deemed to form part of the Redemption Option.

Holders of First Preference Shares should complete the grey Redemption Form.

Holders of New Preference Shares should complete the orange Redemption Form.

- 4.2 Preference Shareholders should complete separate Redemption Forms for Preference Shares held in certificated form but under different designations. Additional Redemption Forms are available from Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, telephone number 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note that, for legal reasons, the Shareholder Helpline is only able to provide information contained in this Circular, information relating to the Register and information regarding the completion of forms and is unable to give advice on the merits of the Redemption Option or to provide legal, financial, tax or investment advice.

If you are in any doubt about what action to take you should seek your own personal financial advice from your independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you hold Preference Shares in uncertificated form (that is, in CREST), you may only tender such Preference Shares by TTE Instruction in accordance with the procedures set out in paragraph 4.3.2 below and, if those Preference Shares are held under different account IDs, you should send a separate TTE Instruction for each member account ID.

If you hold Preference Shares in both certificated and uncertificated forms, you should complete the relevant Redemption Form for the certificated holding/s and complete a TTE instruction in accordance with the procedure set out in paragraph 4.3.2 below for Preference Shares held in uncertificated form.

If you buy or sell any Shares between 18 December 2015 and the Record Date of 28 January 2016, you should contact the Company's Registrars on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4.3 Return of Redemption Forms

The completed and signed Redemption Forms should be sent to be received by post or by hand (only during normal business hours) at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received not later than 1:00 p.m. on 28 January 2016. A pre-paid envelope for use in the United Kingdom only is enclosed for your convenience. No Redemption Forms received after that time will be accepted. No acknowledgement of receipt of documents will be given. Any Redemption Form received in an envelope postmarked from outside the United Kingdom, or otherwise appearing to the Company to have been sent from any jurisdiction outside the United Kingdom, may be rejected as an invalid tender.

Further provisions relating to Overseas Persons are contained in paragraph 9 of this Part III.

4.3.1 Preference Shares held in certificated form (that is, not in CREST)

The completed and signed Redemption Forms should be accompanied by the relevant Preference Share certificate(s) and/or other document(s) of title. If Preference Share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with a stockbroker, bank or other agent) or are lost, the Redemption Form should nevertheless be completed, signed and returned as described above so as to be received by Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU at the address detailed below not later than 1:00 p.m. on 28 January 2016 together with any Preference Share certificate(s) and/or other document(s) of title that may be available, accompanied by a letter stating that the (remaining) Preference Share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than 1:00 p.m. on 28 January 2016.

Preference Shareholders who have lost their Preference Share certificate(s) and/or other document(s) of title should write to the Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, for a letter of indemnity in respect of the lost Share certificate(s) which, when completed in accordance with the instructions given, should be returned to Capita Asset Services at the address referred to at the beginning of this paragraph 4.3 so as to be received not later than 1:00 p.m. on 28 January 2016.

4.3.2 *Preference Shares held in uncertificated form (that is, in CREST)*

If the Preference Shares which a Preference Shareholder wishes to sell to the Company are held in uncertificated form, the Preference Shareholder should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Preference Shares which they wish to sell to the Company under the Redemption Option to an escrow balance, specifying Capita Asset Services (in its capacity as a CREST receiving agent under its participant ID referred to below) as the escrow agent, as soon as possible and, in any event, so that the transfer to escrow settles not later than 1:00 p.m. on 28 January 2016.

If a Preference Shareholder is a CREST sponsored member, they should refer to their CREST Sponsor before taking any action. A Preference Shareholder's CREST Sponsor will be able to confirm details of such Preference Shareholder's participant ID and the member account ID under which such Preference Shares are held. In addition, only a Preference Shareholder's CREST Sponsor will be able to send the TTE Instruction to CREST in relation to the Preference Shares which they wish to sell to the Company. Preference Shareholders should send (or, if they are a CREST sponsored member procure that their CREST Sponsor sends) a TTE Instruction to CREST which must be properly authenticated in accordance with CREST's specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Preference Shares to be transferred to an escrow balance;
- the Preference Shareholder's member account ID;
- the Preference Shareholder's participant ID;
- the participant ID of the escrow agent, Capita Asset Services, in its capacity as a CREST receiving agent. This is RA10;
- the member account ID of the escrow agent, Capita Asset Services. This is 28744CAF;
- the Corporate Action Number for the Redemption Option. This is allocated by CREST and can be found by viewing the relevant corporate action details in CREST;
- a contact name and telephone number in the shared note field on the TTE Instruction;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, not later than 1:00 p.m. on 28 January 2016;
- the corporate action ISIN of the Preference Shares. This is GD0001615433 for First Preference Shares and GD0001615540 for New Preference Shares; and
- input with standard delivery instruction of priority 80.

After settlement of the TTE Instruction, a Preference Shareholder will not be able to access the Preference Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Capita Asset Services as the Preference Shareholder's escrow agent until completion or lapsing of the Redemption Option. If the Redemption Option becomes unconditional, Capita Asset Services will transfer the Preference Shares which are accepted for purchase to the Company.

Preference Shareholders are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above.

Preference Shareholders should note that CREST does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. Preference Shareholders should therefore ensure that all necessary action is taken by them (or by their CREST Sponsor) to enable a TTE Instruction relating to their Preference Shares to settle prior to 1:00 p.m. on 28 January 2016. In this connection, Preference Shareholders are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

An appropriate announcement will be made if any of the details contained in this paragraph 4.3.2 are altered.

4.4 ***Deposits of Preference Shares into, and withdrawals of Preference Shares from, CREST***

Normal CREST procedures (including timings) apply in relation to any Preference Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Redemption Option (whether such conversion arises as a result of a transfer of Preference Shares or otherwise). Preference Shareholders who are proposing to convert any such Preference Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Preference Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Redemption Option (in particular, as regards delivery of Preference Share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 1:00 p.m. on 28 January 2016.

4.5 ***Validity of Redemption Forms***

Notwithstanding the powers in paragraph 8.5 below, the Company reserves the right to treat as valid only (in the case of Preference Shares held in certificated form) Redemption Forms which are received entirely in order by 1:00 p.m. on 28 January 2016 and which are accompanied by the relevant Preference Share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof or (in the case of Preference Shares held in uncertificated form) the relevant TTE Instruction, in each case in respect of the entire number of Preference Shares elected to be sold to the Company. The Record Date for the Redemption Option is close of business on 28 January 2016.

Notwithstanding the completion of a valid Redemption Form, the Redemption Option may be suspended, terminated or lapse in accordance with the Terms and Conditions set out in paragraph 2 of this Part III.

The decision of the Company as to which Preference Shares have been validly elected for sale to the Company shall be conclusive and binding on all Preference Shareholders.

If you are in any doubt about what action to take you should seek your own personal financial advice from your independent financial adviser, stockbroker, solicitor, accountant, bank manager or from an appropriately qualified independent adviser authorised pursuant to the Financial Services and Markets Act 2000.

Preference Shareholders are reminded that, if they are a CREST sponsored member, they should contact their CREST Sponsor.

4.6 ***General***

No acknowledgement of receipt of documents will be given. Any Redemption Form in an envelope postmarked in the United States, Australia, Canada, Japan or the Republic of South Africa or otherwise appearing to the Company or its agents to have been sent from the United States, Australia, Canada, Japan or the Republic of South Africa may be rejected as an invalid Redemption Form.

Further information on Overseas Persons is contained in paragraph 9 of this Part III.

5. **Redemption Option Settlement**

5.1 Settlement of the consideration to which any Preference Shareholder is entitled pursuant to valid Redemption Forms accepted by the Company is expected to be made on 8 February 2016 as follows:

5.1.1 ***Preference Shares held in certificated form (that is, not in CREST)***

Where an accepted election to sell relates to Preference Shares held in certificated form, cheques for the consideration due will be despatched by Capita Asset Services by first class post to the person or agent whose name and address (outside the United States, Australia, Canada, Japan or the Republic of South Africa) is set out in Box 1 (or, if relevant, Box 4) of the Redemption Form or, if none is set out, to the registered address of the tendering Preference Shareholder or, in the case of joint holders, the address of the first named. All cash payments will be made in pounds Sterling by cheque drawn on a branch of a UK clearing bank. The Redemption Form represents a right to elect to sell Preference Shares. It is not a document of title.

5.1.2 Preference Shares held in uncertificated form (that is, in CREST)

Where an accepted election to sell relates to Preference Shares held in uncertificated form, the consideration due will be paid by means of a CREST payment obligation in favour of the selling Preference Shareholder's payment bank in accordance with the CREST payment arrangements.

5.2 If only part of a holding of Preference Shares is sold pursuant to the Redemption Option.

5.2.1 where the Preference Shares are held in certificated form, the relevant Preference Shareholder will be entitled to receive a certificate in respect of the balance of the unsold Preference Shares; or

5.2.2 where the Preference Shares are held in uncertificated form (that is, in CREST), the unsold Preference Shares will be transferred by the escrow agent by means of a TFE Instruction to the original available balance from which those Preference Shares came.

6. Redemption Form Representations and Warranties

6.1 Each Preference Shareholder by whom, or on whose behalf, a Redemption Form is executed or a TTE Instruction is inputted irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind themselves, their personal representatives, heirs, successors and assigns) that:

6.1.1 the execution of the Redemption Form or input of a TTE Instruction shall constitute an offer to sell to the Company as principal such number of Preference Shares as is inserted in Box 2 of the Redemption Form or deemed (in accordance with paragraph 7.1) to be elected for sale or included in the TTE Instruction, in each case on and subject to the Terms and Conditions set out or referred to in this document and the Redemption Form, and that, once lodged, such offer shall be irrevocable;

6.1.2 such Preference Shareholder has full power and authority to elect to sell, assign or transfer the Preference Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company as principal will acquire such Preference Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after 28 January 2016, including the right to receive all dividends and other distributions declared after that date;

6.1.3 the execution of the Redemption Form will, subject to the Redemption Option becoming unconditional, constitute the irrevocable appointment of any director or officer of the Company as such Preference Shareholder's attorney and/or agent ("Attorney"), and an irrevocable instruction to the Attorney to complete and execute all or any instruments of transfer and/or other documents at the Attorney's discretion in relation to the Preference Shares referred to in sub-paragraph 6.1.1 above in favour of the Company or such other person or persons as the Company may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the Attorney, together with the Preference Share certificate(s) and/or other document(s) relating to any such Preference Shares held in certificated form, for registration within six months of the Redemption Option becoming unconditional and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the Redemption Option and to vest such Preference Shares in the Company or its nominee(s) or such other person(s) as the Company may direct;

6.1.4 the input of the TTE instruction will, subject to the Redemption Option becoming unconditional, constitute the irrevocable appointment of Capita Asset Services as such Preference Shareholder's escrow agent and an irrevocable instruction and authority to the escrow agent: (i) subject to the Redemption Option becoming unconditional, to transfer to the Company by means of CREST (or to such person or persons as the Company may direct) all of the Preference Shares referred to in sub-paragraph 6.1.1 above; and (ii) if the Redemption Option does not become unconditional and lapses

- or is terminated, as promptly as practicable after the lapsing or termination of the Redemption Option, to transfer the said Preference Shares back to the original available balances from which those Preference Shares came;
- 6.1.5 such Preference Shareholder agrees to ratify and confirm each and every act or thing which may lawfully be done or effected by the Company or any of its directors or officers or any person nominated by the Company in the proper exercise of their powers and/or authorities hereunder;
 - 6.1.6 such Preference Shareholder will deliver to Capita Asset Services their Preference Share certificate(s) and/or other document(s) of title in respect of such of the Preference Shares referred to in sub-paragraph 6.1.1 above as are held in uncertificated form, or an indemnity acceptable to the Company in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, not later than 1:00 p.m. on 28 January 2016;
 - 6.1.7 the provisions of the relevant Redemption Forms shall be deemed to be incorporated into the Terms and Conditions of the Redemption Option;
 - 6.1.8 such Preference Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case to complete the purchase of the Preference Shares and/or to perfect any of the authorities expressed to be given hereunder;
 - 6.1.9 such Preference Shareholder, if an Overseas Person, has fully observed any applicable legal requirements and the invitation under the Redemption Option may be made to them and may be accepted by him under the laws of the relevant jurisdiction;
 - 6.1.10 such Preference Shareholder has not received or sent copies or originals of this document, the Redemption Form or any related documents in or into the United States, Australia, Canada, Japan or the Republic of South Africa and has not otherwise utilised in connection with the Redemption Option, directly or indirectly, the mails or any means or instrumentality (including, without limitation, electronically or telephonically) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Australia, Canada, Japan or the Republic of South Africa, that the Redemption Form has not been mailed or otherwise sent in, into or from the United States, Australia, Canada, Japan or the Republic of South Africa and that such Shareholder is not accepting the Redemption Option from the United States, Australia, Canada, Japan or the Republic of South Africa;
 - 6.1.11 such Preference Shareholder is not accepting the Redemption Option from the United States, Australia, Canada, Japan or the Republic of South Africa;
 - 6.1.12 on execution the Redemption Form takes effect as a deed;
 - 6.1.13 the execution and delivery of a Redemption Form or the input of a TTE Instruction constitutes such Preference Shareholder's submission to the jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Redemption Option;
 - 6.1.14 in the case of Preference Shares held in uncertificated form (that is, in CREST) the creation of a CREST payment in favour of such Preference Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part III will, to the extent of the obligations so created, discharge fully any obligation of the Company to pay to such Preference Shareholder the cash consideration to which he is entitled under the Redemption Option;
 - 6.1.15 in the case of Preference Shares in certificated form, the despatch of a cheque in respect of the Redemption Price to a Preference Shareholder at his registered address or such other address as is specified in the Redemption Form will constitute a complete discharge by the Company of its obligations to make such payment to such Preference Shareholder; and

A reference in this paragraph 6.1 to a Preference Shareholder includes a reference to the person or persons executing the Redemption Form or inputting (or procuring the inputting of) the TTE Instruction and in the event of more than one person executing a Redemption Form, the provisions of this paragraph will apply to them jointly and to each of them.

- 6.1.16 Each Preference Shareholder electing to sell Preference Shares in the Redemption Option represents, warrants and confirms to the Company that it has observed all relevant legislation and regulations, in particular (but without limitation) that relate to anti-money laundering (the “Anti-Money Laundering Legislation”); and, in all such cases, its offer to sell Preference Shares in the Redemption Option is made on the basis that it accepts full responsibility for any and all such requirements under the Anti-Money Laundering Legislation and warrants and represents that such requirements have been satisfied; and each Preference Shareholder tendering Preference Shares in the Redemption Option acknowledges that, due to money laundering prevention requirements operating within their respective jurisdictions, the Company, the Registrars, Capita Asset Services and/or any receiving agent for the Redemption Offer may require proof of addresses and identity or corporate existence, as applicable, before an offer to sell Preference Shares can be processed and that each of the Company, the Registrars, Capita Asset Services and any receiving agent for the Redemption Option shall be held harmless and indemnified by each such Preference Shareholder against any loss ensuing due to the failure to process a Preference Shareholder’s election to sell Preference Shares if such information as has been required, has not been provided by it.
- 6.2 If the appointment of Capita Asset Services as escrow agent for the Redemption Option under paragraph 6.1.4 above shall be unenforceable or invalid or shall not operate so as to afford the benefit or authority expressed to be given in paragraph 6.1.4, the Preference Shareholders shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Capita Asset Services to secure the full benefits of paragraph 6.1.4

7. Additional provisions

- 7.1 Each Preference Shareholder may elect to sell some of or all of their holding of Preference Shares as at 28 January 2016. If (i) Box 2 of the Redemption Form is not completed; or (ii) in the Company’s determination (in its absolute discretion) Box 2 has not been validly completed, provided that the Redemption Form is otherwise in order and accompanied by all other relevant documents, the tender may be accepted as a valid election in respect of the whole of the electing Preference Shareholder’s shareholding.
- 7.2 If a Preference Shareholder does not return his Preference Share certificate(s) and/or other documents of title by 1:00 p.m. on 28 January 2016, the Company may deem (in its absolute discretion) that such Preference Shareholder has only elected to sell the number of Preference Shares in respect of which Preference Share certificates have been received.
- 7.3 Preference Shares acquired by the Company as principal under the Redemption Option will be market purchases in accordance with the rules of the London Stock Exchange and the Companies Act 2006.
- 7.4 Preference Shares sold by Preference Shareholders pursuant to the Redemption Option will be acquired by the Company together with all rights attaching thereto on or after 28 January 2016, including the right to receive all dividends and other distributions declared after that date. Preference Shareholders will still be entitled to receive any dividends in respect of Preference Shares they elect to sell where the record date in respect of such dividends is earlier than 28 January 2016.
- 7.5 Unless extended, suspended or terminated in accordance with the provisions of this Part III, the Redemption Option will close at 1:00 p.m. on 28 January 2016 and it is expected that by 1 February 2016 the Company will make a public announcement of the total number of Preference Shares that Preference Shareholders have elected to sell.
- 7.6 Each Preference Shareholder who elects or procures the election of Preference Shares for sale to the Company will thereby be deemed to have agreed that, in consideration of the Company agreeing to process their election, such Preference Shareholder will not revoke his

election or withdraw his Preference Shares. Preference Shareholders should note that, once elected for sale, Preference Shares may not be sold, transferred, charged or otherwise disposed of.

