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**NORD GOLD N.V.**

*(incorporated under Dutch law and registered in Amsterdam, the Netherlands with registered number 17179668)*

**SHAREHOLDER CIRCULAR**

**PROPOSED CONVERSION OF NORD GOLD N.V. INTO A SOCIETAS EUROPAEA AND THE SUBSEQUENT  
MIGRATION OF ITS REGISTERED OFFICE TO THE UNITED KINGDOM**

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<u>Date</u>
Conversion Proposal and Conversion Report filed with the Dutch commercial register and also made available for inspection by shareholders and creditors at the Company's Registered Office.....	24 March 2016
Migration Proposal and Migration Report filed with the Dutch commercial register and also made available for inspection by shareholders and creditors at the Company's Registered Office.....	24 March 2016
Proposed Conversion and Migration announced in nationwide newspaper and in the Dutch National Gazette	25 March 2016
Call for Annual General Meeting .....	19 April 2016
Voting record date .....	3 May 2016
Latest time for receipt of individual Forms of Proxy for Annual General Meeting.....	5 p.m. 24 May 2016
Annual General Meeting .....	10.00 a.m. 31 May 2016
Conversion expected to become effective .....	31 May 2016
Migration expected to become effective .....	On or about 1 June 2016

Future times and dates are indicative only and are subject to change by the Company. If the expected timetable of events changes from the above, the Company will release an announcement to this effect. Each of the Conversion and Migration is subject to the passing of Resolutions 7 and 8 respectively, as set out in the Agenda, at the Annual General Meeting.

References to time in this document are to CET.

## DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

**AGM Agenda** means the agenda with explanatory notes for the Annual General Meeting and made available at the offices of the Company and on the Company's website;

**AGM Notice** means the notice of the Annual General Meeting circulated to shareholders on the date hereof;

**Annual General Meeting** means the annual general meeting of the Company, to be held at on 31 May 2016 at the offices of Allen & Overy LLP at Apollolaan 15, 1077 XZ AB Amsterdam, the Netherlands at 10.00 a.m. on 31 May 2016, or any adjournment thereof;

**Board** means the board of directors of the Company before the Conversion and of Nord Gold SE following the Conversion, as applicable;

**CET** means Central European Time;

**Company** means Nord Gold N.V.;

**Companies House** means the Companies Registry for England and Wales;

**Conversion** means the proposed conversion of the Company into a *Societas Europaea* on the terms set out in the Conversion Proposal;

**Conversion and Migration Documentation** means the Conversion Proposal, the Conversion Report, the Migration Proposal and the Migration Report;

**Conversion Proposal** means the proposal for the Conversion set out in Appendix 1 to this Circular;

**Conversion Report** means the report required pursuant to Article 37 (2) of the SE Regulation, explaining and justifying the legal and economic aspects of the Conversion and explaining the implications of the Conversion for shareholders and creditors of Nord Gold S.E., a copy of which is set out in Appendix 2 to this Circular;

**Dutch law Statutes** means the articles of association of Nord Gold SE that are governed by Dutch law and the SE Regulation and that are to be adopted upon the Conversion;

**English law Statutes** means the articles of association of Nord Gold SE that are governed by English law and the SE Regulation and that are to be adopted on the date on which the Migration is effective;

**GDR** means a global depositary receipt representing an interest in an Ordinary Share;

**Migration** means the proposed transfer of the Company's registered office from the Netherlands to the United Kingdom on the terms set out in the Transfer Proposal;

**Migration Proposal** means the proposal for the Migration set out in Appendix 3 to this Circular;

**Migration Report** means the report required pursuant to Article 8 (3) of the SE Regulation, explaining and justifying the legal and economic aspects of the Migration and explaining the

implications of the Migration for shareholders and creditors of Nord Gold S.E., a copy of which is set out in Appendix 4 to this Circular;

**Nord Gold S.E.** means the Company after the Conversion;

**Ordinary Shares** means ordinary shares of EUR 2.50 each in the capital of the Company before the Conversion and in the capital of Nord Gold SE following the Conversion, as applicable;

**Resolutions** means the shareholder resolutions set out in the AGM Agenda and the AGM Notice;

**SE** means *Societas Europaea* or European Company, a public limited liability company created under the terms of the SE Regulation;

**SE Regulation** means Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company; and

**Transfer** means the proposed transfer of the Company's registered office from the Netherlands to the United Kingdom to be effected by way of the Conversion and the Migration.

## PART 1 TRANSFER OF THE COMPANY TO THE UNITED KINGDOM

### 1. Introduction

This Circular is an ancillary document to the AGM Agenda and the AGM Notice in respect of the Company's Annual General Meeting to be held on Tuesday 31 May 2016, at 10:00 am CET. It is being circulated to shareholders to assist their understanding of the proposed transfer of the Company's registered office from the Netherlands to the United Kingdom.

The Transfer will not result in a winding up of the Company nor the creation of a new legal entity. In addition, the share capital of the Company will not be altered as a consequence of the Transfer. It is proposed that the intended Transfer be implemented in two steps:

- (a) **Conversion:** by a conversion of the Company, which is currently a public limited liability company under Dutch law (*naamloze vennootschap*) with its official seat in Amsterdam, the Netherlands, into a European public limited liability company (*societas Europaea*) having its corporate seat in Amsterdam, the Netherlands; and
- (b) **Migration:** by the subsequent transfer of the corporate seat of Nord Gold S.E. from Amsterdam, the Netherlands to London, the United Kingdom.

The Board believes that the Transfer will bring the Company closer to its investor community in London and is a step towards the Company's longer term strategy to seek a premium listing on the London Stock Exchange (the "LSE") and FTSE Index inclusion, facilitated by an appropriate liquidity event increasing the Company's market capitalisation and positioning it for market success. Whether the Company seeks to list on the premium segment, and the timing of a premium listing, will depend on market and other conditions at the appropriate time.

The Conversion and Migration would be effected in accordance with the provisions of the SE Regulation. In accordance with the SE Regulation, and the applicable Dutch implementing legislation, the Conversion and the Migration are subject to shareholder approval. The Conversion requires a simple majority of the votes cast at the Annual General Meeting and, in the event that less than half of the issued share capital is represented, a special majority of two thirds of the votes would be required. With respect to the Migration a special majority of two thirds of the votes cast at the Annual General Meeting is required. The Conversion and Migration Documentation attached hereto as Appendices 1 to 4 provide further information about the terms of the Conversion and Migration. The Conversion Proposal and Migration Proposal were filed with the Dutch Commercial Register on 24 March 2016 and announced in a Dutch nationwide newspaper and the Dutch National Gazette on 25 March 2016.

Shareholders will have the opportunity to vote on the proposals regarding the Conversion and the Migration at the Annual General Meeting. The relevant Resolutions are Resolutions 7 (Conversion) and 8 (Migration), as set out in the AGM Agenda.