- 7.7 Any omission to despatch this Circular or the Redemption Form or any notice required to be despatched under the terms of the Redemption Option to, or any failure to receive the same by, any person entitled to participate in the Redemption Option shall not invalidate the Redemption Option in any way or create any implication that the Redemption Option has not been made to any such person.
- 7.8 No acknowledgement of receipt of any Redemption Form, Preference Share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Preference Shareholders (or their designated agents) will be delivered by or sent to or from such Preference Shareholders (or their designated agents) at their own risk.
- 7.9 All powers of attorney and authorities on the terms conferred by or referred to in this Part III or in the Redemption Form are given by way of security for the performance of the obligations of the Preference Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971.
- 7.10 All elections to sell must be made on the Redemption Form duly completed in accordance with the instructions set out therein which constitute part of the terms of the Redemption Option or by inputting the appropriate TTE Instruction. An election to sell will only be valid when the procedures contained in these Terms and Conditions and, in the case of certificated shares, in the Redemption Form are complied with. The Redemption Option and all elections to sell will be governed by and construed in accordance with English law. Execution and delivery of a Redemption Form or the inputting of a TTE Instruction will constitute submission to the jurisdiction of the English Courts. All communications in respect of the Redemption Option will be in the English language.
- 7.11 If the Redemption Option does not become unconditional or is terminated, all documents lodged pursuant to the Redemption Option will be returned promptly by post, within 14 Business Days of the Redemption Option lapsing, to the person or agent whose name and address (outside the United States, Australia, Canada, Japan or the Republic of South Africa) is set out in Box 1 of the Redemption Form or, if none is set out, to the Preference Shareholder electing to sell or, in the case of joint holders, the first named at their registered address. In the case of Preference Shares held in uncertificated form, Capita Asset Services in its capacity as the escrow agent will, within 14 Business Days of the Redemption Option lapsing, give instructions to CREST to transfer all Preference Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Redemption Option by TFE Instruction to the original available balances from which those Preference Shares came. In any of these circumstances, Redemption Forms and TTE Instructions will cease to have any effect.
- 7.12 Subject to paragraphs 8 and 9 below, the Redemption Option is open to Preference Shareholders and will close at 1:00 p.m. on 28 January 2016. No Redemption Form, Preference Share certificate(s) and/or other document(s) of title or indemnity or TTE Instruction received after that time will be accepted.
- 7.13 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Redemption Form shall constitute part of the terms of the Redemption Option.
- 7.14 Further copies of this document and the Redemption Form may be obtained on request from Capita Asset Services at the address set out on page 1 of the Redemption Form.
- 7.15 If Preference Shareholders have any complaints, they should contact Capita Asset Services.
- 7.16 The decision of the Company as to which Preference Shares have been successfully elected for sale shall be conclusive and binding on all Preference Shareholders.

8. Miscellaneous

- 8.1 Any changes to the terms, or any suspension, extension or termination of the Redemption Option will be followed as promptly as practicable by a public announcement thereof no later than 1:00 p.m. on the Business Day following the date of such changes. Such an

announcement will be released to a Regulatory Information Service. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company.

- 8.2 Preference Shares purchased pursuant to the Redemption Option will, following the completion of the Redemption Option will be cancelled.
- 8.3 Preference Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by the Company as principal of Preference Shares pursuant to the Redemption Option.
- 8.4 Except as contained in this document, no person has been authorised to give any information or make any representations with respect to the Company or the Redemption Option and, if given or made, such other information or representations should not be relied on as having been authorised by the Company. Under no circumstances should the delivery of this document or the delivery of any consideration pursuant to the Redemption Option create any implication that there has been no change in the assets, properties, business or affairs of the Company since the date of this document.
- 8.5 The Company reserves the absolute right to inspect (either itself or through its agents) all Redemption Forms and may consider void and reject any Redemption Form that does not, in the Company's sole judgement, meet the requirements of the Redemption Option. The Company also reserves the absolute right to waive any defect or irregularity in the election for sale of any Preference Shares, including any Redemption Form (in whole or in part) which is not entirely in order or which is not accompanied by (in the case of Preference Shares held in certificated form) the relevant Preference Share certificate(s) and/or other document(s) of title or an indemnity acceptable to the Company in lieu thereof. In that event, for Preference Shares held in certificated form, the consideration under the Redemption Option will only be despatched when the Redemption Form is entirely in order and the Preference Share certificate(s) and/or other document(s) of title or indemnities satisfactory to the Company has/have been received. None of the Company, the Registrars or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 8.6 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to this document.
- 8.7 If a Preference Shareholder is in any doubt as to whether they should make a notification to the Company, or as to the form of that notification, they are advised to consult their solicitor or other professional adviser without delay.

9. Overseas Persons

- 9.1 The making of the Redemption Option in, or to persons who are citizens or nationals of, or resident in, jurisdictions outside the United Kingdom or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Preference Shareholders who are Overseas Persons should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Overseas Person wishing to elect to sell Preference Shares to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Person will be responsible for payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and the Company and any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Person for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Redemption Option or to authorise the extending of the Redemption Option or the distribution of the Redemption Forms in any territory outside the United Kingdom.
- 9.2 In particular, the Redemption Option is not being made, directly or indirectly, in or into, or by use of the mails, or by any means or instrumentality (including, without limitation, electronically or telephonically) or interstate or foreign commerce, or of any facility of a national securities exchange of, the United States, Australia, Canada, Japan or the Republic

of South Africa and the Redemption Option cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Australia, Canada, Japan or the Republic of South Africa.

- 9.3 Accordingly, copies of this Circular and any related documents are not being mailed or otherwise distributed or sent in or into the United States, Australia, Canada, Japan or the Republic of South Africa including to Preference Shareholders with registered addresses in the United States, Australia, Canada, Japan or the Republic of South Africa, or to persons whom the Company knows to be custodians, nominees or trustees holding Shares for persons in the United States, Australia, Canada, Japan or the Republic of South Africa except where permitted by applicable law. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) or wishing to accept the Redemption Option should not distribute or send them in or into or from the United States, Australia, Canada, Japan or the Republic of South Africa or use such mails or any such means, instrumentality or facility in connection with the Redemption Option, and so doing will render invalid any related purported acceptance of the Redemption Option. Envelopes containing Redemption Forms should not be postmarked in the United States, Australia, Canada, Japan or the Republic of South Africa. All accepting Preference Shareholders must provide addresses outside the United States, Australia, Canada, Japan or the Republic of South Africa for the remittance of cash or the return of documents lodged pursuant to the Redemption Option. The Redemption Form is not being sent to Preference Shareholders with registered addresses in the United States, Australia, Canada, Japan or the Republic of South Africa.
- 9.4 A Preference Shareholder will be deemed not to have made a valid if: (i) such person is unable to make the representations and warranties set out in paragraphs 6.1.9, 6.1.10 and 6.1.11 of this Part III; or (ii) such person has an address in the United States, Australia, Canada, Japan or the Republic of South Africa and such person does not insert where indicated on the Redemption Form the name and address of a person or agent outside the United States, Australia, Canada, Japan or the Republic of South Africa to whom they wish the consideration to which they are entitled under the Redemption Option to be sent, subject to the provisions of this paragraph and the applicable laws; or (iii) such person inserts on the Redemption Form the name and address of a person or agent in the United States, Australia, Canada, Japan or the Republic of South Africa to whom they wish the consideration to which such person is entitled under the Redemption Option to be sent; or (iv) the Redemption Form received from such Preference Shareholder is in an envelope postmarked in, or which otherwise appears to the Company or its agents to have been sent from, the United States, Australia, Canada, Japan or the Republic of South Africa. The Company reserves the right, in its absolute discretion, to investigate, in relation to any acceptance, whether the representations and warranties referred to in paragraphs 6.1.9, 6.1.10 and 6.1.11 above given by any Preference Shareholder are correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation and warranty is not correct, such acceptance shall not be valid.
- 9.5 If, in connection with making the Redemption Option, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, a Redemption Form or any related offering documents in, into or from the United States, Australia, Canada, Japan or the Republic of South Africa or uses the mails of, or any means or instrumentality (including, without limitation, electronically or telephonically) of interstate or foreign commerce or any facility of a national securities exchange of, the United States, Australia, Canada, Japan or the Republic of South Africa in connection with such forwarding, such persons should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 9.
- 9.6 The provisions of this paragraph 9 and any other terms of the Redemption Option relating to Overseas Persons may be waived, varied or modified as regards specific Overseas Persons or on a general basis by the Company in its absolute discretion but only if the Company is satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other law.

9.7 The provisions of this paragraph 9 supersede any terms of the Redemption Option inconsistent herewith.

Overseas Persons should inform themselves about and observe any applicable legal or regulatory requirements. If any Preference Shareholder is in any doubt about their position, they should consult their professional adviser in the relevant territory.

PART IV

TAXATION IN THE UNITED KINGDOM

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current United Kingdom tax law and HM Revenue and Customs (HMRC) practice, both of which are subject to change, possibly with retrospective effect. The following comments are intended as a general guide and may not apply to certain Shareholders. The comments do not therefore constitute legal or tax advice and are in respect of individuals or companies who are UK tax resident and who are both legal and beneficial owners of Shares and who hold their Shares as an investment.

Investors should consult their professional advisors on the potential tax consequences for the redemption and changes in coupon rate of the Shares under the laws of their country and/or state of domicile or residence.

Based on the current UK tax legislation and HMRC practice, the purchase of the First Preference Shares and the New Preference Shares may be treated as an income distribution for the individual and corporate shareholders. The amount of the net income distribution would be the amount received for the Preference Shares less amounts representing the repayment of capital on the Preference Shares.

The fact that an income distribution is received by a company does not prevent it from being taken into account in the calculation of a capital gain for the company, and therefore company Shareholders may also trigger a capital gain on redemption of the Preference Shares.

A capital gain or loss could also arise on difference between the tax base cost in the Preference Shares and the amount of capital repaid on the Preference Shares.

PART V

NEW ARTICLES OF ASSOCIATION

Set out below is a mark-up of the Articles reflecting the proposed changes to adopt the New Articles of Association

The Companies ~~Acts 1985~~ Act 2006

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

CAFFYNS ~~PUBLIC COMPANY LIMITED~~ PLC

(Adopted by special resolution passed on
~~23 July 2008~~ 2016)

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COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
of
CAFFYNS ~~PUBLIC LIMITED COMPANY~~PLC

(Adopted by special resolution passed on ~~23 July 2008~~, _____ 2016)

1. **Preliminary**

Table A and the Model Articles not to apply

- 1.1 The following articles shall be the articles of association of the Company and no regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as regulations or articles of the Company.

Interpretation

- 1.2 In these articles, unless the context otherwise requires, the following words and expressions have the meanings set out opposite them:

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

~~“Act” means the Companies Act 1985 including any statutory modification or re-enactment for the time being in force;~~
“these articles” means these articles of association as altered from time to time;

“Board” means the directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present;

“Cash Memorandum Account” means an account so designated by the Operator of the relevant system concerned;

“certificated” in relation to a share means a share which is not an uncertificated share;

~~“Company” means Caffyns Public Limited Company;~~

“Company” means Caffyns plc;

“CREST” means the relevant system (as defined in the Regulations) of which Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) is the Operator (as defined in the Regulations);

~~“electronic communication” has the same meaning as in the Electronic Communications Act 2000;~~

“electronic form” and **“electronic means”** have the same meaning as in section 1168 of the ~~2006~~ Act;

“hard copy form” has the same meaning as in section 1168 of the ~~2006~~ Act;

~~“in writing” means written or produced by any substitute for writing or partly one and partly another; and “year” means calendar year.~~

“month” means calendar month;

“Operator” has the meaning given in the Regulations;

“paid” means paid or credited as paid;

“participating issuer” has the meaning given in the Regulations;

“participating security” has the meaning given in the Regulations;

“properly authenticated dematerialised instruction” shall have the meaning given in the Regulations;

“record date” has the meaning given in article ~~34~~30.17;

“Register” means the register of members of the Company;

“Registered Office” means the registered office of the Company from time to time;

“Regulations” means the Uncertificated Securities Regulations 2001 (SI 2001 no. 3755) including any ~~statutory modification or re-enactment and any rules made thereunder or any regulations made in substitution under section 207 of the Companies Act 1989 and for them~~ for the time being in force;

“Relevant Class” has the meaning given in article 8.5;

“relevant system” has the meaning given in the Regulations;

“Secretary” means the secretary for the time being of the Company or any other person appointed to perform the duties of the secretary of the Company including a joint, assistant or deputy secretary;

“Statutes” means the Act, ~~the Companies Act 1989, the 2006 Act~~ and all other statutes, orders, prospectus rules (including the Prospectus Rules ~~published made~~ by the Financial ~~Services Conduct Authority (in exercising its capacity as a competent authority for the purposes of functions under Part VI of the Financial Services and Markets Act 2000),~~), listing rules (including the AIM Rules published by the London Stock Exchange and the Listing Rules published by the Financial ~~Services Conduct Authority),~~ transparency rules (including the Disclosure and Transparency Rules published by the Financial ~~Services Conduct Authority),~~ regulations and other subordinate legislation for the time being in force concerning companies so far as they apply to the Company;

~~“these articles” means these articles of association as altered from time to time;~~

“Treasury Shares” has the meaning given in section 724 of the Act ~~(as amended by the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 and The Companies (Acquisition of Treasury Shares) No. 2 Regulations 2003);~~

“UK Listing Authority” means the Financial ~~Services Conduct Authority in exercising its capacity as a competent authority for the purposes of functions under Part VI of the Financial Services and Markets Act 2000 (or any successor competent authority);~~

“uncertificated” in relation to a share means a share the title to which is recorded in the Register as being held in uncertificated form and which, by virtue of the Regulations, may be transferred by means of a relevant system;

“United Kingdom” includes England, Scotland, Wales and Northern Ireland but excludes the Channel Islands and the Isle of Man;

“working day” has the meaning given in section 1173(1) of the ~~2006 Act~~; and

“year” means calendar year.

1.3 In these articles:

- (a) reference to any statute or statutory provision includes a reference to that statute or statutory provision as amended, extended or re-enacted and for the time being in force and to any regulation, order, instrument or subordinate legislation under the relevant statute or statutory provision;
- (b) where the context so admits words and expressions used in the Regulations shall bear the same meaning in these articles;
- (c) references in these articles to a share (or to a holding of shares) being in uncertificated form or in certificated form are references, respectively, to that share being an uncertificated unit of a security or a certificated unit of a security; provided that any reference to a share in uncertificated form applies only to a class of share which is, for the time being, a participating security, and only for as long as it remains a participating security;
- (d) a dematerialised instruction shall be treated for the purposes of these articles as properly authenticated if it complies with the specifications referred to in paragraph 5(b) of schedule 1 to the Regulations;

- (e) reference to the singular includes a reference to the plural and vice versa;
- (f) reference to any gender includes a reference to all other genders;
- (g) reference to writing shall include a reference to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form, whether sent or supplied in electronic form or made available on a website or otherwise;
- ~~(g)~~(h) headings are included only for convenience and shall not affect meaning;
- ~~(h)~~(i) references to persons include bodies corporate, unincorporated associations and partnerships and any reference to any party who is an individual is also deemed to include their respective legal personal representatives;
- ~~(i)~~(j) unless the context (or this article or article 1.2) otherwise require, words or expressions defined in the ~~2006 Act (or in the absence of such definition therein, in the Act)~~ Act shall have the same meanings in these articles;
- ~~(j)~~(k) reference to presence at a general meeting or class meeting shall include presence of a member by one or more duly authorised representatives and shall include presence which is deemed in accordance with these articles (and “**presence**” shall be construed accordingly); and
- ~~(j)~~(l) references to a relevant system shall be deemed to relate to the relevant system in which the particular share or class of shares or renounceable right of allotment of a share concerned in the capital of the Company is a participating security for the time being and all references in these articles to the giving of an instruction by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Regulations and the giving of such instructions shall be subject to:
 - (i) the facilities and requirements of the relevant system;
 - (ii) the extent permitted by the Regulations; and
 - (iii) the extent permitted by or practicable under the rules, procedures and practices from time to time of the Operator of the relevant system.

Registered Office

- 1.4 The Registered Office shall be at such place in England and Wales as the Board shall from time to time appoint.

2. Share capital

~~Authorised share capital~~

Classes of shares

- 2.1 The share capital of the Company ~~at the date of adoption of these articles is £4,050,000~~ divided into ~~500,000~~ 61/27% Cumulative First Preference Shares of £1 each (the “**First Preference Shares**”), ~~3,000,000~~ 6% Second Cumulative Preference Shares of 10 pence each (the “**Second Preference Shares**”), ~~1,250,000~~ 10 11% Cumulative Preference Shares (the “**New Preference Shares**”) of £1 each and ~~4,000,000~~ Ordinary Shares of 50 pence each, (the “**Ordinary Shares**”). The rights, as regards participation in the profits and assets of the Company, attaching to these shares ~~shall be~~ are as follows:

- (a)
 - (i) ~~Cumulative~~ First Preference Shares

The holders of the First Preference Shares shall be entitled in priority to any payment of dividend on any other class of shares to a fixed cumulative preferential dividend at a rate of ~~61/27~~% per annum, to be paid if and so far as in the opinion of the Board the profits of the Company justify such payments, half-yearly on the first day of April and the first day of October in every year in respect of the half-years ended on the preceding 31st March and 30th September respectively.

(ii) ~~Cumulative~~ Second Preference Shares

Subject to the rights conferred by (a)(i), the holders of the Second Preference Shares ~~of 10 pence each~~ shall be entitled in priority to any payment of dividend on any other class of shares to a fixed cumulative preferential dividend at a rate of 6% per annum, to be paid if and so far as in the opinion of the Board the profits of the Company justify such payments, half-yearly on the 15th day of April and the 15th day of October in cash in respect of the half-years ended on the preceding 31st March and 30th September respectively.

(iii) New Preference Shares

Subject to the rights conferred by (a)(i) and (a)(ii), the holders of the New Preference Shares shall be entitled in priority to any payment of dividend on any other class of shares to a fixed cumulative preferential dividend at a rate of ~~10~~11% per annum on the amounts for the time being paid up thereon, such dividend to be, if and so far as in the opinion of the Board the profits of the Company justify such payments, half-yearly on the first day of April and the first day of October in every year in respect of the half-years ended on the preceding 31st March and 30th September respectively.

(iv) Ordinary Shares

Subject to the rights conferred by (a)(i) to (a)(iii) inclusive and any special rights which may be attached to any other class of shares, the profits of the Company available for dividend and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Shares.