### 2. Conversion

According to the SE Regulation, a European Company is treated in the same way as a public limited company formed in accordance with the laws of the Member State in which it has its registered office. As such, following the Conversion and prior to the Migration, Nord Gold SE would be subject to Dutch law and to the SE Regulation (the SE Regulation being directly applicable in all European Economic Area countries). Resolution 7 relating to the Conversion, as set out in the AGM Agenda, also contemplates shareholders' approval of amendments to the Company's articles of association to meet the requirements of the SE Regulation. A summary of the proposed amendments to the Company's articles of association is appended to the Conversion Proposal included as Appendix 1 to this Circular and which is also available for inspection at

the Company's registered office during normal business hours on any business day until the close of the Annual General Meeting.

### **3. Migration**

After the Migration, and in accordance with the SE Regulation, the Company will be regarded as a public limited company governed by the laws of England and Wales and the SE Regulation. As such, Resolution 8 relating to the Migration, as set out in the AGM Agenda, also contemplates shareholders' approval of the adoption of new articles of association for Nord Gold S.E. in a form customary for listed public limited companies incorporated in England and Wales. A comparison of the key differences between: (i) the rights of shareholders and holders of GDRs of a European Company governed by Dutch company law and the SE Regulation; and (ii) the rights of shareholders and holders of GDRs of a European Company governed by the law of England and Wales and the SE Regulation, is set out in Part 2 of this Circular. A copy of Nord Gold SE's English law Statutes (which will become effective when the Migration becomes effective) is appended to the Migration Proposal included as Appendix 3 to this Circular and which is also available for inspection at the Company's registered office during normal business hours on any business day until the close of the Annual General Meeting.

It is intended that the Company's GDR programme, which is due to expire on 18 January 2018, will remain in place in accordance with its existing terms and conditions upon Migration. However, as a consequence of the Migration, the Company will become a UK issuer for the purposes of the Listing Rules of the Financial Conduct Authority (the **FCA**) and would become subject to the continuing obligations set out in Chapter 9 of the Listing Rules which are applicable to companies with a premium listing on the LSE.

The FCA has granted the Company a modification to this requirement until 31 March 2018 and the Company is consequentially not required to comply with the additional obligations set out in Chapter 9 of the Listing Rules. Should the Company not have obtained a premium listing on the LSE by 31 March 2018, it will consider its options at the relevant time. The Company will continue to be subject to, and comply with, the continuing obligations and free float requirements set out in Chapter 18 of the Listing Rules which apply to overseas companies in respect of its GDR programme.

### **4. Applicable Takeover Regime**

As a Dutch company with GDRs listed on the LSE, the Company is currently subject to the shared jurisdiction of the UK Takeover Code and the Dutch Takeover rules. This split jurisdiction means that matters relating to company law and the provision of information to employees are governed by Dutch law while all other matters are governed by the UK Takeover Code (as a result of the Company's listing of GDRs on the LSE). Upon Migration, Nord Gold SE will be entirely subject to the UK Takeover Code. As a result, matters relating to company law and the provision of information to employees will, upon Migration, be governed by English law rather than Dutch law.

### **5. A UK exit from the European Union could impact Nord Gold SE**

Upon Migration, Nord Gold SE may face potential risks associated with the referendum on the United Kingdom's continued membership of the EU (which will be held on 23 June 2016) and potential uncertainty preceding and following the referendum.

### **6. Shareholder Resolutions**

Resolutions will be proposed at the Annual General Meeting to, *inter alia*: (i) approve the Conversion; (ii) approve the Migration; (iii) grant the directors with authority to allot shares; (iii) disapply pre-emption rights; and (iv) grant a general buyback authority in respect of the Company's Ordinary Shares and GDRs. It is also proposed that a number of Resolutions, which will only become effective upon Migration, be passed in a form customary for English listed public limited companies to ensure that similar corporate authorizations to

those granted by the Dutch law Resolutions are maintained upon Migration once Nord Gold SE becomes subject to English law. The English law Resolutions are identified in the AGM Agenda and are intended to: (i) grant the directors with authority to allot shares; (ii) dis-apply pre-emption rights; (iii) grant approval for the surrender of GDRs to the depositary and the delivery to the Company of the shares underlying those GDRs pursuant to the terms of an off-market buyback contract; (iv) appoint English auditors and authorise the Audit Committee of the Board to determine the remuneration of such auditors; and (v) shorten the notice period for general meetings to 14 clear days.

If all Resolutions are passed, the Conversion will immediately become effective and Nord Gold S.E. will proceed to comply with certain procedural requirements for the Migration and to file the documents which are required to effect the Migration in England and Wales. The Migration will become effective when Companies House in England and Wales registers Nord Gold SE in England and Wales.

## **7. Employee Involvement**

There is no co-determination, employee involvement or employee representative body in place or required within the Company's group. Thus, no other employee consultation procedure needs to be initiated other than the establishment of a Special Negotiation Body.

A Special Negotiation Body has been established in accordance with Article 3 of Directive 2001/86/EC (**Directive**) and article 1:8 of the Employee Involvement (European Companies) Act (**WRW**). On 29 March 2016 this Special Negotiation Body waived its right to open negotiations in accordance with article 14(1)(b) WRW and rely on the rules on information and consultation of employees in force in the EU Member State where the Company has employees. As a consequence of the waiver the standard rules referred to in the Annex of the Directive and Part 3 (articles 2:12 and further) WRW will not apply.

## **8. Creditor Involvement**

As a consequence of filing the Migration Proposal with the Dutch Commercial Register on 25 March 2016, the Company's creditors have a period of up to two months during which they may object to the Transfer. This period ends on 26 May 2016, prior to the Annual General Meeting.

## **9. Tax**

The following statements are intended to be general information only, and not intended to be tax advice. They are not a comprehensive description of the tax consequences of the Conversion and Migration.

Following the Migration, it is intended that the Company should be tax resident only in the UK. However, this depends on reaching agreement with the relevant tax authorities in the Netherlands and the UK. An application was made to the Dutch tax authorities in this respect in February 2016.

The UK does not levy withholding tax on dividends, and accordingly dividends paid by the Company will not suffer withholding on account of UK tax. They may (in accordance with the relevant Dutch tax rules) suffer withholding on account of Dutch tax unless and until agreement is reached with the Dutch authorities that the Company should be treated as resident for tax purposes only in the UK.

The Migration itself should not trigger any stamp taxes in the UK.

Shareholders are recommended to take their own advice and consult their professional adviser about the tax consequences for them of the Conversion and Migration.

## PART 2- COMPARISON OF RIGHTS OF SHAREHOLDERS

Upon Conversion, Nord Gold SE will be a Societas Europaea, a European Public Limited Liability Company incorporated and registered in Amsterdam, the Netherlands. Prior to the Migration, Nord Gold SE would be subject to both the laws of the Netherlands and the SE Regulation. Subject to the provisions of the SE Regulation, a SE is generally treated in accordance with the law of the Member State in which it has its registered office. Accordingly, following the Migration, Nord Gold SE will be governed by the laws of England and Wales and will also be subject to the SE Regulation.

The rights and status of shareholders of a SE incorporated in the Netherlands are substantially comparable to those of shareholders of a SE incorporated in England and Wales, due to similarities between the company laws of these jurisdictions.