(b) On a return of assets on liquidation or otherwise, the assets of the Company available for distribution among the members shall be applied first in repaying the holders of the First Preference Shares the amount paid up on such shares together with a premium as hereinafter mentioned together also with a sum equal to any arrears or deficiency of the fixed dividend thereon to be calculated down to the date of the return of capital and to be payable irrespective of whether or not such dividend has been declared or earned (less an amount equivalent to income tax thereon at the basic rate for the time being in force), secondly in repaying to the holders of the Second Preference Shares the amounts paid up on such shares together with a sum equal to any arrears or deficiency on the fixed dividend to be calculated down to the date of the return of capital and to be payable irrespective of whether or not such dividend has been declared or earned (less an amount equivalent to income tax thereon at the basic rate for the time being in force) and thirdly in repaying the holders of the New Preference Shares the amount paid up in such shares together with a premium as hereinafter mentioned together also with a sum equal to any arrears or deficiency of the fixed dividend thereon to be calculated down to the date of the return of capital and to be payable irrespective of whether or not such dividend has been declared or earned. The balance of such assets, subject to any special rights which may be attached to any other class of shares shall belong to and be distributed among the holders of the Ordinary Shares rateably according to the amounts paid up on such shares.

(c) In the case of the First Preference Shares the premium mentioned in paragraph (b) of this article shall be calculated as follows:

(i) Subject as hereinafter provided, if within six months before the relevant date the First Preference Shares shall have been quoted upon any recognised Stock Exchange in the United Kingdom the said premium shall be a sum per share equal to the excess (if any) over par of the average (adjusted as hereinafter provided) of the respective means of the daily nominal quotations at which the First Preference Shares shall have been quoted on The Stock Exchange during the said period (or that part of the said period during which they shall have been so quoted) after first deducting from the mean on each day a sum equal to any arrears or deficiency of the fixed dividend (whether earned or declared or not) on such share up to that day less an amount equivalent to income tax on such sum at the basic rate for the time being in force. If such average shall not be a multiple of one penny it shall, unless sub-paragraph (ii) below shall

apply, be adjusted to the nearest multiple of one penny. Any such premium shall be certified as soon as possible after the relevant date by the Auditors (as experts and not as arbitrators) for the time being of the Company and such certificate shall be final and binding on all the persons interested and such Auditors shall so certify on such basis and in such manner as they shall in their absolute discretion determine but having regard, so far as practicable, to any official list published under the authority of The Stock Exchange.

- (ii) In the case of a reduction of capital involving the repayment of part only of the capital paid up on the First Preference Shares the premium payable on the reduction of capital shall be (to the nearest multiple of one penny) such proportion of the premium hereinbefore provided as the amount of the capital to be repaid on each such share bears to the total capital paid up on each of the First Preference Shares.
 - (iii) The expression “**The London Stock Exchange**” shall mean the London Stock Exchange or, if within six months before the relevant date the First Preference Shares shall not have been quoted thereon, any other recognised Stock Exchange in the United Kingdom on which within the said period the First Preference Shares shall have been quoted (and, if more than one, whichever such Stock Exchange is in the opinion of the Auditors for the time being of the Company the principal Stock Exchange as regards dealings in the First Preference Shares.
- (d) In the case of the New Preference Shares the premium mentioned in paragraph (b) of this article shall (subject as hereinafter provided) be:
 - (i) A sum per share to the excess (if any) over the nominal amount paid up on each such shares of the average of the respective means of the daily nominal quotations shown by The Stock Exchange Daily Official List during the period of six months preceding the relevant date (or that part of the said period during which the said shares shall have been so listed) after first deducting from the mean on each day a sum equal to any arrears or accruals of the fixed dividend (whether earned or declared or not) on such share up to that day but so that in respect of any day on which such shares are quoted ex any dividend such dividend shall be treated as if it had been paid. If during the said period the said shares shall not have been listed on the London Stock Exchange, no premium shall be payable.
 - (ii) In the case of a reduction of capital involving the repayment of part only of the capital paid up on such shares the premium payable on the reduction of capital and, in relation to any shares which are not fully paid up, the premium payable on a winding up or on a reduction of capital shall (subject as hereinafter provided) be such proportion of the premium hereinafter provided as the amount of the capital to be repaid on each such share bears to the total of the nominal capital paid up on the share.
 - (iii) If the premium payable as aforesaid shall not be a multiple of 1p per share it shall be adjusted upwards to the nearest multiple of 1 p per share.
 - (iv) The said premium shall be determined as soon as possible after the relevant date by the Auditors of the Company for the time being who for such purpose may make such adjustments as they deem appropriate to take account of any consolidation or sub-division or capitalisation issue or other material alteration in share capital during the period mentioned in paragraph (d)(i) of this article. The determination of the Auditors shall be final and binding on all persons concerned and in the absence of fraud the Auditors shall be under no liability to any such person by reason of their determination or by anything done or omitted to be done by the Auditors for the purpose thereof or in connection therewith.
- (e) For the purpose of this article the expression “relevant date” shall mean (in the case of a return of assets on a winding up by the Court otherwise than subsequently to a resolution of the Company in General Meeting for winding up) the date of the

presentation of the petition for winding up and (in any other case) the date thirty days before the despatch of the notice convening the General Meeting at which the winding up or other resolution giving rise to the return of capital was proposed.

Liability of members

2.2 The liability of the members is limited to the amount, if any, unpaid on the shares held by them.

Variation of rights

~~2.22.3~~ Whenever the share capital of the Company is divided into different classes of shares, the special rights for the time being attached to any share or class of share in the Company may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company and to the proceedings at such general meetings shall with necessary modifications apply, except that:

- (a) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value paid up of the issued shares of the class (but so that if at any adjourned meeting a quorum as defined above is not present, any one holder of any shares of the class present in person or by proxy shall be a quorum); and
- (b) any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.

~~2.32.4~~ Article 2.2 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.

~~2.42.5~~ The creation or issue of further shares ranking as regards participation in the profits or assets of the Company in any respect *pari passu* with the First Preference Shares shall be deemed a variation of the special rights attached to such shares.

~~2.52.6~~ The issue of any Second Preference Shares which would result in the nominal amount of all Second Preference Shares for the time being in issue exceeding £300,000 and the subdivision of any of the Second Preference Shares in the present capital and any alteration of the provisions of article ~~14.13.1~~ shall respectively be deemed to be variations of the special rights attached to the Ordinary Shares.

~~2.62.7~~ The creation of further shares ranking as regards participation in the profits or assets of the Company in any respect *pari passu* with the New Preference Shares shall be deemed to be a variation of the special rights attached to such shares.

2.8 Save as aforesaid, the special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue ~~thereof~~ of that class of shares, be deemed to be varied;

~~2.7(a)~~ by (i) the ~~creation~~ allotment or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects ~~pari passu therewith~~ equally with such shares but in no respect in priority thereto or (ii) the purchase by the Company of any of its own shares to such shares;

~~Increase in share capital~~

~~(b) The by the purchase by the Company may from time to time by ordinary resolution increase of any of its capital by such sum to be divided into own shares of such amounts as the resolution; or~~

~~(c) by the Board resolving that a class of shares shall prescribe, become, or the Operator of the relevant system permitting such class of shares to be, a participating security.~~

New shares

- ~~2.92.9~~ All new shares shall be subject to the provisions of the Statutes and of these articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

~~Consolidation, subdivision and cancellation~~

- ~~2.9~~ The Company may from time to time by ordinary resolution:

- (a) ~~consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;~~

~~cancel any shares which, at~~ Sub-division of shares

- (b) ~~Whenever the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;~~

- ~~(c) 2.10~~ ~~subject to the provisions of the Statutes, Company sub-divide~~ divides its shares, or any of them, into shares of smaller nominal value ~~than is fixed by the memorandum of association and so that the resolution whereby any share is sub-divided may,~~ the Company may, by ordinary resolution determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared to the others.

Fractions on consolidation

- ~~2.102.11~~ Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions to any person (including, subject to the ~~provisions of the Statutes, the Company~~) and distribute the net proceeds of sale in due proportion among those members and the Board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered 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 relating to the sale.

Reduction or cancellation

- ~~2.112.12~~ The Company may by special resolution reduce or cancel its share capital or any revaluation reserve or share premium account or any other reserve fund in any manner and with and subject to any confirmation or consent required by law and any rights for the time being attached to any shares.

Purchase of own shares

- ~~2.122.13~~ Subject to the provisions of the Statutes and any special rights for the time being attached to any shares, the Company may purchase or may enter into any contract under which it will or may purchase at any price, any of its own shares of any class (including any redeemable shares) and may hold (and sell) any of such shares as Treasury Shares. Any shares to be so purchased may (subject to any resolution of the Company in general meeting) be selected in any manner determined by the Board.

- ~~2.132.14~~ Where there are in issue convertible securities convertible into or carrying a right to subscribe for equity shares of a class proposed to be purchased, a separate meeting of the holders of the convertible securities must be held and their approval by special resolution obtained before the Company enters into any contract to purchase equity shares of the relevant class. Subject to this and notwithstanding anything to the contrary contained in these articles, the rights and privileges attached to any class of shares shall be deemed not to be altered or abrogated by anything done by the Company in pursuance of any resolution passed under the powers conferred by the preceding article.

3. Shares

Trust etc. interest not recognised

- 3.1 Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be bound by or required in any way to recognise (even when it has notice) the terms of any trust on which any shares are held or any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these articles or by law) any other right in respect of any share except an absolute right of the holder to the entirety of such share.

Rights attaching to shares on issue

- 3.2 Subject to the provisions of the Statutes and without prejudice to any special rights for the time being conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Board may determine).

Redeemable shares

- 3.3 Subject to the provisions of the Statutes and of any resolution of the Company in general meeting passed in pursuance of such provisions, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder, and such shares shall be redeemed on such terms and in such manner as may from time to time be provided by these articles.

Board's power to allot

- 3.4 Subject to the provisions of the Statutes (and of any resolution of the Company in general meeting passed pursuant to such provisions) and of these articles, all unissued shares shall be at the disposal of the Board and it may allot with or without conferring a right of renunciation, grant options over or otherwise dispose of them to such persons, at such times and on such terms as it thinks fit.

Commissions on issue of shares

- 3.5 The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.

Renunciation of allotment

- 3.6 Subject to the provisions of the Statutes and of these articles, the Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation of such share by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.

Register

- 3.7 Subject to the Act ~~or the 2006 Act (as applicable)~~, the Company shall enter on the Register how many certificated and uncertificated shares each member holds.

4. Share certificates

General

- 4.1 Subject to the Statutes, the Board may by resolution determine, either generally or in any particular case or cases, that share certificates need not be issued under a seal. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificate need not be autographic but may be applied to the certificates by mechanical means or may be printed on them or that the certificates need not be signed by any person.

- 4.2 A share certificate ~~(other than a bearer certificate)~~ must include the following matters on its face (or on the reverse in the case of (f) below):

- (a) the authority under which the issuer is constituted and the country of incorporation and registered number;

- (b) the number or amount and class of securities the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (c) a footnote stating that no transfer of the security or any portion of the security represented by the certificate can be registered without production of the certificate;
- (d) if applicable, the minimum amount and multiples of that amount in which the security is transferable;
- (e) the date of the certificate; and
- (f) for shares with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions as to capital, dividends and (where applicable) conversion or redemption.

Joint holders

- 4.3 In the case of a certificated share held jointly by several persons the Company shall not be bound to issue more than one certificate for such certificated share and delivery of a certificate to one of two or more joint holders shall be sufficient delivery to all.

Issue of share certificate

- 4.4 Subject to the provisions of these articles, every person (except a London Stock Exchange nominee in respect of which the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered in the Register in respect of any certificated shares of any one class, shall upon the issue or transfer of such certificated shares, be entitled without payment to a certificate for such certificated shares (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully-paid shares) within fourteen days after lodgement of the transfer or (in the case of a transfer of partly-paid shares) within two months after lodgement of transfer.

Balance certificate

- 4.5 Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such certificated shares shall be issued without charge.

Replacement of share certificates

- 4.6 Any two or more certificates representing certificated shares of any one class held by any member may at his request and or surrender of the original certificates be cancelled and a single new certificate for such shares issued in lieu without charge.
- 4.7 If any member shall surrender for cancellation a share certificate representing certificated shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportion as he may specify, the Board may, if it thinks fit, comply with such request.
- 4.8 If a share certificate shall be defaced, worn out or alleged to have been lost, stolen or destroyed, it shall be replaced without charge (other than exceptional out-of-pocket expenses) but on such terms (if any) as to evidence and indemnity as the Board may think fit and, where it is defaced or worn out, after delivery of the old certificate to the Company.
- 4.9 In the case of certificated shares held jointly by several persons any request for a new share certificate may be made by any one of the joint holders.

5. Calls on shares

Power to make calls

- 5.1 The Board may from time to time make calls upon the members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable by instalments. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of shares in respect of which the call was made.

Liability for calls

- 5.2 Each member shall (subject to receiving no fewer than fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the sum called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of such share. A call may before receipt of the Company of any sum due thereunder be revoked or postponed in whole or in part as regards all or any members as the Board may determine.

Interest on overdue sums

- 5.3 If a sum called in respect of a share is not paid before or on the day appointed for payment of such sum, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment of such sum to the time of actual payment at such rate (not exceeding 17 per cent. per annum) as the Board determines but the Board shall be at liberty to waive payment of such interest wholly or in part.

Other sums due on shares

- 5.4 Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Power to differentiate between holders

- 5.5 The Board may on the allotment or issue of shares differentiate between the allottees or holders of such shares as to the calls to be made and the times of payment.

Payment of calls in advance

- 5.6 If the Board thinks fit the Company may receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon the shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent. per annum as the Board may decide. While any amount paid up in advance of calls on any share may entitle the holder of the share to interest it shall not entitle the holder to participate in respect of that amount in any dividend.

6. Forfeiture and lien

Notice on failure to pay a call

- 6.1 If a member fails to pay in full any call or instalment of a call on the due date for payment of such call or instalment, the Board may at any time after the failure serve a notice on him or any person entitled to the shares by transmission requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued on such call or instalment and any expenses incurred by the Company by reason of such non-payment.
- 6.2 The notice shall name a further day (being not fewer than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance with such notice the shares on which the call was made will be liable to be forfeited.

Forfeiture for non-compliance

- 6.3 If the requirements of any such notice as is referred to in the preceding article are not complied with, any share in respect of which such notice has been given may at any time after the non-compliance, before payment of all calls and interest and expenses due in respect of such share has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Board may accept a surrender of any share liable to be forfeited under these articles.

Notice on previous holder

- 6.4 Where any share has been forfeited, notice of the forfeiture shall be served upon the person who was the holder of the share before forfeiture or, in the case of a person entitled to such share by transmission, upon such person (as the case may be). An entry recording the fact that notice of forfeiture has been given and that the share has been forfeited shall immediately be made in the Register in respect of such share. However, no forfeiture shall be invalidated in any manner by any omission or neglect to give such notice or make such entry.

Disposal of forfeited shares

- 6.5 A share forfeited or surrendered shall become the property of the Company and, subject to the Statutes may be sold, re-allotted or disposed of in any other way either to the person who was the holder of such share or entitled to such share before such forfeiture or surrender, or to any other person upon such terms and in such manner as the Board shall think fit and at any time before a sale, re-allotment or other disposition the forfeiture may be annulled by the Board on such terms as it thinks fit. The Board may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person.

Holder to remain liable despite forfeiture

- 6.6 A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares (and shall surrender to the Company for cancellation the certificate for such shares) but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest on such shares at such rate (not exceeding 17 per cent. per annum) as the Board may determine from the date of forfeiture or surrender until payment. The Board may at its absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.

Lien on partly-paid shares

- 6.7 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) called or payable at a fixed time in respect of such share. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this article.

Sale of shares subject to lien

- 6.8 The Company may sell in such manner as the Board thinks fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled to such share by reason of his death, bankruptcy, liquidation or otherwise.

Proceeds of sale of shares subject to lien

- 6.9 The net proceeds of sale of shares subject to a lien (after payment of the costs of such sale) shall be applied in or towards payment or satisfaction of the debts or liabilities in respect of which the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

Evidence of forfeiture

- 6.10 A statutory declaration in writing that the declarant is a director or the Secretary and that a share has been duly forfeited or surrendered or sold to satisfy obligations covered by a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share. Such declaration shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of

shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase moneys (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or other disposal of the share.

- 6.11 The forfeiture of a share shall extinguish at the time of forfeiture all interest in and claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these articles expressly saved, or as are by the Act ~~or the 2006 Act (as applicable)~~ given or imposed in the case of past members.

7. Transfer of shares

Transfer of securities without a written instrument

- 7.1 Title to any securities of the Company may be evidenced and title to and interests in securities may be transferred without a written instrument in accordance with statutory regulations from time to time made under the Statutes, and the Board shall have power to implement any arrangements it may think fit for such evidencing and transfer which accord with those regulations.

Form of transfer

- 7.2 Subject to articles 7.1 and 8, all transfers of certificated shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Board and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. In relation to both certificated and uncertificated shares, the transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect of such shares. All instruments of transfer which are registered may be retained by the Company.

~~*Closing of Register*~~

- ~~7.3 The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine and either generally or in respect of any class of shares, save that the Register will not be closed in respect of participating securities without the prior consent of the Operator. Notice of closure of the Register shall be given in accordance with the requirements of the Act or the 2006 Act (as applicable).~~

Right to refuse to register a transfer

- ~~7.4~~ 7.3 The Board may in its absolute discretion and without assigning any reason for its actions refuse to register any transfer of any certificated share which is not a fully paid share, provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to the Official List of the UK Listing Authority on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

Other rights to decline registration

- ~~7.5~~ 7.4 The Board may decline to recognise any instrument of transfer relating to certificated shares unless:

- (a) the instrument of transfer:
- (i) is in respect of only one class of share;
 - (ii) is lodged at the Registered Office or such other place as the Board may appoint;
 - (iii) is accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
 - (iv) is duly stamped (if so required); and

- (b) in the case of a transfer to joint holders, the number of joint holders does not exceed four.

Notice of refusal

- ~~7.6~~7.5 If the Board refuses to register a transfer, it shall send notice of the refusal to the transferee as soon as practicable and in any event within two months of the date on which the transfer was lodged with the Company. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected or actual fraud) be returned to the person depositing it.

Transfer without certificate

- ~~7.7~~7.6 In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgement of share certificates with the instrument of transfer will only be necessary if and to the extent that certificates have been issued in respect of the shares in question. The expressions “**recognised clearing house**” and “**recognised investment exchange**” shall have the meanings given to them in the Financial Services and Markets Act 2000.

Branch register

- ~~7.8~~7.7 Subject to and to the extent permitted by the Statutes and the Regulations, the Company, or the Board on behalf of the Company, may cause a branch register to be kept in any territory of members resident in such territory, and the Board may make and vary such regulations as they may think fit in respect of the keeping of any such register, provided, however, that those members who hold uncertificated shares may not be entered as holders of those shares on an overseas branch register.

No fee for registration

- ~~7.9~~7.8 No fee will be charged by the Company in respect of the registration of any instrument of transfer, or probate, or letters of administration, or certificate of marriage or death, or stop notice, or power of attorney, or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

8. Uncertificated shares

- 8.1 Save where the UK Listing Authority and/or London Stock Exchange otherwise agrees, all shares shall be eligible for electronic settlement, which includes settlement by a relevant system.
- 8.2 Shares of a class shall not be treated as forming a separate class from other shares of that class merely because any such shares are held from time to time in uncertificated form or are permitted in accordance with the Regulations to become a participating security.
- 8.3 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, articles 8.4 and 8.5 shall commence to have effect immediately prior to the time at which the Operator of the relevant system concerned permits the class of shares concerned to be a participating security.
- 8.4 These articles shall apply to uncertificated shares, save that, 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 to 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 in these articles as the “**Relevant Class**”):
- (a) the register relating to the Relevant Class shall be maintained at all times in the United Kingdom;

- (b) shares of the Relevant Class may be issued in uncertificated form in accordance with and subject as provided in the Regulations;
- (c) 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;
- (d) 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;
- (e) title to 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) article 7 shall not apply in respect of such shares to the extent that that 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; and
- ~~(f) the Company shall comply with the provisions of Regulations 21 and 22 in relation to the Relevant Class and articles 7.5 and 7.7, in particular, shall be read as subject to Regulation 22;~~
- ~~(g) 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; and~~
- ~~(h)~~(f) no provision of these articles shall 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 Where the Company is entitled under the Statutes, the Regulations, the rules, procedures or practices of any relevant system or in accordance with the rules of the London Stock Exchange and/or the UK Listing Authority to dispose of, forfeit, accept the surrender of, enforce a lien over, re-allot or sell, transfer or otherwise procure the sale of any shares which are held in uncertificated form, the Board shall have the power to take such steps as the Board considers appropriate, by instruction by means of a relevant system or otherwise, to effect such disposal, forfeiture, surrender, enforcement, re-allotment, sale or transfer and such powers shall include the right to:

- (a) request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or
- (b) alter such computer-based entries so as to divest the registered holder of such shares of the power to transfer such shares to a person other than the transferee, purchaser or his nominee identified by the Company for this purpose; and/or
- (c) require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to convert his holding of such uncertificated shares into certificated form within such period as may be specified in the notice prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps as may be necessary to sell or transfer such shares; and/or
- (d) appoint any person to take such other steps in the name of the holder of such shares as may be required to effect the conversion and/or transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned.

9. Transmission of shares

Persons entitled on death

9.1 On the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person or persons recognised by the Company as having any title to or interest in the shares, but nothing in this article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

Election by persons entitled by transmission

9.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise by operation of law to such entitlement may, (subject as provided in these articles) upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, either be registered himself as holder of the share upon giving to the Company notice in writing of his desire to be so registered or transfer such share to some other person. If he shall elect to have his nominee registered, he shall signify his election:

- (a) if such share is a certificated share, by signing an instrument of transfer of such share in favour of his nominee; and
- (b) if such share is an uncertificated share, either by procuring that instructions are given by means of the relevant system to effect the transfer of the share to that nominee or by changing the share to a certificated share and transfer it in accordance with article 9.2(a).

~~9.3~~ All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as if the death or bankruptcy of the member or other event had not occurred and the notice or transfer were a transfer executed by such member. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall, within two months after being so satisfied, cause the entitlement of that person to be noted in the Register.

Rights of persons entitled by transmission

~~9.4~~ ~~9.3~~ Save as otherwise provided by or in accordance with these articles a person becoming entitled to a share in consequence of the death or bankruptcy of a member or other event giving rise by operation of law to such entitlement (upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share (and the rights of the registered holder in relation to such share shall cease) except that he shall not be entitled in respect of such share (except with the authority of the Board) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may after that withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

~~10. Share warrants to bearer~~

~~Share warrants to bearer may be issued by the Board in respect of fully paid shares on such terms and conditions as to voting and in all other respects as they may prescribe, providing that no new share warrant to bearer shall be issued to replace one that has been lost unless it is proved beyond reasonable doubt to the satisfaction of the Board to have been destroyed. The bearer of a share warrant shall be subject to the terms and conditions governing share warrants for the time being in force, whether made before or after the issue of such share warrant.~~

~~11.10. General meetings~~

Annual general meetings

~~11.1~~ ~~10.1~~ The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Statutes at such time and place as the Board may determine.

~~Extraordinary general meetings~~

~~11.2 Any general meeting of the Company other than an annual general meeting may, if the directors so wish, be called an extraordinary general meeting.~~

Calling of general meetings

~~11.3~~10.2 The Board may whenever it thinks fit, and shall on members' requests in accordance with the ~~2006~~ Act, proceed with proper expedition to convene a general meeting.

Form of resolution

~~11.4~~10.3 Subject to the Statutes, where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective.

~~12.11.~~ Notice of general meetings

Length of notice for general meetings and persons entitled to receive notice

~~12.1~~11.1 ~~Subject to the requirements set out in the 2006 Act, any~~ Any notice of general meeting may be given by the Company:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) by means of a website,

or partly by one of these means and partly by another of these means. Notices of general meeting shall be given in accordance with article ~~35~~34.

~~12.1~~ An annual general meeting and all other general meetings of the Company shall be called by ~~not fewer than twenty one days' at least such minimum notice and any other general meeting by not fewer than fourteen days' notice. The period of notice shall in each case be exclusive of the day on which it is served prescribed or deemed to be served and~~ of permitted under the day on which the meeting is to be held. A general meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed:

~~(a) in the case of an annual general meeting by all the members entitled to attend and vote at that annual general meeting; and~~

~~(b)~~11.2 ~~in the case of any other general meeting by a majority in number of the members having a right to attend and vote at that general meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right~~ Act.

~~12.3~~11.3 The notice shall be given to the members (other than any who, under the provisions of these articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the directors and to the auditors. The notice shall also be given to any other person entitled to receive such notice under the ~~2006~~ Act.

~~12.4~~11.4 The Board may determine that persons entitled to receive notice of meetings are those persons entered on the Register at the close of business on a day determined by the Board, but if the Company is a participating issuer, the day determined by the Board may not be more than 21 days before the date upon which the relevant notice is being sent.

Contents of notice of general meetings

~~12.5~~11.5 Every notice calling a general meeting shall:

- (a) specify the place and the day and time of the meeting, and contain a reasonably prominent statement informing the member of his rights to appoint proxies under ~~section 324 of the 2006~~ Act and any more extensive rights conferred by these articles (or such other statement as may from time to time be required under the Statutes);
- (b) in the case of an annual general meeting, specify the meeting as such;
- (c) in the case of any annual general meeting (but not any other general meeting) at which business other than ordinary business is to be transacted, specify the general nature of such business; and
- (d) if any resolution is to be proposed as a special resolution, set out in full the resolution to be proposed as a special resolution.

Ordinary business

~~12.6~~11.6 Ordinary business in relation to an annual general meeting shall mean:

- (a) receiving, considering and adopting the annual accounts and the report of the directors and the auditors on the annual reports;
- (b) receiving, considering and adopting the annual directors' remuneration report;
- (c) declaring a dividend;
- (d) reappointing directors and appointing directors to replace those retiring at the meeting not offering themselves for reappointment;
- (e) reappointing auditors and authorising the Board to fix their remuneration; and
- (f) renewing or regranting an existing authority for a scrip dividend alternative.

~~13.12.~~ Proceedings at general meetings

Chairman

- ~~13.1~~**12.1** The chairman of the Board (if any), failing whom the deputy chairman (if any), shall preside as chairman at a general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor deputy chairman is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the directors present shall choose one of their number (or, if no director is present or if all the directors present decline to take the chair, the persons present and entitled to vote on a poll shall choose one of their number), to be chairman of the meeting.

Quorum

- ~~13.2~~**12.2** No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present in person or by proxy and entitled to attend and vote at that meeting shall be a quorum for all purposes.

Directors and other persons may attend and speak

- ~~13.3~~**12.3** Any director and any person appointed as proxy (and any other person invited by the chairman to do so) shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company.

Adjournment

- 12.4** The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to him that:

- (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting;
- (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or
- (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

- ~~13.4~~**12.5** The chairman of any general meeting may with the consent of the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or without a date being fixed) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned without a date being fixed, the time and place for any adjourned meeting shall be fixed by the Board.

- ~~13.5~~**12.6** When a meeting is adjourned for thirty days or more or without a date being fixed, not fewer than seven days' notice of any adjourned meeting shall be given in the same manner as in the case of the original meeting.

- ~~13.6~~**12.7** If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it

shall stand adjourned to such other day (not being fewer than fourteen nor more than twenty-eight days after such meeting) and at such other time or place as the chairman of the meeting may determine and at such adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum. The Company shall give not fewer than seven days' notice in writing of any meeting adjourned through want of a quorum and such notice shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

Notice of adjourned meeting

~~13.7~~12.8 Except as expressly provided in these articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Amendments to resolutions

~~13.8~~12.9 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by an error in such ruling. In the case of a resolution duly proposed as a special resolution no amendment to such resolution (other than a mere clerical amendment or to correct a patent error) may in any event be considered or voted upon.

Security and other arrangements at meetings

~~13.9~~12.10 The Board may from time to time make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including the requiring of evidence of identity to be produced by a person attending the meeting, the searching of a person attending the meeting and the restriction of the items of property which may be taken into the meeting place. The Board may refuse entry to, and/or remove from, a meeting any person who refuses to comply with these arrangements or restrictions.

Declaration by chairman

~~13.10~~12.11 Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried on a show of hands, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes of the meeting signed or purporting to be signed by the chairman of the meeting or by the chairman of the next following general meeting, shall in the absence of manifest error, be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

Demand for poll

~~13.11~~12.12 At any general meeting a resolution put to the vote of the 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 demanded by:

- (a) the chairman of the meeting;
- (b) not fewer than five members present in person or by proxy and entitled to vote ~~at~~on the ~~meeting~~resolution;
- (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as ~~treasury shares~~Treasury Shares); or
- (d) a member or members present in person or by proxy and holding shares in the Company 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 (excluding shares in the Company conferring a right to vote on the resolution which are held as ~~treasury shares~~Treasury Shares).

Withdrawal of demand for poll

- ~~13.12~~12.13 A demand for a poll may be withdrawn at any time before the poll is taken or the close of the meeting, whichever is earlier, but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

Procedure on a poll

- ~~13.13~~12.14 If a poll is required, it shall be taken in such a manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

Timing of poll

- ~~13.14~~12.15 A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately, provided that the time and place at which it is to be taken was announced at the meeting at which it was demanded.

Continuing the meeting after a demand for a poll

- ~~13.15~~12.16 A demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

~~14.13~~13. Votes of members

Votes attaching to shares

- ~~14.11~~13.1 Subject to the provisions of the ~~Act and/or the 2006 Act~~Statutes and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by these articles, ~~on a show of hands every member who is present in person or by proxy shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. Provided that:~~

(a) ~~The~~ on a show of hands:

- (i) every member who is present in person shall have one vote;
- (ii) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution shall have one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he shall have one vote for and one vote against the resolution; and
- (iii) every corporate representative present who has been duly authorised by a corporation shall have the same voting rights as the corporation would be entitled to; and

- (b) on a poll every member who is present in person or by duly appointed proxy or corporate representative shall have one vote for every share of which he is the holder or in respect of which his appointment of proxy or corporate representative has been made,

provided that:

~~(a)(i)~~ (i) the First Preference Shares shall not entitle the holders (i) to vote upon any resolution (other than a resolution ~~for winding up the Company, a resolution submitted by the Board for the approval of the sale of the whole or major part of the assets and undertaking of the Company or a resolution varying or abrogating any of the special rights or privileges attached to such shares~~) unless at the date of the notice convening then meeting at which the resolution is to be proposed the dividend on such shares is six months in arrears and so that for this purpose the dividend shall be deemed to be payable to half yearly on the dates mentioned in article 2.1 in respect of the periods mentioned in that article, ~~varying or abrogating any of the special rights or privileges attached to such shares~~), or (ii) to receive notice of or to attend at any General Meeting unless the business of the meeting includes the consideration of a resolution upon which such holders are entitled to vote; and

~~(b)(ii)~~ (ii) ~~The~~ the New Preference Shares shall not entitle the holders (i) to vote upon any resolution (other than a resolution ~~for winding up the Company, a resolution submitted by the Board for the approval of the sale of the whole or major part of the assets and undertaking of the Company or a resolution modifying, varying or abrogating any of the special rights or privileges attached to such shares~~) unless at the date of the notice convening then meeting at which the resolution is to be proposed the dividend on such shares is six months in arrears and so that for this purpose the dividend shall be deemed to be payable to half yearly on the dates mentioned in article 2.1 in respect of the periods mentioned in that article, ~~varying or abrogating any of the special rights or privileges attached to such shares~~), or (ii) to receive notice of or to attend at any General Meeting unless the business of the meeting includes the consideration of a resolution upon which such holders are entitled to vote.

13.2 A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

No chairman's casting vote

~~14.2~~13.3 In the case of an equality of votes, whether on a show of hands or on a poll, no person shall have a second or casting vote.

Voting record date

13.4 For the purposes of determining which persons are entitled to attend or vote at a general meeting and how many votes such persons may cast, the Company may specify in the notice convening the meeting a time, being not more than 48 hours before the time fixed for the meeting (and for this purpose no account shall be taken of any part of a day that is not a working day), by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.

Votes of joint holders

~~14.3~~13.5 In the case of joint holders of a share 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 for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.

Votes by guardian

~~14.4~~13.6 Where in the United Kingdom or elsewhere a guardian, receiver, curator bonis or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder or being otherwise incapable of managing his affairs, the Board may in its absolute discretion, upon or subject to production of such evidence of the appointment as the Board may require, permit such guardian, receiver, curator bonis or other person on behalf of such member to vote in person or by proxy at any general meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

Restriction of rights of members where calls outstanding

~~14.5~~13.7 Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of the holders of any class of shares either personally or by proxy, or to be

reckoned in a quorum, or to exercise any other right or privilege conferred by membership in respect of a share held by him in relation to meetings of the Company unless and until he shall have paid all calls or other sums presently due and payable by him, whether alone or jointly with any other person, to the Company.

Validity and result of vote

~~14.6~~13.8 No objection shall be raised as to the admissibility of any vote or to the counting of, or failure to count, any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered or at which any errors occurs and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

13.9 The Company is not obliged to check whether proxies, or corporate representatives, have voted in accordance with instructions given to them by the member appointing them. Subject to article 13.10, a vote cast by a proxy or corporate representative which is not in accordance with such instructions will not invalidate the results of the meeting.

~~14.7~~13.10 Unless a poll is taken a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

~~*Voting on a poll*~~

~~14.8 On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.~~

~~15.14~~ **Disclosure of interests**

~~15.1~~14.1 For the purposes of these articles, unless the context otherwise requires:

- (a) **"Disclosure Notice"** means a notice issued by or on behalf of the Company requiring information about interests in its shares pursuant to section 793 of the ~~2006~~ Act;
- (b) **"Specified Shares"** means all or, as the case may be, some of the shares specified in a Disclosure Notice;
- (c) **"Restrictions"** means one or more, as determined by the Board, of the following:
 - (i) that the member holding the Specified Shares shall not be entitled, in respect of those shares, to attend or be counted in the quorum or vote either personally or by proxy at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll or to exercise any other right or privilege in relation to any general meeting or any meeting of the holders of any class of shares;
 - (ii) that, unless effected pursuant to article ~~15.14~~14.3(c), no transfer of the Specified Shares in certificated form shall be effective or shall be registered by the Company;
 - (iii) that no dividend or other money payable shall be paid in respect of the Specified Shares and that, in circumstances where an offer of the right to elect to receive shares instead of cash in respect of any dividend is or has been made, any election made under that offer in respect of such Specified Shares shall not be effective,

provided that only the restriction referred to in sub-paragraph (i) may be determined by the Board to apply if the Specified Shares represent less than 0.25% of the relevant class (calculated exclusive of any Treasury Shares of that class) at the time of issue of the Disclosure Notice;

- (d) **"Restriction Notice"** means a notice issued by or on behalf of the Company stating, or substantially to the effect, that the Specified Shares referred to in that notice shall be subject to one or more of the Restrictions stated in that notice;
- (e) a person other than the member holding a share shall be treated as appearing to be interested (as that word is construed for the purposes of Part 22 of the ~~2006~~ Act) in that share if:

- (i) the member has informed the Company, whether under any statutory or regulatory provision relating to disclosure of interests or otherwise, that the person is, or may be, or has been at any time during the three years immediately preceding the date upon which the Disclosure Notice is issued, so interested;
 - (ii) the Board (after taking account of any information obtained from the member or, pursuant to a Disclosure Notice, from any other person) knows or has reasonable cause to believe that the person is, or may be, or has been at any time during the three years immediately preceding the date upon which the Disclosure Notice is issued, so interested; or
 - (iii) in response to a Disclosure Notice, the member or any other person appearing to be so interested has failed to establish the identities of all those who are so interested and (after taking into account the response and any other relevant information) the Company has reasonable cause to believe that such person is or may be so interested; and
- (f) the Company shall not be treated as having received the information required by a Disclosure Notice in accordance with the terms of such Disclosure Notice in circumstances where the Board knows or has reasonable cause to believe that the information provided is false or materially incorrect.