The following is a comparison of certain key aspects of the legal regime which would apply to Nord Gold SE and the rights of its shareholders upon the Conversion and prior to the Migration and English law as it relates to public companies as at the date of this Circular that would apply to Nord Gold SE and the rights of its shareholders upon the Migration becoming effective. This comparison is not intended to address all possible differences but is an overview only. With respect to English law, this comparison focuses on the provisions of the Companies Act 2006 (the **Act**). With respect to Dutch law, this comparison focuses on the provisions of Book 2 of the Dutch Civil Code.

*This comparison does not consider applicable insolvency law or practice, the rules of any applicable stock exchange, tax law and treatment or any law other than general company law as it would apply to Nord Gold SE.*

*Nothing in this Circular is intended to constitute legal advice. Persons with an interest in Ordinary Shares of the Company who wish to ascertain their rights in connection with such interest are recommended to seek their own independent legal advice and to consult with their financial adviser, tax advisor or other advisor, as appropriate.*

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### English law provisions applicable to Nord Gold SE upon Migration

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### Dutch law provisions applicable to Nord Gold SE upon Conversion

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#### SHARE CAPITAL

In accordance with the provisions of the Act, there is no longer a concept of 'authorised share capital' under English law. As such, upon the Migration becoming effective and the adoption by Nord Gold SE of the English law Statutes, the concept of an authorised share capital will not be relevant for Nord Gold SE.

Pursuant to the English law Statutes, the powers of the directors to allot shares are restricted by the terms of the authority granted by shareholders to the directors to do so, as well as by shareholders' rights of pre-emption (discussed below). By way of explanation, shareholders may pass an ordinary

Dutch requires Nord Gold SE to have an authorized share capital. The authorized share capital amounts to EUR 4,484,927,250 and is divided into 1,793,970,900 ordinary shares, with a nominal of EUR 2.50 each.

## **English law provisions applicable to Nord Gold SE upon Migration**

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resolution, in accordance with section 551 of the Act, authorising the directors to allot shares in Nord Gold SE, and to grant rights to subscribe for or to convert any security into shares in Nord Gold SE, up to a maximum nominal amount as specified in such resolution. Unless previously revoked, such authority will expire on the date specified in such resolution provided that it is not more than five years from the date that such resolution is passed.

This resolution will be proposed as an ordinary resolution at the Annual General Meeting and is included as item 10(d) of the AGM Agenda. As explained in Part I, this resolution will take effect only once the Migration is effective.

## **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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### **DISTRIBUTIONS AND DIVIDENDS**

Under English law, dividends and distributions may only be made from profits available for distribution or distributable reserves. Reserves may be created by way of capital reduction / share premium (subject to court approval).

Additionally, Nord Gold SE may only make a distribution if, at the time of the distribution, (i) its net assets are equal to, or in excess of, the aggregate of its called up share capital plus undistributable reserves; and (ii) the distribution does not reduce the amount of net assets below such aggregate.

Undistributable reserves include the share premium account, the capital redemption reserve, the amount by which Nord Gold SE's accumulated unrealised profits exceed its accumulated unrealised losses (so far as not written off in a reduction or reorganisation of capital) or any other reserve that Nord Gold SE is prohibited from distributing either by statute or by its constitutional documents.

The determination as to whether or not Nord Gold SE has sufficient distributable profits to fund a dividend or distribution must be made by reference to its "relevant accounts" which will be either the last set of unconsolidated annual audited financial statements or other financial statements properly prepared in accordance with the UK Companies Act 2006, which give a "true and fair view" of Nord Gold SE's unconsolidated financial position and accord with accepted accounting practice. Final

Nord Gold SE may make distributions to the shareholders only to the extent that its equity exceeds the amount of the issued share capital, increased by the reserves which must be maintained in accordance with Dutch law. No distribution of profits may be made to Nord Gold SE for treasury shares.

Nord Gold SE may only make a distribution of dividends to the shareholders after the adoption of the annual accounts demonstrating that such distribution is legally permitted. The board of directors may, subject to certain requirements, declare interim dividends.

The right to dividends and distributions will lapse if the dividends or distributions are not claimed within five years following the day after the date on which they first became payable.

## **English law provisions applicable to Nord Gold SE upon Migration**

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## **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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dividends are calculated after the audited annual accounts are drawn up. Interim dividends can be calculated using the final audited annual accounts or unaudited interim accounts. Irrespective of the accounts used to justify the dividend or distribution, they must enable reasonable judgment to be made of Nord Gold SE's profits, losses, assets and liabilities, include appropriate provisions, and include details of share capital and reserves (including undistributable reserves).

Dividends may be declared and paid in the form of cash, property, stock or other non-cash assets and may be paid in dollars or any other currency.

The English law Statutes provide that: (i) Nord Gold SE may, by ordinary resolution, declare a dividend to be paid to shareholders provided that no such dividend exceeds the amount recommended by the directors, and (ii) the directors may pay such interim dividends as appear justified by the financial position of Nord Gold SE and may also pay dividends payable at a fixed rate at intervals settled by the directors whenever justified, in the directors' opinion, by the financial position of Nord Gold SE.

### **REPURCHASES**

Under English law, a repurchase by Nord Gold SE of its own shares or GDRs would require shareholder approval: an ordinary resolution in the case of a general authority to effect on-market buybacks and a special resolution in the case of an off-market purchase. Such authorisation must specify a maximum and minimum repurchase price and number of shares to be acquired. In respect of an "off-market purchase" the purchase must be made pursuant to a contract which must be available to members. A resolution granting a general authority to effect on-market buybacks of GDRs representing shares is proposed as a special resolution at the Annual General Meeting and is included as item 10(c) of the AGM Agenda. In accordance with market practice, this resolution is proposed as a special resolution, rather than an ordinary resolution. As explained in Part I, this resolution will take effect only once the Migration is effective.

Nord Gold SE may acquire fully paid up shares of GDRs, provided either no valuable consideration is given or provided that: (i) the shareholders' equity less the payment required to make the acquisition, does not fall below the sum of called-up and paid-in share capital and any statutory reserves, (ii) Nord Gold SE and its subsidiaries would thereafter not hold shares or GDRs with an aggregate nominal value exceeding 50% of their issued share capital and (iii) the board of directors has been authorized thereto by the general meeting.

The acquisition of shares or GDRs for valuable consideration requires authorization by the general meeting. Such authorization may be granted for a period not exceeding 18 months and shall specify the number of shares or GDRs, the manner in which the shares or GDRs may be acquired and the price range within which shares may be acquired. The

### **English law provisions applicable to Nord Gold SE upon Migration**

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A share repurchase can be funded from either (i) Nord Gold SE's distributable reserves or (ii) the proceeds of a fresh issue of shares made for the purpose of financing the buyback. Public companies are not permitted to purchase their own shares out of capital.