15.214.2 Notwithstanding anything in these articles to the contrary, if:

- (a) a Disclosure Notice has been sent or supplied to a member or any other person appearing to be interested in the Specified Shares; and
- (b) the Company has not received (in accordance with the terms of such Disclosure Notice) the information required in the notice in respect of any of the Specified Shares within fourteen days after such Disclosure Notice was sent or supplied,

then the Board may determine that the member holding the Specified Shares shall, upon the issue of a Restriction Notice referring to those Specified Shares in respect of which information has not been received, be subject to the Restrictions referred to in such Restriction Notice, and upon the issue of such Restriction Notice such member shall be so subject. As soon as practicable after the issue of a Restriction Notice the Company shall serve a copy of the notice on the member holding the Specified Shares but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of this article.

15.314.3 The Restrictions on shares shall cease to apply:

- (a) either in whole or in part at any time the Board may determine;
- (b) upon the Company receiving in accordance with the terms of the relevant Disclosure Notice the information required in that Disclosure Notice in respect of those shares; or
- (c) if the Company receives an executed instrument of transfer (or a transfer of uncertificated shares is effected under the relevant system) in respect of those shares, which would otherwise be given effect to, pursuant to a sale to a party not connected (within the meaning given in section 839 of the Income and Corporation Taxes Act 1988) with the member holding such shares or with any other person appearing to be interested in such shares where such sale is:
 - (i) on a recognised investment exchange (within the meaning given in section 285 of the Financial Services and Markets Act 2000);
 - (ii) on any stock exchange outside the United Kingdom on which the Company's shares are normally dealt; or
 - (iii) on the acceptance of an offer made to all the holders (or all the holders other than the person making the offer or his nominees) of the shares of the class of which the shares subject to the Restrictions form part to acquire those shares or a specified portion of them.

15.414.4 Subject to the requirements of the UK Listing Authority/London Stock Exchange, notwithstanding sub-paragraph (c) of article ~~15.14.3~~ the Restrictions on shares shall continue to apply if within ten days of receipt of the instrument of transfer the Board

decides that it has reasonable cause to believe that the change in the registered holder of those shares would not be as a result of an arm's length sale resulting in a material change in the beneficial interests in those shares. Where the Board makes a decision pursuant to this article ~~15.5~~14.4, the Company shall notify the purported transferee of the decision as soon as practicable and any person may make representations in writing to the Board concerning the decision. The Company shall not be liable to any person as a result of having imposed Restrictions or deciding that such Restrictions shall continue to apply if the Board acted in good faith.

~~15.5~~14.5 Where dividends or other moneys are not paid as a result of Restrictions having been imposed on shares, such dividends or other moneys shall accrue and, upon the relevant restriction ceasing to apply, shall be payable (without interest) to the person who would have been entitled had the restriction not been imposed.

~~15.6~~14.6 Shares which the Company offers or procures to be offered *pro rata* (or *pro rata* ignoring fractional entitlements and ignoring shares not offered to certain members by reason of legal or practical problems associated with offering shares outside the United Kingdom) to holders of shares which are subject to Restrictions shall on issue become subject to the same Restrictions.

~~15.7~~14.7 The Board shall at all times have the right, at its discretion, to suspend, in whole or in part, any Restriction Notice either permanently or for any given period and to pay to a trustee any dividend payable in respect of any shares subject to Restrictions or in respect of any shares issued in right of shares subject to Restrictions. Notice of any suspension, specifying the sanctions suspended and the period of suspension, shall be given to the relevant holder in writing within seven days after any decision to implement such a suspension.

~~15.8~~14.8 The limitations on the powers of the Board to impose and retain Restrictions are without prejudice to the Company's power to apply to the court pursuant to the Statutes to apply the Restrictions or any other restrictions on any conditions.

~~16.15~~ Proxies

Proxy need not be a member

~~16.1~~15.1 A proxy need not be a member of the Company.

More than one proxy may be appointed

~~16.2~~15.2 A member may appoint more than one proxy to attend on the same occasion, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member.

~~16.3~~15.3 When two or more valid but differing appointments of proxy are delivered or received in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered or received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was last validly delivered or received, none of them shall be treated as valid in respect of that share.

Appointment of proxy

~~16.4~~15.4 The appointment of a proxy shall be executed in any usual or common form or in any other form which the Board may approve; and: (subject to article 15.8 below in the case of appointments in electronic form):

- (a) in the case of an individual, an appointment of a proxy shall be signed by the appointor or by his attorney; and
- (b) in the case of a corporation, an appointment of a proxy shall be either given under its common seal or signed on its behalf by an officer, attorney or other person authorised to sign it.

Board may supply proxy forms

~~16.5~~15.5 The Board may at the expense of the Company send, by post or otherwise, instruments of proxy (reply-paid or otherwise) to members for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall, subject to article ~~12~~ 11.3, be issued to all (and not some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

Signature on proxy

~~16.6~~15.6 The signature on an appointment of a proxy need not be witnessed. Subject to article ~~16~~ 15.8 below in the case of appointments ~~by~~ in electronic ~~communication~~ form, where an appointment of a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy of such letter or power of attorney must (failing previous registration with the Company) be lodged with a written appointment of proxy pursuant to the following article, failing which the appointment may be treated as invalid.

Receipt of appointment of proxy

~~16.7~~15.7 An appointment of a proxy must:

- (a) in the case of an instrument in writing, be deposited at the Registered Office or such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting or in any instrument of proxy sent out by the Company no fewer than forty-eight hours (excluding days that are not a working day) before the time appointed for the holding of the meeting or adjourned meeting;
- (b) in the case of an appointment ~~contained in an electronic communication form and sent by electronic means~~, where an address has been ~~specified for the purpose of receiving electronic communications~~:
 - (i) given by the Company in the notice convening the meeting;
 - (ii) given by the Company in any instrument of proxy sent out by the Company in relation to the meeting; or (iii) otherwise given by the Company when sending out an instrument of proxy for the purposes of the meeting;
 - (iii) given by the Company in any invitation ~~contained in an electronic communication form~~ to appoint a proxy issued by the Company in relation to the meeting; or
 - ~~(ii)~~(iv) made available on the website on which the information relating to the relevant general meeting required by section 311A (1) of the Act is made available,be received at such address no fewer than forty-eight hours (excluding days that are not a working day) before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;
- (c) or, in the case of a poll taken more than forty-eight hours (excluding days that are not a working day) after it was demanded (whether the appointment is contained in an instrument in writing or ~~contained in an electronic communication form~~), no fewer than 24 hours (excluding days that are not a working day) before the time appointed for the taking of the poll at which it is to be used,

and an appointment of proxy which is not deposited, delivered or received in such a manner shall not be treated as valid. An appointment of proxy relating to more than one meeting (including any adjournment of such meeting) having once been so delivered for the purposes of any meeting shall not have to be delivered again for the purposes of any subsequent meeting to which it relates.

~~16.8~~15.8 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the directors may from time to time permit appointments of a proxy to be made by ~~means of an electronic communication~~ means in the form of an

Uncertificated Proxy Instruction, (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to the facilities and requirements of the relevant system concerned)); and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder of a share.

Rights of proxy

~~16.9~~15.9 An appointment of a proxy shall be deemed to include the right to attend and to speak and vote at the meeting, together with the right to demand or join in demanding a poll. The appointment shall, unless the contrary is stated on or in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates. No appointment of a proxy shall be valid, in the case of a written instrument of proxy, after the expiration of twelve months from the date named in the instrument of proxy as the date of its execution or, in the case of the appointment of a proxy ~~contained in an electronic communication form~~, after the expiration of twelve months from the date on which it was received by or on behalf of the Company. Delivery of an appointment of a proxy shall not preclude a member from attending and voting at the meeting or poll convened.

Revocation of proxy

~~16.10~~15.10 Neither a vote cast or demand for a poll made by a proxy at a general meeting nor anything a proxy does as chairman of a general meeting nor any decision as to whether a proxy counted in deciding whether there was a quorum at a general meeting shall be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or by the revocation or determination of the authority under which the appointment was made or the transfer of the share in respect of which the appointment of proxy was executed unless written notice of such death, insanity, revocation, determination or transfer shall have been received by the Company:

- (a) at the Registered Office (or at the address at which the instrument of proxy was duly deposited); or
- (b) where the appointment of the proxy was ~~contained in an sent by~~ electronic ~~communication means~~, at the address at which such appointment was duly received, at least ~~48~~ hours (excluding days that are not a working day) before the commencement of the meeting or adjourned meeting, unless a poll is taken:
 - (i) otherwise than at or on the same day as the meeting or adjourned meeting; and
 - (ii) more than 48 hours (excluding days that are not a working day) after it was demanded,

in which case, at least 24 hours (excluding days that are not a working day) before the time appointed for the taking of the poll at which the vote is cast.

Address

~~16.11~~15.11 For the purposes of this article ~~16~~15, “address” in relation to ~~electronic communications in electronic form sent by electronic means~~, includes any number or address, including (in the case of any Uncertificated Proxy Instruction permitted pursuant to article ~~16~~15.8, an identification number of a participant in the relevant system concerned) used for the purposes of such communications.

~~17.16.~~ Corporations acting by representatives

~~17.1~~ 16.1 Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person or persons as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. ~~Subject to the provisions of the Statutes Act,~~ the person or any of the persons so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company.

~~17.2~~ 16.2 Such corporation shall for the purpose of these articles be deemed to be present in person at any such meeting if a person so authorised is present at such meeting. A director, the secretary or some person authorised for the purpose by the secretary may require the corporation's representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his power.

~~18.17.~~ Directors

Number of directors

~~18.1~~ 17.1 Subject as provided in these articles the directors shall not be fewer than four nor more than ten in number. The Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of directors.

Share qualification

~~18.2~~ 17.2 A director shall not be required to hold any shares of the Company by way of qualification. A director who is not a member of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

Directors' fees

~~18.3~~ 17.3 The ordinary remuneration of the directors shall from time to time be determined by the Board except that such remuneration shall not exceed £150,000 per annum in aggregate or such higher sum as may from time to time be determined by ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the directors as the Board may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

Other remuneration of directors

~~18.4~~ 17.4 Any director who holds any executive office (including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Board, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Board may determine.

Directors' expenses

~~18.5~~ 17.5 The Board may repay to any director all such reasonable expenses as he may properly incur in attending and returning from meetings of the Board or of any committee of the Board or shareholders' meetings or otherwise in connection with the performance of his duties as a director of the Company.

Directors' pensions and other benefits

~~18.6~~ 17.6 The Board shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

17.7 Any director who performs, or undertakes to perform, services which the Board considers go beyond the ordinary duties of a director may be paid such special remuneration (whether by way of fixed sum, bonus, commission, participation in profits or otherwise) as the Board may determine.

17.8 Any director who holds any executive office (including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Board, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Board may determine.

Directors' expenses

17.9 The Board may repay to any director all such reasonable expenses as he may properly incur in attending and returning from meetings of the Board or of any committee of the Board or shareholders' meetings or otherwise in connection with the performance of his duties as a director of the Company.

Directors' pensions and other benefits

17.10 The Board shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

Directors' permitted interests

17.11 Provided (if these articles so require) that he has declared to the directors, in accordance with the provisions of these articles, the nature and extent of any interest ~~in contracts~~ of his, a director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind; namely:

- (a) ~~Where a director may be (or a person connected with him) is party to or in any way directly or indirectly interested in any, or has any duty in respect of, any existing or proposed contract or arrangement or transaction to which with the Company is a party or any other undertaking in which the Company is in any way interested and he may hold and be;~~
- (b) where a director (or a person connected with him) is a director, employee or other officer of, or a party to any arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) where a director (or a person connected with him) is directly or indirectly interested in shares or share options of the Company or is directly or indirectly interested in shares or share options of, or an employee, director or other officer of a parent undertaking of, or a subsidiary undertaking of a parent undertaking of, the Company (as such terms are defined in section 1162 of the Act);
- (d) where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) under the Company or ~~any other company~~ body corporate in which the Company is in any way interested ~~and he is;~~
- (e) where a director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any ~~firm~~ way interested;
- (f) where a director (or a person connected with him or of which he is a member) ~~may act~~ or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer acts) in a professional capacity for the Company or any ~~such~~ body corporate promoted by the Company or in which the Company is in any way interested (other ~~company and be~~ than as auditor) whether or not he or it is remunerated for his acts ~~and this;~~

- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (h) any other interest authorised by ordinary resolution.

No authorisation under article 17.12 shall be necessary in respect of any such ~~case~~ interest.

- ~~18.7~~17.12 In any situation or matter permitted by, or authorised under this article 17 (save as otherwise agreed by him) ~~he may retain~~ a director shall not by reason of his office be accountable to the Company for ~~his own absolute use and any benefit all profits and advantages accruing to him under or in consequence of his acts~~ which he derives from that situation or matter and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

~~Disclosure~~ Authorisation of directors' interests

- 17.13 For the purposes of section 175 of the Act, the directors shall have the power, subject to ~~the Board~~ articles 17.13 and 17.14, to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

- ~~18.8 A director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement or transaction with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement or transaction is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this article:~~

- 17.14 ~~a~~ Authorisation of a matter under article 17.12 shall be effective only if:

- (a) the matter in question is proposed in writing for consideration at a meeting of the directors, in accordance with the Board's normal procedures or in such other manner as the directors may determine;
- (b) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question and any other interested director (together, the "**Interested Directors**"); and
- (c) the matter is agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

- 17.15 Any authorisation of a matter under article 17.12 may:

- (a) extend to any actual or potential conflict of interest which may arise out of the matter so authorised;
- (b) be given on such terms, and subject to such conditions or limitations as may be imposed by the authorising directors as they see fit from time to time, including, without limitation:
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the directors or of a committee of the directors in relation to the matter so authorised;
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the directors or of a committee of the directors where the matter so authorised is to be discussed; or
 - (iii) restricting the application of the provisions in articles 17.16 and 17.17, so far as is permitted by law, in respect of such Interested Director; and
- (c) be withdrawn, or varied at any time by the directors entitled to authorise the Relevant Interest as they see fit from time to time; and

an Interested Director must act in accordance with any such terms, conditions or limitations as may be imposed on him by the authorising directors pursuant to such authorisation.

- 17.16 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this article 17.

17.17 Subject to article 17.17 (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under this article), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

- (a) to disclose such information to the Company or to the directors, or to any director, officer or employee of the Company; or
- (b) otherwise to use or apply such information for the purpose of or in connection with the performance of his duties as a director.

17.18 Where such duty of confidentiality arises out of a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, article 17.16 shall apply only if the conflict arises out of a matter which is permitted by article 17.10 or has been authorised under article 17.12 (subject to any restrictions imposed by the authorising directors).

17.19 Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation:

- (a) absenting himself from any discussions, whether in meetings of the directors or otherwise, at which the relevant situation or matter falls to be considered; and
- (b) excluding himself from documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

Provisions applicable to declarations of interest

17.20 Subject to section 182 of the Act and articles 17.20 to 17.22, a director shall declare to the other directors the nature and extent of his interest:

- (a) if such interest is permitted under article 17.10 and is not fully within article 17.10(g);
- (b) if he is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company; or
- (c) if he is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, unless the interest has been declared under article 17.19(a) or 17.19(b).

17.21 The declaration of interest must (in the case of article 17.19(c)) and may, but need not (in the case of article 17.19(a) or 17.19(b)) be made:

- (a) at a meeting of the directors; or
- (b) by notice to the directors in accordance with:
 - (i) section 184 of the Act (notice in writing); or
 - (ii) section 185 of the Act (general notice ~~given to the Board by a~~).

17.22 A director need not declare an interest:

- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (b) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered:
 - (i) by a meeting of the directors; or
 - (ii) by a committee of the directors appointed for the purpose under the articles.

17.23 The following further provisions apply in respect of the declaration of interests:

- (a) if a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made;
- (b) any declaration of interest required by articles 17.19(a) or 17.19(c) must be made as soon as is reasonably practicable;
- (c) any declaration of interest required by article 17.19(b) must be made before the Company enters into the transaction or arrangement;
- (d) a declaration in relation to an interest of which the director is not aware, or where the director is not aware of the transaction or arrangement in question, is not required (and, for this purpose, a director is treated as being aware of matters of which he ought reasonably to be aware); and
- ~~(a)~~ a general notice to the directors that a director is to be regarded as having an interest (of the nature and extent specified in the notice) in any ~~contract~~, transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a ~~sufficient disclosure under this article that the director has an interest in relation to any such contract, transaction or arrangement~~ of the nature and
- ~~(b)(e)~~ ~~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 extent so specified.~~

Appointment of executive directors

~~18.9~~17.24 The Board may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of chairman or deputy chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

Ceasing to be a director

~~18.10~~17.25 The appointment of any director to the office of chairman or deputy chairman or chief executive or managing or joint managing or deputy or assistant managing director shall automatically determine if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. The appointment of any director to any other executive office shall not automatically determine if he ceases from any cause to be a director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

Powers of executive directors

~~18.11~~17.26 The Board may entrust to and confer upon any director holding any executive office any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Interpretation

17.27 For the purposes of this article 17:

- (a) where the context permits, any reference to an interest includes a duty and any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) an interest of a person who is connected with a director shall be treated as an interest of the director; and
- (c) the provisions of section 252 of the Act shall determine whether a person is connected with a director.