Nord Gold SE may also, in accordance with the English law Statutes, issue redeemable shares. Shares which are capable of being redeemed must be issued as redeemable shares from the outset and, accordingly, a company cannot amend the terms attaching to a non-redeemable class of shares to make them redeemable. Pursuant to the Act, if Nord Gold SE wishes to issue redeemable shares, it must ensure that it has at least one non-redeemable share in issue and that the redemption does not reduce its share capital below the statutory minimum of £50,000 (of which one-quarter must be fully paid up).

### **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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authorization is not required for the acquisition of shares or GDRs for employees of Nord Gold SE or another member of its Group, under a scheme applicable to such employees and no authorization is required in certain other limited circumstances in which the acquisition takes place by operation of law, such as pursuant to mergers or demergers.

## **REDUCTION OF SHARE CAPITAL**

Under English law, and subject to the English law Statutes, Nord Gold SE may reduce its share capital by passing a special resolution of its members (requiring a majority of 75 per cent.). The special resolution must then be confirmed by the court (which has discretion regarding whether to confirm a reduction and on what terms, provided that the statutory requirements in respect of creditors are satisfied). The court would not confirm a reduction of capital unless it is satisfied that the interests of the Nord Gold SE's creditors are not adversely affected by the proposal. The court would take into account Nord Gold SE's actual, contingent and prospective liabilities when deciding upon the capital reduction.

The timetable for a capital reduction must be approved by the court. Where there is no right for creditors to object to a reduction of capital, a typical process would take approximately 40 days (subject to availability of court hearings). If creditors have a right to object this can extend the timeline for the process.

The general meeting of shareholders has the authority to reduce the share capital by means of cancellation of shares or reducing the nominal of such shares by amending the articles of association. A resolution to cancel shares can only relate to treasury shares. A resolution of the general meeting of shareholders to reduce the share capital requires a majority of at least two-thirds of the votes cast at the general meeting, if less than one-half of the issued capital is present or represented at the meeting. If more than one-half of the issued share capital is present or represented at the meeting, a simple majority of the votes cast at the general meeting is required. Any proposal for cancellation or reduction of nominal value is subject to general requirements of Dutch law with respect to reduction of share capital.

### **PRE-EMPTIVE RIGHTS**

The Act provides that equity securities proposed to be allotted for cash must first be offered to existing holders of equity securities in proportion to the nominal value of their respective holdings, unless an exception applies (for example in relation to bonus shares, employee share schemes or share issuances for non-cash consideration) or a special resolution has been passed by shareholders in a general meeting to exclude or vary such rights of pre-emption. A resolution to dis-apply pre-emption rights will be proposed as a special resolution at the Annual General Meeting and is included as item 10(e) of the AGM Agenda. As explained in Part I, this resolution will take effect only once the Migration is effective.

Under Dutch company law each shareholder has a pre-emptive right in proportion to the aggregate nominal value of its shareholding upon the issue of new shares (or the granting of rights to subscribe for ordinary shares). Exceptions to this pre-emptive right include the issue of new shares (or the granting of rights to subscribe for shares): (i) to employees of Nord Gold SE or another member of its group, (ii) against payment in kind (contribution other than in cash) and (iii) to persons exercising a previously-granted right to subscribe for shares.

A shareholder shall have no pre-emption right in respect of shares issued to employees of the company or a group company as defined in Section 2:24b of the Dutch Civil Code or shares issued against a contribution other than in cash. Shareholders shall have no right of pre-emption with respect to shares issued to a party exercising a previously obtained right to subscribe for shares.

Prior to each issuance, the right of pre-emption may be limited or excluded by a resolution of the general meeting of shareholders. A resolution to limit or exclude a pre-emption right requires at least 75% of the votes cast.

The general meeting may also resolve to designate the board of directors as the corporate body competent to resolve upon the limitation or exclusion of the right of pre-emption, if the board of directors has also been or is designated at the same time as the competent body authorised to resolve upon the issue of shares.

### **AMENDMENT OF CONSTITUTIONAL DOCUMENTS**

In accordance with the Act, Nord Gold SE may only amend the English law Statutes by passing a special resolution of shareholders at a general meeting. A special resolution under English law requires the approval of not less than 75% of the votes cast at a general meeting at which a quorum is present (as

The general meeting may resolve to amend the articles of association of Nord Gold, by a vote of a majority of the votes cast, but only on a proposal of the board of directors. Any such proposal must be stated in the notice of

## **English law provisions applicable to Nord Gold SE upon Migration**

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explained below).

It is worth noting that if a provision is “entrenched”, in a company’s articles of association, such provision may only be amended or repealed if the stated conditions are met, or procedures are complied with, that are more restrictive than those applicable in the case of a special resolution. There are no entrenched provisions in Nord Gold SE’s English law Statutes.

## **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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the general meeting of shareholders.

### **NUMBER OF DIRECTORS**

The Act provides that a public limited company must have at least two directors. Nord Gold SE’s English law Statutes provide that it must have at least three directors to maintain its position under Dutch law prior to the Migration.

The board of directors consists of one or more executive directors and two or more non-executive directors. The number of executive directors and non-executive directors is determined by the general meeting.

### **DIRECTOR QUALIFICATIONS**

The Act provides that any person may become a company director so long as they are: (i) over the age of sixteen; (ii) not bankrupt; and (iii) not disqualified from being a director.

Only natural persons can be non-executive directors. The members of the board of directors are appointed by the general meeting, which also determines whether a member is appointed as executive or non-executive director.

### **REMOVAL OF DIRECTORS**

Pursuant to the Act, shareholders may remove a director by ordinary resolution provided that 28 clear days’ notice of the resolution is given to Nord Gold SE and its shareholders and provided also that certain other procedural requirements prescribed by the Act are followed (such as allowing the director to make representations against his or her removal). Alternatively, a director may be removed by special resolution.

Members of the board of directors may at any time be suspended or dismissed by the general meeting. Executive directors may also be suspended by the board of directors. A suspension may last no longer than 3 months in total, even after having been extended one or more times.

The English law Statutes also provide that a director may be removed from office by giving him notice to that effect signed by not less than three quarters of the other directors.

### **VACANCIES ON THE BOARD OF DIRECTORS**

Under English law, the procedure by which directors are appointed is generally set out in a company’s articles of association, provided that where two or

In the event that one or more members of the board of directors are absent or prevented from acting, the remaining members of the

### **English law provisions applicable to Nord Gold SE upon Migration**

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more persons are appointed as directors of a public limited company, resolutions appointing each director should be voted on individually.

The English law Statutes provide that Nord Gold SE may, by ordinary resolution, appoint a director and that no person may be elected unless he is recommended by the board or unless a Shareholder has served notice of his intention to propose a resolution for the election of a particular person as director.

### **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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board of directors or the sole remaining member of the board of directors shall be entrusted with the management of the company performing his duties, the remaining member(s) of the board of directors or the sole remaining member of the board of directors shall be entrusted with the management of the company. If all members are absent or prevented from acting, the management of Nord Gold SE shall be temporarily entrusted to one or more persons designated for that purpose by the general meeting.

## **VOTING RIGHTS**

Under English law, and pursuant to Nord Gold SE's English law Statutes, a resolution shall be decided on a show of hands unless a poll is demanded by: (i) the Chairman; or (ii) at least five shareholders having the right to vote on such resolution; or (iii) any shareholder(s) representing at least 10% of the total voting rights of all shareholders having the right to vote on the resolution; or (iv) any shareholder(s) holding shares conferring a right to vote on the resolution (being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the shares conferring that right). On a show of hands, each shareholder has one vote regardless of the number of shares held by him. On a poll, each shareholder has one vote in respect of each share held by him.

Each share confers the right to cast one vote at a general meeting of shareholders. All resolutions are passed by a simple majority of the votes cast, except where a larger majority is prescribed by Dutch company law or the articles of association of Nord Gold SE (such as a resolution to reduce the issued share capital if less than half of the issued share capital is present or represented or a resolution to restrict or exclude pre-emptive rights, which requires at least 75% of the votes cast, in a meeting).

No vote may be cast in the general meeting in respect of share and GDR owned by Nord Gold SE or its subsidiary companies.

## **SUPERMAJORITY RESOLUTIONS**

Under the Act, special resolutions require the affirmative vote of not less than 75% of the votes cast by shareholders present (in person or by proxy) at the meeting. If a poll is demanded, a special resolution is passed if it is approved by holders representing not less than 75% of the total voting rights of shareholders present (in person or by proxy) who (being entitled to vote) vote on the resolution.

Amongst other things, the following matters must be approved by special resolution:

- Change of Nord Gold SE's name;
- Variation of Nord Gold SE's English law

Under Dutch law, a "supermajority" vote is one that requires, by law or under a company's articles of association, a larger majority of shareholder approval than 50 percent of the votes cast, as applicable to such resolution.

Pursuant to Dutch law and the articles of association of Nord Gold SE, the following resolutions require a "supermajority" vote at a general meeting of shareholders:

- A resolution to limit or exclude the pre-emptive rights and a resolution to

**English law provisions applicable to Nord Gold SE upon Migration**

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Statutes;

- Disapplication of shareholders' statutory pre-emption rights;
- A solvent winding up or dissolution of Nord Gold SE;
- A reduction of Nord Gold SE's share capital;
- An off-market purchase of Nord Gold SE's own shares; or
- The transfer of Nord Gold SE's registered office to another Member State.

**Dutch law provisions applicable to Nord Gold SE upon Conversion**

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authorize the board of directors to restrict or exclude pre-emptive rights requires a majority of at least 75% votes cast;

- A resolution to reduce the issued capital requires a two-thirds majority of votes cast if less than one-half of the issued capital is represented at the general meeting;
- In connection with the binding nomination of the board of directors with respect to each executive director and non-executive director to be appointed at a general meeting, a resolution for each nomination to resolve to overrule the binding nature of the nomination, which each such resolution requires a two-thirds majority of votes cast representing more than one-half of the issued capital;
- A resolution on the legal merger of Nord Gold SE requires at least (i) a majority of votes cast representing more than one-half of the issued and outstanding capital and (ii) a two-thirds majority of votes cast if less than one-half of the issued capital is represented at the general meeting; and
- A resolution on the legal demerger of Nord Gold SE requires at least (i) a majority of votes cast representing more than one-half of the issued and outstanding capital and (ii) a two-thirds majority of votes cast if less than one-half of the issued capital is represented at the general meeting. With regard to a proposal for a legal demerger resulting in the shareholders becoming shareholders of different companies (split of shareholders), a resolution to adopt such demerger may only be adopted by a three-quarters majority in a general meeting where at least 95 percent of the issued capital is represented.

**ORDINARY RESOLUTIONS**

Under the Act, an ordinary resolution is passed on a For the adoption of all other resolutions for

### **English law provisions applicable to Nord Gold SE upon Migration**

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### **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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show of hands if it is approved by a simple majority (more than 50%) of the votes cast by shareholders present (in person or by proxy) and entitled to vote. If a poll is demanded, an ordinary resolution is passed if it is approved by holders representing a simple majority of the total voting rights of shareholders present (in person or by proxy) who (being entitled to vote) vote on the resolution.

which no special majority is required Dutch law requires a simple majority (more than 50%) of the votes cast by shareholders present (in person or by proxy) and entitled to vote.

For all other matters not requiring a special resolution an ordinary resolution must be passed including, amongst other things, the following matters:

- Appointing or removing Nord Gold SE's auditors;
- The sub-division or consolidation of share capital; or
- Authorising the directors to allot shares.

While a director or auditor may be removed by an ordinary resolution, special notice must be given of the intention to do so.

### **ALTERATION OF CLASS RIGHTS**

The English law Statutes provide that if at any time there are different classes of shares, the rights attaching to a particular set of shares may (unless otherwise provided by the terms of issue of the shares of such class) be varied if 75% of the holders of the relevant class consent by a special resolution passed at a separate general meeting of the holders of such class or by written consent.

There is no equivalent provision in the articles of association of Nord Gold SE or under Dutch Company law.

The provisions of the English law Statutes in relation to general meetings apply *mutatis mutandis* to such meeting.

### **PROXIES**

In accordance with the Act, shareholders may designate another person to attend, speak or vote at a meeting on his behalf by proxy. A Shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such Shareholder. The appointment of a proxy will also be valid for any adjournment of the meeting and the appointment of a proxy shall not preclude a Shareholder from

Those entitled to attend a general meeting may be represented at a general meeting by a proxy authorized in writing. Members of the board of directors may attend a general meeting.

## **English law provisions applicable to Nord Gold SE upon Migration**

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## **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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attending and voting in person at the meeting or on the poll concerned.

### **SHAREHOLDER RESOLUTIONS OUTSIDE OF A GENERAL MEETING**

In accordance with the provisions of the Act, any shareholders' resolution must be passed in a duly convened general meeting.

The general meeting of a Dutch listed company cannot take resolutions in writing.

### **ANNUAL GENERAL MEETING**

In accordance with the provisions of the Act, Nord Gold SE must hold an annual general meeting in each six-month period following its annual accounting reference date at such date, time and place as the board thinks fit.

An annual general meeting of shareholders must be held within six months from the end of the preceding financial year of Nord Gold SE. The purpose of the annual general meeting of shareholders is to discuss, inter alia, the board report, the adoption of the annual accounts, allocation of profits (including the proposal to distribute dividends), release of members of the board from liability for their management and supervision, respectively, and other proposals brought up for discussion by the board. Directors may be elected at any general meeting of shareholders.

The business to be conducted at an annual general meeting is the business referred to in the relevant notice of such annual general meeting and will often require shareholders to vote on those resolutions that are typically passed on an annual basis, for example resolutions authorising the allotment of shares, the disapplication of pre-emption rights and the re-election of those directors who retire on an annual basis in accordance with the UK Code of Corporate Governance as well as any other resolutions that may be required from time to time, such as the declaration of a dividend.