~~19.18.~~ Appointment and retirement of directors

Power of Company to appoint directors

- ~~19.1~~18.1** Subject to the provisions of these articles and the Statutes, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles.

Power of Board to appoint directors

- ~~19.2~~18.2** Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of these articles to appoint any person to be a director, the Board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles. Any director so appointed must retire from office at, or at the end of, the next following annual general meeting and will then be eligible to stand for election but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

Retirement by rotation

- ~~19.3~~18.3** At each annual general meeting one-third of the directors for the time being shall retire from office by rotation (or, if their number is not a multiple of three, the number nearest to but not exceeding one-third) shall so retire provided always that all directors must be subject to re-election at intervals of no more than three years.

Selection of directors to retire by rotation

- ~~19.4~~18.4** The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last re-elected directors on the same day those to retire shall, unless they otherwise agree among themselves, be determined by lot together with those who in the absence of any such retirement would continue in office for a period in excess of three years. A retiring director shall be eligible for re-election.

Re-election of retiring directors

- ~~19.5~~18.5** ~~The~~ Subject to the Statutes, the Company may, at the meeting at which a director retires under any provision of these articles, by ordinary resolution fill the office being vacated by electing to that office the retiring director or some other person eligible for election. In default the retiring director shall be deemed to have been re-elected except in any of the following cases:
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and lost;
 - (b) where such director has given notice in writing to the Company that he is unwilling to be re-elected; or
 - (c) where the default is due to the moving of a resolution in contravention of the next following article.

~~*Election of two or more directors*~~

- ~~19.6~~** ~~A resolution for the election of two or more persons as directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.~~

Timing of retirement

- ~~19.7~~18.6 The retirement of a director at any general meeting shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in place of the retiring director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

Nomination of director for election

- ~~19.8~~18.7 No person other than a director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election as a director at any general meeting unless not fewer than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Registered Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Vacation of office

- ~~19.9~~18.8 The office of a director shall be vacated if:
- (a) he ceases to be a director by virtue of any provision of the Statutes or he becomes prohibited by law from being a director;
 - (b) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section ~~253~~ of the Insolvency Act 1986 in connection with a voluntary arrangement under that act;
 - (c) he is, or may be suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment ~~under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960~~ pursuant to any statute relating to mental health; or
 - (ii) an order is made by a court ~~having~~ claiming jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person (by whatever name called) to exercise powers with respect to his property or affairs;
 - (d) he resigns ~~by~~ in writing ~~under his hand left at~~ delivered to the Registered Office or he offers in writing to resign and the Board resolves to accept such offer;
 - (e) he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or
 - (f) notice stating he is removed from office as a director is served upon him signed by all his co-directors who must account to the members at the next general meeting of the Company. If a director holds an appointment to an executive office which automatically determines on his removal from office under this or the preceding subparagraph such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

Removal of director

- ~~19.10~~18.9 The Company may, in accordance with and subject to the provisions of the Statutes, by ordinary resolution of which special notice has been given remove any director from office (notwithstanding any provision of these articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement) and elect another person in place of a director so removed from office. Any person so elected shall be treated for the purpose of determining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director in whose

place he is elected was last elected a director. In default of such election the vacancy arising upon the removal of a director from office may be filled as a casual vacancy.

Resolution as to vacancy conclusive

~~19.11~~18.10 A resolution of the Board declaring a director to have vacated office under the terms of article ~~19.10~~ 18.9 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

~~20.19~~ Meetings and proceedings of directors

Convening of meetings of directors

~~20.1~~19.1 Subject to the provisions of these articles the Board may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any director may, and the Secretary at the request of a director shall, summon a meeting of the Board. Notice of a Board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for that purpose. ~~It shall not be necessary to give notice of a meeting of the Board to any director for the time being absent from the United Kingdom. Any director may waive notice of any meeting and any such waiver may be retroactive.~~

Quorum

~~20.2~~19.2 The quorum necessary for the transaction of business of the Board may be fixed from time to time by the Board and unless so fixed at any other number shall be two. A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.

Chairman

~~20.3~~19.3 The Board may elect from their number a chairman and a deputy chairman (or two or more deputy chairmen) and determine the period for which each is to hold office and may at any time remove him or them from office. If no chairman or deputy chairman shall have been appointed or if at any meeting of the Board no chairman or deputy chairman shall be present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.

Deputy chairman

~~20.4~~19.4 If at any time there is more than one deputy chairman the right in the absence of the chairman to preside as chairman at a meeting of the Board or of the Company shall be determined as between the deputy chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Board.

Casting vote

~~20.5~~19.5 Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

Restrictions on voting

~~20.6~~19.6 Save as provided in ~~the following two articles~~, 19.7 and 19.8, and whether or not the interest is one which is permitted under article 17.10 or authorised under article 17.12, a director shall not be permitted to vote on any resolution in respect of any contract, transaction or arrangement, or any other proposal ~~whatsoever~~ in which he ~~has an interest which (together with any interest of any (or a person connected with him within the meaning given by section 252 of the 2006 Act) is 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.)~~ has an interest. A director shall not be counted in the quorum at a meeting of the directors in relation to any resolution on which he is not entitled to vote.

~~20.7~~19.7 Subject to the ~~provisions of the Statutes Act~~, a director shall (in the absence of some ~~material~~ interest other than is ~~indicated~~ set out below and subject to any restrictions imposed pursuant to article 17.14) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any contract, transaction or arrangement, or any other proposal:

- ~~(a)~~ relating to the in which he has an interest of which he is not aware;
- ~~(b)~~ in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- ~~(c)~~ in which he has an interest only by virtue of interests in shares or debentures or other securities of the Company, or by reason of any other interest in or through the Company;
- ~~(e)~~~~(d)~~ which involves the giving of any security, guarantee or indemnity to the director or any other person in respect of:
 - (i) 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; or
 - (ii) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or part under a guarantee or indemnity or by the giving of security;
- ~~(b)~~~~(e)~~ where concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings ~~is offering securities~~, in which offer the director is or may be entitled to participate as a holder of securities, or in the underwriting or sub-underwriting of which the director is to participate;
- ~~(e)~~~~(f)~~ relating to ~~another company~~ any other body corporate in which he is interested, directly or indirectly and whether as a director or other officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) does not hold an interest in shares (as that term is defined in sections 820- to 825 of the ~~2006~~ Act) representing one per cent. or more of either any class of the equity share capital, or the voting rights in such ~~company~~ body corporate;
- ~~(e)~~~~(g)~~ relating to a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which has been approved by HM Revenue & Customs or is conditional upon such approval or does not award him any privilege or benefit not awarded to the employees to whom such scheme relates;
~~or~~
- ~~(h)~~ concerning ~~insurance which the purchase or maintenance by the Company proposes to maintain or purchase~~ of insurance for any liability for the benefit of directors or for the benefit of persons including directors;
- ~~(i)~~ concerning the giving of indemnities in favour of directors;
- ~~(j)~~ concerning the funding of expenditure by any director or directors on (i) defending criminal, civil or regulatory proceedings or actions against him or them, (ii) in connection with an application to the court for relief under sections 661(3) or (4) or 1157 of the Act or otherwise or (iii) defending him or them in any regulatory investigations;
- ~~(k)~~ concerning the doing of anything to enable any director or directors to avoid incurring expenditure as described in article 19.7 (j); or
- ~~(e)~~~~(l)~~ in respect of which his interest, or the interest of directors generally, has been authorised by ordinary resolution.

~~20.8~~19.8 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and in such case each of the directors concerned (if not debarred from

voting under ~~the preceding article~~ 19.7(f)) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

~~20.9~~19.9 If a question arises at any time as to ~~the materiality of a director's~~ whether any interest of a director prevents him from voting, or ~~as being counted in the quorum,~~ under articles 19.6 to ~~his entitlement to vote~~ 19.8, and ~~such~~ the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, 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 interest of such director (so far as known to him) has not been fairly disclosed. ~~If any such question arises at any meeting as to the materiality of the chairman's interest or as to the entitlement~~ shall arise in respect of the chairman ~~to vote or be counted in a quorum~~ of the meeting, and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the chairman of the meeting (so far as known to him) has not been fairly disclosed to the directors.

~~20.10~~19.10 ~~The~~ Subject to the Act, the Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of any restrictions in these articles of a director's entitlement to vote.

19.11 For the purposes of ~~article 20~~ articles 19.6 to ~~20~~ 19.9 and this article 19.11 (which shall each apply equally to alternate directors) ~~);~~:

(a) where the context permits, any reference to an interest includes a duty and any reference to a conflict of interest includes a conflict of interest and duty and a conflict of duties;

(b) an interest of a person who is for the purposes of the Act connected (which word shall have the meaning given to it by section 252 of the 2006 Act) with a director shall be treated as an interest of the director;

(c) the provisions of section 252 of the Act shall determine whether a person is connected with a director; and

~~20.11~~(d) in the case of an alternate director, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has.

Number of directors below minimum

~~20.12~~19.12 The continuing directors may act notwithstanding any vacancies, but if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these articles the continuing directors or director may act for the purpose of filling such vacancies or of summoning a general meeting for the purpose of making such appointment, but not for any other purpose. If there are no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

Written resolutions

~~20.13~~19.13 A resolution in writing executed by or on behalf of all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as effectual as if it had been passed at a meeting of the directors or, as the case may be, a committee of directors duly convened and held and may consist of several documents each accurately stating the terms of the resolution and each executed by or on behalf of one or more directors but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not also be executed by the alternate director in that capacity. Such a resolution need not be signed by a director who is prohibited by these articles from voting on that matter or by his alternate.

~~20.14~~19.14 Subject to the provisions of the ~~2006~~ Act and where the Company has so agreed (generally or specifically), the confirmation to the Company by a director of his assent to any resolution by electronic means, sent to the electronic address notified by the Company for this purpose, shall be deemed to constitute a duly executed document for the purposes of article ~~20~~19.13.

Validity of proceedings

~~20.15~~19.15 All acts done by any meeting of the Board, or of any committee of the Board, or by any person acting as a director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of those persons so acting, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or member of the committee and had been entitled to vote.

Telephone meetings

~~20.16~~19.16 Any director or his alternate may participate in a meeting of directors by means of a conference telephone or similar communications system whereby all those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person at such meeting for all purposes including that of establishing a quorum and entitlement to vote. A meeting held by such means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of such a majority the location of the chairman shall be deemed to be the place of the meeting. A resolution passed at any meeting held in the above manner, and signed by the chairman of the meeting, shall be as valid and effectual as if it had been passed at a meeting of the Board (or committee, as the case may be), duly convened and held.

~~21.20~~ Committees of the directors

Appointment and constitution of committees

~~21.1~~20.1 The Board may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the directors) to committees consisting of one or more directors and (if thought fit) one or more other named persons or person to be co-opted as provided below. The Board may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any such power or discretion is delegated to a committee, any reference in these articles to the exercise by the Board of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise of such power or discretion by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than directors and may provide for members who are not directors to have voting rights as members of the committee but so that the number of members who are not directors shall be fewer than one-half of the total number of members of the committee.

Proceedings of committee meetings

~~21.2~~20.2 The meetings and proceedings of any such committee consisting of two or more persons shall (with necessary changes only) be governed by the provisions of these articles regulating the meetings and proceedings of the Board, so far as the same are not superseded by any regulations made by the Board under article ~~21~~20.1.

~~22.21~~ Powers of directors

General powers

~~22.1~~21.1 The business and affairs of the Company shall be managed by the Board, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not by the Statutes or by these articles

required to be exercised by the Company in general meeting subject nevertheless to any regulations of these articles, ~~the memorandum of association~~, to the provisions of the Statutes and to such regulations as may be prescribed by special resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this article ~~22.21.1~~ shall not be limited or restricted by any special authority or power given to the Board by any other article.

Local boards

~~22.22~~21.2 The Board may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies in their number, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected by such annulment or variation.

Appointment of attorney

~~22.32~~21.3 The Board may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these articles) and for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may from time to time revoke, withdraw, alter or vary any of such powers.

President

~~22.42~~21.4 The Board may from time to time elect a president of the Company and may determine the period for which he shall hold office. Such president may be either honorary or paid such remuneration as the Board in its discretion shall think fit, and need not be a director but shall, if not a director, be entitled to receive notice of and attend and speak, but not to vote, at all meetings of the Board.

Associate directors

~~22.52~~21.5 The Board may appoint any person (not being a director) to any office or employment having a designation or title including the word “**director**” or attach to any existing office or employment with the Company such designation or title and may terminate any such appointment or the use of such designation or title. The inclusion of the word “**director**” in the designation or title of any such office or employment shall not imply that such person is, or is deemed to be, or is empowered in any respect to act as, a director for any of the purposes of the Act or these articles.

Signature on cheques etc.

~~22.62~~21.6 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

23.22. Alternate directors

23.22.1 Any director (other than an alternate director) may at any time by writing under his hand and deposited at the Registered Office, or delivered at a meeting of the Board, appoint any person ~~including~~ (another director) to be his alternate director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Board or unless the appointee is another director, shall have effect only upon and subject to being approved by the Board.

23.22.2 The appointment of an alternate director shall determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor ceases to be a director, otherwise than by retirement at a general meeting at which he is re-elected.

23.22.3 An alternate director shall ~~(except when absent from the United Kingdom)~~ be entitled to receive notices of meetings of the Board and shall be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these articles shall apply as if he (instead of his appointor) were a director. If he shall be himself a director (or shall attend any such meeting as an alternate for more than one director), his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being temporarily unable to act through ill health or disability his signature to any resolution in writing of the Board shall be as effective as the signature of his appointor. To such extent as the Board may from time to time determine in relation to any committees of the Board the foregoing provisions of this article shall also apply with necessary changes only to any meeting of any such committee of which his appointor is a member. An alternate director shall not (save as aforesaid) have power to act as a director, nor shall he be deemed to be a director for the purposes of these articles, nor shall he be deemed to be the agent of his appointor.

23.22.4 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions with the Company and to be repaid expenses and to be indemnified to the same extent with necessary changes only as if he were a director but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

24.23. Secretary

The Secretary shall be appointed by the Board on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint secretaries. The Board may also appoint from time to time on such terms as they may think fit one or more deputy and/or assistant secretaries. Any provision of the ~~Act or the 2006~~ Act or these articles requiring or authorising a thing to be done by or to a director and the Secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the Secretary.

25.24. Provision for employees

The Board may by resolution exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiaries.

26.25. Untraceable members

26.25.1

The Company shall be entitled to cease sending dividend warrants by post if such warrants have been returned undelivered or left uncashed, provided that this power may not be exercised until either such warrants have been so returned or left uncashed on two consecutive occasions or, following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder.

26.25.2

The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a member or the shares to which a person is entitled by transmission on death or bankruptcy or otherwise by operation of law provided that this power may not be exercised unless:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in sub-paragraph (b) (or, if published on different dates, the latest date) no communication has been received by the Company from the member or the person entitled by transmission and no cheque or warrant sent by the Company in respect of the shares has been cashed and no fewer than three dividends in respect of the shares have become payable during such period and no dividend in respect of those shares has been claimed;
- (b) the Company shall on expiry of such period of 12 years have inserted advertisements in both a national daily newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these articles is located giving notice of its intention to sell the shares;
- (c) during such period of 12 years and the period of three months following the publication of such advertisements (or, if published on different dates, the latest date) and prior to the exercise of the power of sale, the Company shall have received no communication from such member or person; and
- (d) if the Company has any of its securities admitted to the Official List of the UK Listing Authority or admitted to trading on AIM, notice shall have been given to the UK Listing Authority and/or the London Stock Exchange (as the case may be) of its intention to make such sale.

26.25.3

To give effect to any such sale pursuant to article ~~26.25.2~~ 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 on death or bankruptcy or otherwise by operation of law to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating to the transfer nor shall the transferee be bound to see the application of the purchase moneys. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled for a sum equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such sum which shall be a permanent debt of the Company. 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 Board may from time to time think fit.

27.26. Borrowing powers

The Board may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

28.27. The seal

28.127.1

The Board shall provide for the safe custody of the common seal of the Company which shall not be used without the authority of the Board or of a committee authorised by the Board in that behalf.

28.227.2

Every instrument to which the common seal of the Company shall be affixed shall be signed by one director and the Secretary or by two directors save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signature or either of them be dispensed with or affixed by some method or system of mechanical signatures.

28.327.3

Any instrument signed by one director (in the presence of a witness who attests the signature) one director and the Secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under the common seal of the Company, provided that no instrument which makes it clear on its face that it is intended to have effect as a deed shall be so signed without the authority of the Board or of a committee authorised by the Board in that behalf.

~~28.4 The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Board.~~

29.28. Authentication of documents

Any director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee, and any book, record, document or account relating to the business of the Company and to certify copies or extracts of such resolution, book, record, document or account as true copies or extracts, and if any resolution, book, record, document or account is elsewhere than at the Registered Office the local manager or other officer of the Company having the custody of them shall be deemed to be a person appointed by the Board. 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 certified shall be conclusive evidence in favour of all persons dealing with the Company upon the faith of such certified copy that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

30.29. Reserves

~~30.1~~ The Board may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Board, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Board may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Board may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same, the Board shall comply with the provisions of the Statutes.

~~30.2 Notwithstanding any other provisions contained in these articles, if any adjustment is made to the subscription price payable by an optionholder under any employee share scheme of the Company which results in the adjusted price per share payable on the exercise of the option in respect of an ordinary share being less than the normal value of such ordinary share ("the adjusted price"), the Board may capitalise all or part of the Company's reserves available for the distribution (excluding any share premium account, capital redemption reserve or other undistributable reserve), upon the issue of any ordinary share in respect of and following the exercise of the relevant option (the "New Share"). The amount so capitalised shall be equal to the difference between the adjusted price and the nominal value of the New Share. The Board shall apply such amount in paying up in full the balance payable on the New Share. The Board may take such steps as they consider necessary to ensure that the Company has sufficient reserves available for such application. No further authority of the Company in General Meeting is required.~~

~~Business bought as from past date~~

~~30.3 Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.~~

31.30. Dividends

Final dividends

~~31.130.1~~ Subject to the provisions of the Act ~~and/or the 2006 Act (as applicable)~~ and of these articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests but no such dividends shall exceed the sum recommended by the Board.