Each year a general meeting of shareholders will be held not later than in the month of June,

### **PROPOSED RESOLUTIONS BY SHAREHOLDERS**

Under English law, shareholders who hold at least 5% of the total voting rights in Nord Gold SE, or not less than one hundred shareholders holding shares (on which an average of £100 has been paid up per shareholder), can requisition a resolution or "matter" to be considered at Nord Gold SE's annual general meeting and require Nord Gold SE to circulate notice of such resolution or "matter" to shareholders along with an accompanying statement in respect thereof (containing no more than 1,000 words).

The agenda for a general meeting of shareholders may contain the items requested by shareholders and holders of GDRs solely or jointly representing in the aggregate at least 3% of the issued capital. These requests shall be honoured by the board of directors if such motivated request or proposal for a resolution is received by Nord Gold SE sixty days before the date of the general meeting.

### **OTHER MEETINGS**

In accordance with the Act, and the English law Statutes, a general meeting of Nord Gold SE's shareholders may be called by the directors.

Other general meetings of shareholders will be held as often as the board of directors deems such necessary. Shareholders or GDRs holders solely or jointly representing in aggregate at least 10% of the issued share capital may, on their application, be

In addition, shareholders holding at least 5% of the paid-up capital of Nord Gold SE and carrying voting

### **English law provisions applicable to Nord Gold SE upon Migration**

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rights at general meetings can requisition a general meeting.

There is no requirement as to the location of general meetings under English law.

### **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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authorised by the interim provisions judge of the court (*voorzieningenrechter van de rechtbank*) to convene a general meeting of shareholders. The interim provisions judge (*voorzieningenrechter van de rechtbank*) shall reject the application if he is not satisfied that the applicants have previously requested the board of directors in writing, stating the exact subjects to be discussed, to convene a general meeting of shareholders and the board of directors not convened a meeting in such a manner that the meeting could be held within 6 weeks after the request.

General meetings will be held in Amsterdam, or the Hague, Rotterdam, Utrecht or Haarlemmermeer (Schiphol).

### **NOTICE OF GENERAL MEETINGS**

The Act provides that 21 clear days' notice must be given for an annual general meeting and any resolutions to be proposed at the meeting. In addition, the notice period required for general meetings is 21 days, unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. As such, English public limited companies would typically pass such a resolution at the annual general meeting to allow general meetings, other than AGMs, to be held on not less than 14 clear days' notice. This resolution will be proposed as a special resolution at the Annual General Meeting and is included as item 10(g) of the AGM Agenda. As explained in Part I, this resolution will take effect only once the Migration is effective.

Separately, certain matters (such as the removal of directors or auditors) require special notice, which is 28 clear days' notice.

General meetings of shareholders can be convened by the board of directors by a notice, specifying the subjects to be discussed, the place and the time of the meeting and admission and participation procedure, issued at least forty-two days before the meeting. All convocations, announcements, notifications and communications to shareholders have to be made in accordance with the relevant provisions of Dutch company law and the convocation and other notices may also occur by means of sending an electronically transmitted legible and reproducible message to the address of those shareholders which consented to this method of convocation.

Each shareholder entitled to vote, and each usufructuary (i.e., the person or entity with the right to the voting and economic interests of the ordinary shares), to whom the right to vote on the shares accrues, shall be authorized to attend the general meeting, to address the general meeting and to exercise his/her voting rights.

### **QUORUM FOR GENERAL MEETINGS**

The English law Statutes provide that two persons

There is no equivalent provision in the articles

**English law provisions applicable to Nord Gold SE upon Migration**

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entitled to attend and vote on the business to be transacted, each being a Shareholder present in person or proxy or a duly authorised corporate representative of a company which is a shareholder, shall be a quorum.

**Dutch law provisions applicable to Nord Gold SE upon Conversion**

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of association of Nord Gold SE or under Dutch Company law.

**QUORUM FOR ADMINISTRATIVE ORGAN MEETINGS**

The English law Statutes provide that the quorum necessary for the transaction of business by the Administrative Organ shall be at least half of its members.

There is no equivalent provision in the articles of association Nord Gold SE or under Dutch Company law.

**BONUS ISSUE OF SHARES**

Subject to the approval of shareholders by ordinary resolution, Nord Gold SE's directors may be authorised to capitalise any undistributed profits or reserves in order to pay up any unpaid amounts on shares or pay up in full any unissued shares of Nord Gold SE to be allotted to members credited as fully paid, in accordance with the terms of the English law Statutes and the provisions of the Act.

The general meeting may resolve to make a dividend distribution on shares wholly or partly not in cash but in shares. The board shall make a proposal for that purpose.

**LIABILITY OF DIRECTORS AND OFFICERS**

Any provision by which Nord Gold SE indemnifies a director against any liability attaching to him in connection with any negligence, default, breach of duty or breach of trust is void except as permitted by the Act, which enables Nord Gold SE to: (i) purchase and maintain insurance against such liability; (ii) provide a "qualifying third party indemnity" (being an indemnity against liability incurred by the director to a person other than Nord Gold SE or an associated company as long as he or she is successful in defending the claim or criminal proceedings); and (iii) provide a qualifying pension scheme indemnity (being an indemnity against liability incurred in connection with a company's activities as trustee of an occupational pension plan).

Under the laws of the Netherlands, members of the board of directors may be liable to Nord Gold SE for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages to Nord Gold SE and to third parties for infringement of the articles of association of Nord Gold SE or of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

Nord Gold SE's English law Statutes provide that, to the extent permitted by legislation, Nord Gold SE may: (i) indemnify a director of Nord Gold SE or an associated company against any liability; (ii) indemnify a director of a company that is trustee of an occupational pension scheme for employees of Nord Gold SE (or an associated company) against

### **English law provisions applicable to Nord Gold SE upon Migration**

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liability incurred in connection with such company's activities as trustee of the scheme; (iii) purchase and maintain insurance against any liability for a director; and (iv) may provide a director with funds to meet expenditure incurred or to be incurred by him in defending any criminal, regulatory or civil proceedings or in connection with an application for relief.

It is intended that Nord Gold SE will, upon Migration, enter into a deed of indemnity with each of its directors. Such deeds of indemnity will be available for inspection at Nord Gold SE's registered office.

### **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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#### **SHAREHOLDER VOTE ON CERTAIN TRANSACTIONS**

The Act provides for schemes of arrangement, which are arrangements or compromises between a company and any class of shareholders or creditors and used in certain types of restructurings, capital reorganisations or takeovers.

These arrangements require:

- the approval at a shareholders' or creditors' meeting, convened by order of the court, of a majority in number of shareholders or creditors representing 75% in value of the capital held by, or debt owed to, the class of shareholders or creditors, or class thereof present and voting, either in person or by proxy; and
- the approval of the court.