Interim dividends

~~31.230.2~~ In so far as in the opinion of the Board the profits of the Company justify such payments, the Board may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of such dividends and may also from time to time declare and pay interim dividends on shares of any class of such sums and on such dates and in respect of such periods as it thinks fit. 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.

Ranking of shares for dividend

~~31.330.3~~ Unless and to the extent that the rights attached to any shares or the terms of issue of such shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the sums paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this article no sum paid on a share in advance of calls shall be treated as paid on the share.

No dividend except out of profits

~~31.430.4~~ ~~31.4~~ No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

No interest on dividends

~~31.530.5~~ No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

Retention of dividends

~~31.630.6~~ The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or obligations in respect of which the lien exists.

~~31.730.7~~ The Board may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares in these articles entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

Waiver of dividend

~~31.830.8~~ The waiver in whole or in part of any dividend on any share by any document (whether or not executed as a deed) shall be effective only if such document is signed by the holder of such share (or the person becoming entitled to the share in

consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

Unclaimed dividend

~~31.9~~30.9 All dividends, interest or other sum payable and unclaimed for 12 ~~—~~ months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend unclaimed after a period of twelve years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.

Distribution in specie

~~31.10~~30.10 The Company may upon the recommendation of the Board by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Board shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular:

- (a) may issue fractional certificates;
- (b) may fix the value for distribution of such specific assets or any part of such specific assets;
- (c) may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all members; and
- (d) may vest any such specific assets in trustees as may seem expedient to the Board.

Manner of payment of dividends

~~31.11~~30.11 Any dividend or other moneys payable in cash on or in respect of a share may be paid by one or more of the following methods to be determined by the Board from time to time as it sees fit:

- (a) by cheque, warrant or other financial instrument (made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may direct) sent through the post to the registered address of the member or person entitled to such dividend or other moneys (or, if two or more persons are registered as joint holders of the share or are entitled to such share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons) or to such person and such address as such member or person or persons may in writing direct;
- (b) by means of the relevant system (including, without limitation, CREST) in respect of an uncertificated share if the Board decides and the person entitled to payment has in writing authorised the payment to be made by means of that system; or
- (c) by such other method as the person entitled to the payment may agree in writing.

~~31.12~~30.12 Payment by cheque or warrant or other financial instrument by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant or other financial instrument shall be sent at the risk of the person entitled to the money represented by such cheque or warrant or other financial instrument and shall (where relevant) be crossed in accordance with the Cheques Act 1992. Payment by bank or other funds transfer, by means of relevant systems (which, if the relevant system is CREST, 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, if permitted by the Company, of such person as the holder or joint holders may direct) or by another method at the direction of the person(s) entitled to payment shall be a good discharge to the Company and the Company shall have no responsibility for any amounts lost or delayed in the course of making that payment. If any such cheque, warrant or

other financial instrument has been, or shall be alleged to have been, lost, stolen or destroyed, the Board may, at the request of the person(s) entitled to it, issue a replacement cheque, warrant or other financial instrument or other form of payment subject to compliance with such conditions as to evidence and indemnity and the payment of such out-of-pocket expenses incurred by the Company in connection with the request as the Board may think fit. Notwithstanding any other provision of these articles relating to payments in respect of shares, where:

- (a) the Board determines to make payments in respect of uncertificated shares through the relevant system, it may also determine or enable any holder of uncertificated shares to elect not to receive dividends through the relevant system and, in such event, establish procedures to enable such holder to make, vary or revoke any such election; and
- (b) the Company receives an authority in respect of such payments in respect of shares in a form satisfactory to it from a holder of any shares (whether such authority is given in writing or by means of the relevant system or otherwise), the Company may make, or procure the making of, such payments in accordance with such authority and any payment made in accordance with such authority shall constitute a good discharge therefore.

~~31.13~~30.13 Subject to the provisions of these articles and to the rights attaching to, or the terms of issue of, any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Board may determine.

~~31.14~~30.14 If any dividend or other moneys payable on or in respect of a share are to be paid in a currency other than sterling, the Board may make such provisions as it thinks fit to enable such payment to be made, including making arrangements to enable payment to be made in the relevant currency for value on the date due for payment or on such later date as the Board may decide.

~~31.15~~30.15 Where a dividend or other moneys payable on or in respect of a share are to be paid in a currency other than sterling, the rate of exchange to be used to calculate the relevant amount of foreign currency shall be such market rate selected by the Board as it shall consider appropriate, ruling at any time between the close of business on the business day immediately preceding the day on which the Board publicly announces its intention to pay or recommend (as the case may be) the relevant dividend and the close of business on the day on which that dividend is paid.

Joint holders

~~31.16~~30.16 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death, bankruptcy or mental disorder of the holder or otherwise by operation of law or any other event, any one of them may give effectual receipts for any dividend or other money payable or property distributable on or in respect of the share.

Record date for dividends, issues of shares etc.

~~31.17~~30.17 Subject to the Statutes and the requirements of the UK Listing Authority and/or London Stock Exchange, the Company in general meeting, or the Board by resolution, may specify any date (the “**record date**”) as the date at the close of business on which persons registered as the holders of shares shall be entitled to receipt of any dividend, distribution, interest, allotment, issue or other right and such record date may be on, or at any time before or after, that on which the resolution is passed. Upon that date the dividend, distribution, interest, allotment, issue or other right shall then be payable or due to them in accordance with their respective holdings so registered, but without prejudice to the rights between transferors and transferees of any such shares in respect of such dividend, distribution, interest, allotment, issue or other right.

32.31. Capitalisation of profits and reserves

32.131.1 The Board may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve, or other undistributable reserve) or any sum standing to the credit of profit and loss account.

32.231.2 ~~Such~~ Subject to article 17.4, such capitalisation shall be effected by appropriating such sum to the holders of ordinary shares on the Register at the close of business on the date of the resolution (or such other date as may be specified in such resolution or determined as provided in such resolution) in proportion to their holdings of ordinary shares and applying such sum on their behalf in paying up in full unissued ordinary shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in proportion to their holdings.

32.331.3 The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Board to make such provision as it thinks fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit of such fractional entitlements accrues to the Company rather than to the members concerned). _The Board may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental to such capitalisation and any agreement made under such authority shall be effective and binding on all concerned.

32.32. Accounts

Accounting records

33.132.1 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Registered Office, or at such other place as the Board thinks fit, and shall always be open to inspection by the officers of the Company. _No member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or these articles or as ordered by a court of competent jurisdiction or as authorised by the Board.

Copies of accounts for members

33.232.2 A copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be comprised in such balance sheet and profit and loss account or attached or annexed to such balance sheet and profit and loss account) shall no fewer than twenty-one days before the date of the annual general meeting be sent or supplied to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these articles. _Provided that this article shall not require a copy of these documents to be sent or supplied to any member to whom a summary financial statement is sent in accordance with the Statutes nor to more than one of joint holders nor to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent or supplied shall be entitled to receive a copy free of charge on application at the Registered Office.

34.33. Auditors

Validity of auditor's acts

34.133.1 Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

Auditor's rights to attend general meetings

- ~~34.233.2~~ An auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as auditor.

~~35.34.~~ Notices

Service of notices and other documents

- ~~35.134.1~~ Subject to the requirements set out in the ~~2006~~ Act, any notice given or document sent or supplied to or by any person under these articles, or otherwise sent by the Company under the Act ~~or the 2006 Act~~, may be given, sent or supplied:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) (by the Company) by means of a website (other than notices calling a meeting of directors),

or partly by one of these means and partly by another of these means.

Notices shall be given and documents supplied in accordance with the procedures set out in the ~~2006~~ Act, except to the extent that a contrary provision is set out in this article ~~35.34~~.

Notices in hard copy form

- ~~35.234.2~~ Any notice or other document in hard copy form given or supplied under these articles may be delivered or sent by first class post (airmail if overseas):

- (a) to the Company at the Registered Office or any other company at its registered office; or
- (b) to the address notified to or by the Company for that purpose; or
- (c) in the case of a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Register; or
- (d) in the case of an intended recipient who is a director or alternate, to his address as shown in the register of directors; or
- (e) to any other address to which any provision of the Companies Acts (as defined in the ~~2006~~ Act) authorises the document or information to be sent or supplied; or
- (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) ~~to~~ (e) above, to the intended recipient's last address known to the Company.

- ~~35.334.3~~ In the case of a member registered on a branch register, if any such notice or document is posted in hard copy or electronic form it may be posted either in the United Kingdom or in the territory in which such branch register is maintained.

- ~~35.434.4~~ Any notice or other document in hard copy form given or supplied under these articles shall be deemed to have been served and be effective:

- (a) if delivered, at the time of delivery; and
- (b) if posted, on receipt or 48 ~~h~~ hours after the time it was posted, whichever occurs first.

Notices in electronic form

- ~~35.534.5~~ Subject to the provisions of the ~~2006~~ Act, any notice or other document in electronic form given or supplied under these articles may:

- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant ~~form of~~ electronic ~~communication form~~ to that address;
- (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under article ~~35.34.2~~; or
- (c) be sent by such other electronic means (as defined in section 1168 of the ~~2006~~ Act) as the Company may specify:

- (i) on its website from time to time; or
- (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time.

~~35.6~~34.6 Any notice or other document in electronic form given or supplied under these articles shall be deemed to have been served and be effective:

- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the ~~company~~Company for that purpose), on receipt or ~~48~~4 hours after the time it was sent, whichever occurs first;
- (b) if posted in an electronic form, on receipt or ~~48~~4 hours after the time it was posted, whichever occurs first;
- (c) if delivered in an electronic form, at the time of delivery; and
- (d) if sent by any other electronic means as referred to in article ~~35.3~~34.5(c) above, at the time such delivery is deemed to occur under the ~~2006~~ Act.

~~35.7~~34.7 Where the Company is able to show that any notice or other document given or sent under these articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

Notice by means of a website

~~35.8~~34.8 Subject to the provisions of the ~~2006~~ Act, any notice or other document or information to be given, sent or supplied by the Company to members under these articles (or to any other person with rights to receive copies of such notices or other documents or information to be given, sent or supplied by the Company to members) may be given, sent or supplied by the Company by making it available on the Company's website.

General

~~35.9~~34.9 The accidental omission to give notice to or the non-receipt of notice by any person entitled to such notice shall not invalidate any general meeting or any proceedings at such general meeting.

~~35.10~~34.10 Without prejudice to article ~~35.3~~34.9, where the Company is able to show that any notice of general meeting or other notice or document sent by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving of that notice or sending of that document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

~~35.11~~34.11 Without prejudice to article ~~35.3~~34.9, where notice is given or document sent by means of a website, the accidental failure to make the notice or document available on the website throughout the requisite period shall, subject to the provisions of the ~~2006~~ Act, not invalidate any general meeting or any proceedings at such general meeting and the giving of that notice or sending of that document shall be effective.

~~35.12~~34.12 A member present either in person or by proxy, at any meeting of the Company or the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purpose for which it was called.

Joint holders

~~35.13~~34.13 Any notice given to the joint holder of a share whose name stands first in the Register in respect of the share (the "**Primary Holder**") shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded for the purposes of determining the Primary Holder.

~~35.14~~34.14 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the ~~2006~~ Act or otherwise).

Deceased and bankrupt members

~~35.15~~34.15 A person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or by operation of law or any other event upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy or other event would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these articles shall, notwithstanding that such member is then dead or bankrupt or in liquidation, and whether or not the Company has received notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

Overseas members

~~35.16~~34.16 A member who (having no registered address within the United Kingdom) has not supplied to the Company either an address within the United Kingdom or a valid email address for the service of notices shall not be entitled to receive notices from the Company.

Suspension of postal services

~~35.17~~34.17 If at any time by reason of the suspension or curtailment of postal services or threat thereof within the United Kingdom the Company is or would be unable to convene a general meeting effectively by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in no fewer than one national daily newspaper published in the United Kingdom with appropriate circulation and, where the Company keeps an overseas branch register, in at least one daily newspaper published in the territory where such register is maintained and such notice shall be deemed to have been duly served on all members entitled to such notice at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable. All members are deemed to have agreed to this method of communication in the circumstances referred to in this article.

Statutory requirements as to notices

~~35.18~~34.18 The provisions in these articles regarding the serving of notices and other documents are subject to any requirements in the Statutes that a particular offer, notice or other document be served in any particular manner.

~~36.~~35. Destruction of documents

~~36.1~~ The Company may destroy:

- (a) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (b) any variation or cancellation of any dividend mandate at any time after the expiry of two years from the date such variation or cancellation was recorded by the Company;
- (c) any notification of change of name or address at any time after the expiry of two years from the date such notification was recorded by the Company;
- (d) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and

- (e) any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it,

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed under this article was a valid and effective document in accordance with the recorded particulars of that document in the books or records of the Company. _Provided always that:

- (i) the foregoing provisions of this article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (ii) nothing contained in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than as stated in this article or in any case where the conditions of proviso (i) are not fulfilled; and
- (iii) references in this article to the destruction of any document include references to its disposal in any manner.

36. Change of name

The Company may change its name by resolution of the directors.

37. Winding up

Directors' power to petition

- 37.1 The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

Distribution of assets in specie

- 37.2 If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of a special resolution and subject to any provision sanctioned in accordance with the provisions of the Insolvency Act 1986, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. _The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability. _The liquidator may make any provision referred to in, and sanctioned in accordance with the provisions of the Insolvency Act 1986.

Transfer or sale under section ~~110~~ Insolvency Act 1986

- 37.3 A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section ~~110~~ of the Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members subject to the right of dissent and consequential rights conferred by that section.

38. Indemnity

- 38.1 Subject to the provisions of and so far as may be permitted by the Statutes, every director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the ~~2006~~ Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge

of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against:

- (a) any liability incurred by the director to the Company or any associated company; or
- (b) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
- (c) any liability incurred by the director:
 - (i) in defending any criminal proceedings in which he is convicted;
 - (ii) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the ~~2006~~ Act) is given against him; or
 - (iii) in connection with any application under sections ~~144(3) or 144(4) or 727 of the Act or sections~~ 661(3) or 661(4) or 1157 of the ~~2006~~ Act (as the case may be) for which the court refuses to grant him relief;

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in articles 38.1(a), 38.1(c)(ii) and 38.1(c)(iii) applying

38.2 Subject to the provisions of and so far as may be permitted by the Statutes, and without prejudice to article 38.1, the Board shall have power to purchase and maintain insurance at the expense of the Company for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of any Relevant Company (as defined in the following article) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to a Relevant Company arising out of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.

38.3 For the purpose of article 38.2, "**Relevant Company**" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.

DEFINITIONS

The following definitions apply throughout this document and the accompanying Forms of Proxy and Redemption Forms unless the context requires otherwise:

“Articles”	the articles of association of the Company (as amended from time to time)
“Board” or “Directors”	the board of directors of the Company, whose names and functions are set out on page 7 of this Circular or any duly authorised committee thereof
“Business Day”	any day other than a Saturday, Sunday or public holiday in England and Wales on which clearing banks in London are open for general banking business
“certificated” or “in certificated form”	a Share recorded on the Register as being held in certificated form (namely, not in CREST)
“Circular”	this document detailing the Proposals
“Class Meetings”	together, the Ordinary Share Class Meeting, the First Preference Share Class Meeting, the Second Preference Share Class Meeting and the New Preference Share Class Meeting
“Companies Act”	the Companies Act 2006 (as amended) of England and Wales
“Company” or “Caffyns”	Caffyns Plc, a public limited company, incorporated and registered in England (registered number 00105664)
“Company’s Net Asset Value”	the total value of all of the assets of the Company less its liabilities as determined by the Board and calculated in accordance with the Company’s accounting policies
“CREST”	the facilities and procedures for the time being of the relevant system (as defined in the CREST Regulations) of which Euroclear UK & Ireland Limited has been approved as operator pursuant to the CREST Regulations
“CREST Manual”	the rules governing the operation of CREST issued by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system participant (as defined in the CREST Regulations)
“CTA”	the Corporation Tax Act 2010, as amended
“FCA”	the UK Financial Conduct Authority
“First Preference Shareholders”	holders of First Preference Shares
“First Preference Shares”	the 389,000 6.5 per cent. cumulative first preference shares of £1 each in the capital of the Company
“First Preference Shares Class Meeting”	the meeting of the First Preference Shareholders to be convened for 3:15 p.m. on 14 January 2016 to approve the adoption of the New Articles of Association, notice of which is set out at the page 92 this Circular
“Form of Proxy”	the: (a) white form of proxy use by the Ordinary Shareholders and the Second Preference Shareholders at the General Meeting; (b) pink form of proxy for use by the First Preference Shareholders at the First Preference Shares Class Meeting;

	(c) blue form of proxy use by the New Preference Shareholders at the New Preference Shares Class Meeting; (d) green form of proxy use by the Second Preference Shareholders at the Second Preference Shares Class Meeting; and (e) yellow form of proxy use by the Ordinary Shareholders at the Ordinary Shares Class Meeting.
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company convened for 2:30 p.m. on 14 January 2016 to approve the adoption of the New Articles of Association and the Redemption Option, notice of which is set out at page 83 of this Circular
“Listing Rules”	the Listing Rules of the UKLA relating to admission to the Official List
“London Stock Exchange”	London Stock Exchange Group plc
“New Articles of Association”	the new articles of association which are subject to approval at the General Meeting and the Class Meetings
“New Preference Shareholders”	the holders of New Preference Shares
“New Preference Shares”	the 648,000 10 per cent. cumulative new preference shares of £1 each in the capital of the Company
“New Preference Shares Class Meeting”	the meeting of the holders of New Preference Shares to be convened for 3:30 p.m. on 14 January 2016 to approve the adoption of the New Articles of Association, notice of which is set out at page 95 of this Circular
“Official List”	the list maintained by the FCA in accordance with the FSMA
“Ordinary Shareholders”	holders of Ordinary Shares
“Ordinary Shares”	the ordinary shares of £0.50 each in the capital of the Company
“Ordinary Shares Class Meeting”	the meeting of the Ordinary Shareholders to be convened for 2:45 p.m. on 14 January 2016 to approve the adoption of the New Articles of Association, notice of which is set out at page 86 of this Circular
“Preference Shareholders”	holders of Preference Shares
“Preference Shares”	the First Preference Shares and the New Preference Shares
“Premium Listing”	a listing where the issuer is required to comply with those requirements in the Listing Rules that are expressed to apply to such securities with a premium listing
“Proposals”	together, the proposed adoption of the New Articles of Association and the Redemption Option
“Redemption Forms”	the: (a) grey acceptance form for use by the First Preference Shareholders in connection with the Redemption Option; and (b) orange acceptance form for use by the New Preference Shareholders in connection with the Redemption Option, (each a Redemption Form)
“Redemption Option”	the offer by the Company to Preference Shareholders to sell to the Company up to, in aggregate, up to all of the 389,000 First Preference Shares and up to all of the 648,000 New Preference Shares, on the terms and subject to the conditions set out in the Circular and the Redemption Forms

“Redemption Price”	the price per Preference Share at which the Preference Shares will be purchased by the Company pursuant to the Redemption Option being: (a) 108 pence for each First Preference Share; and (b) 167 pence for each New Preference Share
“Register”	the register of members of the Company
“Registrar” or “Receiving Agent”	Capita Asset Services, a trading name of Capita Registrars Limited
“Resolutions”	the special resolution approving the adoption of the New Articles of Association and the ordinary resolutions relating to the Redemption Option to be proposed for Shareholder approval at the General Meeting and the special resolution approving the adoption of the New Articles of Association at each of the Class Meetings
“Second Preference Shareholders”	holders of Second Preference Shares
“Second Preference Shares”	the 6 per cent. cumulative second preference shares of £0.10 each in the capital of the Company
“Second Preference Shares Class Meeting”	the meeting of the Second Preference Shareholders to be convened for 3:00 p.m. on 14 January 2016 to approve the adoption of the New Articles of Association, notice of which is set out at page 89 of this Circular
“Shares”	together, the First Preference Shares, the New Preference Shares, the Second Preference Shares and the Ordinary Shares
“Shareholders”	holders of Shares
“Standard Listing”	a listing on the Official List which is not a Premium Listing
“Terms and Conditions”	has the meaning given to it under the heading “The Redemption Option” in Part III of this Circular
“TFE Instruction”	a transfer from escrow instruction (as defined by the CREST Manual)
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST Manual)
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	recorded on the relevant register or other record of the share or other security confirmed as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by way of CREST
“UKLA”	the FCA exercising its functions under Part VI of the FSMA

Notice of General Meeting

NOTICE is hereby given that the General Meeting of Caffyns Plc (the “Company”) will be held at **4 Meads Road, Eastbourne, East Sussex BN20 7DR** on **Thursday, 14 January 2016** at **2:30 p.m.** for the following purposes:

To consider and, if thought fit, pass resolution 1 as a special resolution, and resolutions 2 and 3 as ordinary resolutions.

1. That, subject to obtaining class consent from the holders of each class of share, the articles of association attached to the circular to Shareholders of the Company dated 21 December 2015 (a copy of which is provided to the meeting and signed by the chairman of the meeting for the purpose of identification) (the “Circular”) be approved and adopted as the new articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association.
2. That the Company be and is hereby authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of all 389,000 of its 6.5% Cumulative First Preference Shares of £1 (the “First Preference Shares”) pursuant to the Redemption Option (as such term is defined, and the terms of which are set out in, the Circular) provided that:
 - a) the price which shall be paid for each First Preference Share is 108 pence; and
 - b) unless renewed, the authority hereby conferred shall expire on the earlier of (i) the completion of the Redemption Option; or (ii) the anniversary of one year from the date of passing of this resolution.
3. That the Company be and is hereby authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of all 648,000 of its 10% Cumulative Preference Shares of £1 each (the “New Preferences Shares”) pursuant to the Redemption Option (as such term is defined, and the terms of which are set out in, the Circular) provided that:
 - (a) the price which shall be paid for each New Preference Share is 167 pence; and
 - (b) unless renewed, the authority hereby conferred shall expire on the earlier of (i) the completion of the Redemption Option; or (ii) the anniversary of one year from the date of passing of this resolution.

By order of the Board

Sarah J Caffyn
Company Secretary

Registered Office:
Meads Road
Eastbourne
East Sussex
BN20 7DR

Company number: 105664

Notes:

1. At the date of this notice, the issued share capital of the Company, excluding those shares held in treasury, was 2,879,298 Ordinary Shares; 389,000 First Preference Shares; 648,000 New Preference Shares; and 2,000,000 Second Cumulative Preference Shares. Therefore the total number of voting rights was 4,879,298, taking into account the Ordinary Shares and the Second Preference Shares, being the shares carrying voting rights. As at the date of this notice the Company holds 120,565 shares in treasury, representing 4.37 per cent of the total issued ordinary share capital of the Company (excluding treasury shares) as at the date of this notice.

2. Only holders of Ordinary Shares and Second Preference Shares are entitled to attend and vote at this meeting. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes. (If you are not a holder of Ordinary Shares or Voting Preference Shares but you have been nominated by a member of the Company to enjoy information rights, you do not have any right to appoint one or more proxies and should read note 14 below.)
3. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 12 below.
4. To be valid any proxy form or other instrument appointing a proxy must be received by:
 - (a) post or (during normal business hours only) by hand by the Company's registrar, Capita Asset Services at PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or
 - (b) as an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically by visiting www.capitashareportal.com,
which must be received no later than 48 hours before the start of the meeting, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 11(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
6. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
7. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6:00 p.m. on 12 January 2016 (or, in the event of any adjournment, 6:00 p.m. on the date which is two days before the time of the adjourned meeting). Changes to entries on the register of members after 6:00 p.m. on 12 January 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information or (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 14 January 2016 and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please note the following:
- (a) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“EUI”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of the General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
 - (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
 - (c) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. A copy of this notice, and other information required by section 311A of the Companies Act 2006 (the “Act”) can be found at www.caffynsplc.co.uk.
14. *Note to nominated persons* – Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Extraordinary General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in note 2 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
15. Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so using the following means:
- (a) calling our shareholder helpline as detailed in note 3; or
 - (b) writing to the Company Secretary, Caffyns plc, Meads Road, Eastbourne, East Sussex BN20 7DR.

No other methods of communication will be accepted.

Notice of Class Meeting – Ordinary Shares

NOTICE is hereby given that a meeting of the holders of the Ordinary Shares in Caffyns Plc (the “Company”) will be held at **4 Meads Road, Eastbourne, East Sussex BN20 7DR** on **Thursday, 14 January 2016** at **2:45 p.m.** for the following purpose.

As special business to consider and, if thought fit, pass the following resolution as a special resolution:

That, the articles of association attached to the circular to Shareholders of the Company dated 21 December 2015 (a copy of which is produced to the meeting and signed by the Chairman of the meeting for the purpose of identification) be approved and adopted as the new articles of association in substitution for, and to the entire exclusion of the existing articles of association, and every variation and abrogation of the rights attached to the Ordinary Shares contained or inherent in or consequent upon the passing and implementation of this resolution be approved.

By order of the Board

Sarah J Caffyn

Company Secretary

Registered Office:

Meads Road

Eastbourne

East Sussex

BN20 7DR

Company number: 105664

Notes:

1. At the date of this notice, there are 2,759,678 Ordinary Shares in issue carrying one vote each (meaning that the total voting rights in respect of the Ordinary Shares are 2,759,678).
2. Only holders of Ordinary Shares are entitled to attend and vote at this meeting. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes. (If you are not a holder of Ordinary Shares but you have been nominated by a member of the Company to enjoy information rights, you do not have any right to appoint one or more proxies and should read note 15 below.)
3. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 12 below.
4. To be valid any proxy form or other instrument appointing a proxy must be received by:
 - (a) post or (during normal business hours only) by hand by the Company's registrar, Capita Asset Services at PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or
 - (b) as an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically by visiting www.capitashareportal.com,

which must be received no later than 48 hours before the start of the meeting, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.

5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 12(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
6. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
7. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6:00 p.m. on 12 January 2016 (or, in the event of any adjournment, 6:00 p.m. on the date which is two days before the time of the adjourned meeting). Changes to entries on the register of members after 6:00 p.m. on 12 January 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information or (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. Copies of the service agreements of the executive directors and the letters of appointment of the non-executive directors will be available for inspection during normal business hours from the date of dispatch of this notice until the date of the meeting (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the office of the Company's solicitors (Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW) and will also be made available for inspection at the place of the Class Meeting for a period of 15 minutes prior to and during the continuance of the meeting.
12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for our Class Meeting to be held on 14 January 2016 and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please note the following:
 - (a) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of the Class Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in

the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
 - (c) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
 - 14. A copy of this notice, and other information required by section 311A of the Companies Act 2006 (the "Act") can be found at www.caffyns plc.co.uk.
 - 15. *Note to nominated persons* – Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Class Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in note 2 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
 - 16. Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so using the following means:
 - (a) calling our shareholder helpline as detailed in note 3; or
 - (b) writing to the Company Secretary, Caffyns plc, Meads Road, Eastbourne, East Sussex BN20 7DR.

No other methods of communication will be accepted.

Notice of Class Meeting – Second Preference Shares

NOTICE is hereby given that a meeting of the holders of the 2,000,000 6% cumulative second preference shares of £0.10 each (the “Second Preference Shares”) in Caffyns Plc (the “Company”) will be held at **4 Meads Road, Eastbourne, East Sussex BN20 7DR** on **Thursday, 14 January 2016 at 3:00 p.m.** for the following purpose.

As special business to consider and, if thought fit, pass the following resolution as a special resolution:

That, the articles of association attached to the circular to Shareholders of the Company dated 21 December 2015 (a copy of which is produced to the meeting and signed by the Chairman of the meeting for the purpose of identification) be approved and adopted as the new articles of association in substitution for, and to the entire exclusion of the existing articles of association, and every variation and abrogation of the rights attached to the Second Preference Shares contained or inherent in or consequent upon the passing and implementation of this resolution be approved.

By order of the Board

Sarah J Caffyn

Company Secretary

Registered Office:

Meads Road

Eastbourne

East Sussex

BN20 7DR

Company number: 105664

Notes:

1. At the date of this notice, there are 2,000,000 Second Preference Shares carrying one vote each (meaning that the total voting rights in respect of the Second Preference Shares are 2,000,000).
2. Only holders of Second Preference Shares are entitled to attend and vote at this meeting. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes. (If you are not a holder of Second Preference Shares but you have been nominated by a member of the Company to enjoy information rights, you do not have any right to appoint one or more proxies and should read note 15 below.)
3. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
4. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand to the Company at 4 Mead Road, Eastbourne, East Sussex, BN20 7DR, which must be received no later than 48 hours before the start of the meeting, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.

5. The return of a completed proxy form, other such instrument will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
6. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
7. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6:00 p.m. on 12 January 2016 (or, in the event of any adjournment, 6:00 p.m. on the date which is two days before the time of the adjourned meeting). Changes to entries on the register of members after 6:00 p.m. on 12 January 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information or (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. Copies of the service agreements of the executive directors and the letters of appointment of the non-executive directors will be available for inspection during normal business hours from the date of dispatch of this notice until the date of the meeting (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the office of the Company's solicitors (Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW) and will also be made available for inspection at the place of the Class Meeting for a period of 15 minutes prior to and during the continuance of the meeting.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. A copy of this notice, and other information required by section 311A of the Companies Act 2006 (the "Act") can be found at www.caffynsplc.co.uk.
14. *Note to nominated persons* – Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Class Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in note 2 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
15. Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so using the following means:
 - (a) calling our shareholder helpline as detailed in note 3; or
 - (b) writing to the Company Secretary, Caffyns plc, Meads Road, Eastbourne, East Sussex BN20 7DR.

No other methods of communication will be accepted.

Notice of Class Meeting – First Preference Shares

NOTICE is hereby given that a meeting of the holders of the 389,000 6.5% cumulative first preference shares of £1 each (the “First Preference Shares”) in Caffyns plc (the “Company”) will be held at **4 Meads Road, Eastbourne, East Sussex BN20 7DR** on **Thursday, 14 January 2016** at **3:15 p.m.** for the following purpose.

As special business to consider and, if thought fit, pass the following resolution as a special resolution:

That, the articles of association attached to the circular to Shareholders of the Company dated 21 December 2015 (a copy of which is produced to the meeting and signed by the Chairman of the meeting for the purpose of identification) be approved and adopted as the new articles of association in substitution for, and to the entire exclusion of the existing articles of association, and every variation and abrogation of the rights attached to the First Preference Shares contained or inherent in or consequent upon the passing and implementation of this resolution be approved.

By order of the Board

Sarah J Caffyn

Company Secretary

Registered Office:

Meads Road

Eastbourne

East Sussex

BN20 7DR

Company number: 105664

Notes:

1. At the date of this notice, there are 389,000 First Preference Shares in issue carrying one vote each (meaning that the total voting rights in respect of the First Preference Shares are 389,000).
2. Only holders of First Preference Shares are entitled to attend and vote at this meeting. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes. (If you are not a holder of First Preference Shares but you have been nominated by a member of the Company to enjoy information rights, you do not have any right to appoint one or more proxies and should read note 15 below.)
3. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m. Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 12 below.
4. To be valid any proxy form or other instrument appointing a proxy must be received by:
 - (a) post or (during normal business hours only) by hand by the Company's registrar, Capita Asset Services at PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or

(b) as an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically by visiting www.capitashareportal.com,

which must be received no later than 48 hours before the start of the meeting, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.

5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 12(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
6. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
7. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6:00 p.m. on 12 January 2016 (or, in the event of any adjournment, 6:00 p.m. on the date which is two days before the time of the adjourned meeting). Changes to entries on the register of members after 6:00 p.m. on 12 January 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information or (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. Copies of the service agreements of the executive directors and the letters of appointment of the non-executive directors will be available for inspection during normal business hours from the date of dispatch of this notice until the date of the meeting (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the office of the Company's solicitors (Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW) and will also be made available for inspection at the place of the Class Meeting for a period of 15 minutes prior to and during the continuance of the meeting.
12. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for our Class Meeting to be held on 14 January 2016 and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please note the following:
 - (a) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of the Class Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in

the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
 - (c) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
 - 14. A copy of this notice, and other information required by section 311A of the Companies Act 2006 (the "Act") can be found at www.caffyns plc.co.uk.
 - 15. *Note to nominated persons* – Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Class Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in note 2 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
 - 16. Except as provided above, members who wish to communicate with the Company in relation to the meeting should do so using the following means:
 - (a) calling our shareholder helpline as detailed in note 3; or
 - (b) writing to the Company Secretary, Caffyns plc, Meads Road, Eastbourne, East Sussex BN20 7DR.

No other methods of communication will be accepted.

Notice of Class Meeting – New Preference Shares

NOTICE is hereby given that a meeting of the holders of the 648,000 10% cumulative preference shares of £1 each (the “New Preference Shares”) in Caffyns plc (the “Company”) will be held at **4 Meads Road, Eastbourne, East Sussex BN20 7DR** on **Thursday, 14 January 2016** at **3:30 p.m.** for the following purpose.

As special business to consider and, if thought fit, pass the following resolution as a special resolution:

That, the articles of association attached to the circular to Shareholders of the Company dated 21 December 2016 (a copy of which is produced to the meeting and signed by the Chairman of the meeting for the purpose of identification) be approved and adopted as the new articles of association in substitution for, and to the entire exclusion of the existing articles of association, and every variation and abrogation of the rights attached to the New Preference Shares contained or inherent in or consequent upon the passing and implementation of this resolution be approved.

By order of the Board

Sarah J Caffyn

Company Secretary

Registered Office:

Meads Road

Eastbourne

East Sussex

BN20 7DR

Company number: 105664

Notes:

1. At the date of this notice, there are 648,000 New Preference Shares carrying one vote each (meaning that the total voting rights in respect of the New Preference Shares are 648,000).
2. Only holders of New Preference Shares are entitled to attend and vote at this meeting. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes. (If you are not a holder of New Preference Shares but you have been nominated by a member of the Company to enjoy information rights, you do not have any right to appoint one or more proxies and should read note 15 below.)
3. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9:00 a.m. and 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 12 below.
4. To be valid any proxy form or other instrument appointing a proxy must be received by:
 - (a) post or (during normal business hours only) by hand by the Company's registrar, Capita Asset Services at PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or

(b) as an alternative to completing the hard-copy proxy form, you can appoint a proxy electronically by visiting www.capitashareportal.com,

which must be received no later than 48 hours before the start of the meeting, together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.

5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 12(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
6. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
7. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 6:00 p.m. on 12 January 2016 (or, in the event of any adjournment, 6:00 p.m. on the date which is two days before the time of the adjourned meeting). Changes to entries on the register of members after 6:00 p.m. on 12 January 2016 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
9. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
10. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information or (ii) the answer has already been given on a website in the form of an answer to a question or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. Copies of the service agreements of the executive directors and the letters of appointment of the non-executive directors will be available for inspection during normal business hours from the date of dispatch of this notice until the date of the meeting (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the office of the Company's solicitors (Taylor Wessing LLP, 5 New Street Square, London EC4A 3TW) and will also be made available for inspection at the place of the Class Meeting for a period of 15 minutes prior to and during the continuance of the meeting.
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- (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
 - (c) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 13. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
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