Pursuant to the Dutch Civil Code and the articles of association of Nord Gold SE, resolutions of the Board having an important impact on the identity or nature of the company or its business shall be subject to the prior approval of the General Meeting. Such resolutions include in any event:

- a. to transfer the business of the company or substantially the entire business of the company to a third party;
- b. to enter into or to terminate a long lasting cooperation by the company or a subsidiary with another legal entity or partnership or as general partner with full liability in a limited partnership or general partnership, if such co-operation or the termination thereof is of far-reaching significance to the company; and
- c. to acquire or alienate a participation by the company or by a subsidiary of the company in the capital of another company, the value of which equals at least one-third of the assets as shown in its balance sheet with explanatory notes, or, if the company draws up a consolidated balance sheet, as shown in the consolidated balance sheet with explanatory notes according to the

## English law provisions applicable to Nord Gold SE upon Migration

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## Dutch law provisions applicable to Nord Gold SE upon Conversion

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most recently adopted Annual Accounts.

### MANDATORY BID REQUIREMENT

The UK Takeover Code (the **Code**) contains certain rules in respect of mandatory offers. Under Rule 9 of the Code, if a person (the **Acquirer**):

- acquires an interest in a company's shares that, when taken together with shares in which persons acting in concert with such person are interested, carries 30% or more of the voting rights of the company's shares; or
- who, together with persons acting in concert with such person, is interested in shares that in aggregate carry not less than 30% and not more than 50% of the voting rights in the company acquires additional interests in shares that increase the percentage of shares carrying voting rights in which that person is interested,

the Acquirer, and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer for the company's outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

It is also a requirement of the Code that an offeror who acquires 90% or more of the shares of a public company to which the offer relates may, subject to compliance with the relevant provisions of the Act, become entitled to acquire the remaining outstanding shares. In such circumstances, a Shareholder may also require the offeror to acquire his or her shares under the terms of the offer. A Shareholder can give notice to the offeror if the Shareholder has made an application to the court that the offer should not be entitled to acquire his shares.

### STANDARD OF CONDUCT FOR DIRECTORS

The Act codifies certain common law and equitable duties of directors. In summary, the seven general duties that would be owed to Nord Gold SE by its directors under the Act are:

- to act in the way he or she considers, in good

Under Dutch law any person, acting alone or in concert with others, who, directly or indirectly, acquires 30% or more of Nord Gold SE's voting will be obliged to launch a public offer for all outstanding shares in the share capital of Nord Gold SE. An exception is made for shareholders who, whether alone or acting in concert with others, have an interest of at least 30% of Nord Gold SE voting rights before the shares are first listed and who still have such an interest after such first listing.

## **English law provisions applicable to Nord Gold SE upon Migration**

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## **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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faith, would be most likely to promote the success of Nord Gold SE for the benefit of its members as a whole;

- to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly conflicts, with the interests of Nord Gold SE;
- to act in accordance with Nord Gold SE's constitution and only exercise his or her powers for the purposes for which they are conferred;
- to exercise independent judgment;
- to exercise reasonable care, skill and diligence;
- to not accept benefits from a third party conferred by reason of his or her being a director or doing (or not doing) anything as a director; and
- a duty to declare any interest that he or she has, whether directly or indirectly, in a proposed or existing transaction or arrangement with Nord Gold SE.

In addition to those duties codified in the Act, directors have other duties under common law and equity (for example, fiduciary duties to act in good faith and to not fetter their discretion and under a wide variety of other laws and regulations, such as insolvency and health and safety legislation.

### **SHAREHOLDER SUITS**

Under English law, generally Nord Gold SE, rather than its shareholders, would be the proper claimant in an action in respect of a wrong committed against Nord Gold SE or whether there is an irregularity in Nord Gold SE's internal management.

Notwithstanding this general position, the Act provides that shareholders may make an application to the court in the following circumstances:

#### **Derivative Actions**

A minority of shareholders may bring an action in their own name seeking a remedy on behalf of Nord Gold SE in respect of a wrong committed against it.

There is no equivalent provision in the articles of association of Nord Gold SE or under Dutch company law.

## **English law provisions applicable to Nord Gold SE upon Migration**

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## **Dutch law provisions applicable to Nord Gold SE upon Conversion**

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Given that proceedings are typically brought by a company in its own name, derivative actions are relatively rare and are only generally permitted for negligence, default, breach of duty or breach of trust by a director.

### **Unfair Prejudice Actions**

A Shareholder may apply to the court by petition for an order that Nord Gold SE's affairs are being, or have been, conducted in a manner which is unfairly prejudicial to the interests of its shareholders, including at least such shareholder or that any actual or proposed act or omission of the Nord Gold is, or would be, so prejudicial.

### **Dissenters' rights**

Subject to certain conditions, shareholders may make an application to the court for relief in certain limited circumstances, including:

- where shareholders representing not less than 5% of Nord Gold SE's issued share capital object to an application by a public company to be re-registered as a private company;
- where shareholders representing not less than 15% of the class in question object to a proposed variation of the rights attaching to such class of shares; and
- in a takeover situation where the offeror has acquired 90% of the issued share capital of a company and a shareholder objects to his or her shares being compulsorily acquired by such offeror.

## **INSPECTION OF BOOKS AND RECORDS**

The Act provides certain information rights for shareholders, including the right to:

- inspect and obtain copies (for a fee) of the minutes of all general meetings of Nord Gold SE and all resolutions passed other than at a general meeting;
- inspect copies of the register of members, register of directors, register of secretaries and other statutory registers maintained by Nord Gold SE;

There is no equivalent provision in the articles of association of Nord Gold SE or under Dutch Company law.

**English law provisions applicable to Nord Gold SE upon Migration**

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- receive copies of Nord Gold SE's annual report and accounts for each financial year; and
- receive notices of general meetings of Nord Gold SE.

Nord Gold SE's English law Statutes must be filed with Companies House and will therefore be open to public inspection.

shareholders do not have any right to inspect board minutes of Nord Gold SE and the English law Statutes expressly state that no Shareholder has any right to inspect any account, book or document of Nord Gold SE except as conferred by law or authorized by the directors or by ordinary resolution of Nord Gold SE.

**Dutch law provisions applicable to Nord Gold SE upon Conversion**

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**APPENDIX 1**  
**CONVERSION PROPOSAL**

## SE CONVERSION PROPOSAL

### NORD GOLD N.V.

Date \_\_\_\_ March 2016

The undersigned, constituting the entire board (the **Board**) of Nord Gold N.V., a public limited liability company under Dutch law (*naamloze vennootschap*), having its official seat in Amsterdam, the Netherlands, its office address at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost and registered in the Dutch Commercial Register under number 17179668 (the **Company**),

hereby present the following proposal for the conversion of the Company from a public limited liability company under Dutch law in a European public limited liability company (*societas Europaea*).

#### 1. Conversion

- 1.1 It is proposed to convert the Company into a European public limited liability company (*societas Europaea*) (the **Conversion**) with corporate seat in Amsterdam, the Netherlands.
- 1.2 The Conversion will be effected in accordance with the provisions of Section 2(4) and Section 37 of the Council Regulation No. 2157/2001 on the statute for a European company (*Verordening (EG) Nr. 2157/2001 betreffende het statuut van de Europese vennootschap*) (the **SE Regulation**) and Section 10 of the Dutch Implementation Act (*Uitvoeringswet verordening Europese vennootschap*) shall apply to the Conversion. In this regard, the Board confirms that the Company has at least one subsidiary under the laws of another EU Member State for at least two years as required under Section 2(4) of the SE Regulation (see Annex A).
- 1.3 The Conversion is the first part of a two-step plan to move the Company from the Netherlands to the United Kingdom. It is envisaged that after the Conversion becoming effective the Company will migrate to the United Kingdom by way of transfer of its corporate seat in accordance with the provisions of Section 8 of the SE Regulation (the **Migration Proposal**). The Migration proposal is attached this proposal as Annex B.
- 1.4 The Company considers the move to the United Kingdom as a first step towards listing on the premium segment of the London Stock Exchange and FTSE Index inclusion.
- 1.5 As a result of the Conversion the type of legal entity, name, official seat and address of the Company shall be as follows:
  - (a) prior to the Conversion:

Nordgold N.V., a public limited liability company under Dutch law, having its official seat in Amsterdam, the Netherlands, and its office address at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost, the Netherlands.
  - (b) after the Conversion:

Nordgold SE, a European public limited liability company, having its official seat in Amsterdam, the Netherlands, and its office address at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost, the Netherlands.

## **2. Amendment of the Articles of Association**

- 2.1 It is proposed to amend the Company's articles of association as per the moment of the Conversion becoming effective. The amendment of the Company's articles of association is required to reflect the Company's new legal form and to meet the requirements from the SE Regulation.
- 2.2 The proposed changes to the Company's articles of association in connection with the Conversion are attached to this proposal as Annex C.

## **3. Formation of Special Negotiation Body**

- 3.1 In connection with the Conversion a Special Negotiation Body will be established in accordance with article 3 of Directive 2001/86/EC (**Directive**) and article 1:8 of the Employee Involvement (European Companies) Act (**WRW**).
- 3.2 It is envisaged that this Special Negotiation Body will waive its right to open negotiations in accordance with article 14(1)(b) WRW and rely on the rules on information and consultation of employees in force in the EU Member State where the Company has employees. As a consequence of the waiver the standard rules referred to in the Annex of the Directive and Part 3 (articles 2:12 and further) WRW will not apply.
- 3.3 There is no co-determination, employee involvement or employee representative body in place or required within the Company's group. Thus, no other employee consultation procedure needs to be initiated other than the establishment of a Special Negotiation Body.

## **4. Independent expert**

Deloitte, appointed by the Company as an independent expert, is requested to issue a statement confirming that the Company's net assets equal at least the issued share capital plus the statutory reserves and reserves the Company must maintain pursuant to its articles of association. This statement will be issued prior to the general meeting of shareholders in which the Conversion and the amendment of the articles of association are to be approved.

## **5. Revocation of the conversion proposal**

The Board shall be authorised at its sole discretion to revoke the proposal to convert the Company in a European company until the Conversion becoming effective.

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N. Zelenskiy

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E. Tulubensky

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D.W. Morgan

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P.R. Lester

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A. Mordashov

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R. Elkin

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P.J. Bacchus

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J.A. Munro

**Annexes:**

Annex A: Opeloak Limited is an indirect wholly-owned subsidiary of Nord Gold N.V. for more than two years.

Annex B: Migration proposal

Annex C: Proposed changes to the Company's articles of association

**PROPOSAL TO AMEND THE ARTICLES OF ASSOCIATION  
IN CONNECTION WITH THE SE CONVERSION OF  
NORD GOLD N.V.**

with official seat in Amsterdam, the Netherlands.

The proposal below contains three columns. The text of the current Articles of Association is stated in the first column. The text of the proposed new text is stated in the second column. The third column provides brief explanatory notes per new Article. In addition, general explanatory notes discussing the key issues of the proposed changes are available separately.

The text of the proposal below is an English translation of a proposal prepared in Dutch. In preparing the text below, an attempt has been made to translate as literally as possible without jeopardising the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law. In this translation, Dutch legal concepts are expressed in English terms. The concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

**CURRENT TEXT:****Article 2. name and seat.**

1. The name of the company is Nord Gold N.V.
2. The official seat of the company is in Amsterdam, the Netherlands.

**Article 13. Board.**

1. The company shall be managed by the Board, constituted by one (1) or more executive directors and one (1) or more non-executive directors. Only natural persons may be members of the Board. The number of executive directors and non-executive directors shall be determined by the General Meeting.

**Article 14. Appointment, suspension and dismissal. Remuneration.**

2. The Members of the Board shall be appointed by the General Meeting, which shall also

**PROPOSED NEW TEXT:****Article 2. name, seat and head office.**

1. The name of the company is Nord Gold **SE**.
2. The corporate seat of the company is in Amsterdam, the Netherlands **and the company's head office is in the Netherlands.**

**Article 13. Board.**

1. The company shall be managed by the Board, constituted by one (1) or more executive directors and one (1) or more non-executive directors, **provided that the total number of directors must be at least three.** Only natural persons may be members of the Board. The number of executive directors and non-executive directors shall be determined by the General Meeting.

**Article 14. Appointment, suspension and dismissal. Remuneration.**

2. The Members of the Board shall be appointed by the General Meeting, which shall also

***Explanatory notes:***

*In Article 2.1 the abbreviation N.V. will be replaced by SE, such in accordance with the SE Regulation.*

*The SE Regulation also requires that the location of a SE's head office is in the same member state as where its corporate seat is situated. This will be reflected in article 2.2 and the heading of article 2.*

*Pursuant to the Dutch Implementation Act (Uitvoeringswet verordening Europese vennootschap) the Board must consist of at least three members. Article 13 paragraph 1 will be amended to reflect this requirement.*

*A new sentence is added to paragraph 1 of Article 14 to reflect the SE Regulation*

determine whether a member of the Board is appointed as executive or as non-executive director.

determine whether a member of the Board is appointed as executive or as non-executive director. **The term of office of members of the Board will be for a period of not more than six years after appointment. A member of the Board who ceases office in accordance with the previous provisions is immediately eligible for reappointment.**

*requirement that members of the Board shall be appointed for a period of not more than six years. Subsequently, a third sentence is added to reflect that any member that ceases office will be eligible for reappointment.*

**Article 15. Tasks and duties of the Board. Meetings. Decision making process.**

2. Each member of the Board shall have the authority to convene a meeting of the Board, which meetings shall be chaired by the Chairman of the Board.

3. The Board shall adopt resolutions by absolute majority of the votes cast by the members of the Board present or represented at the meeting, with due observance of the provisions of the regulations as referred to in paragraph 8.

4. At meetings of the Board, each member of the Board shall be entitled to cast one (1) vote.

**Article 15. Tasks and duties of the Board. Meetings. Decision making process.**

2. Each member of the Board shall have the authority to convene a meeting of the Board, which meetings shall be chaired by the Chairman of the Board. **The Board shall meet at least once every quarter to deliberate on the actual course of events of the company and relating undertaking un foreseeable developments.**

3. The Board shall adopt resolutions by absolute majority of the votes cast by the members of the Board present or represented at the meeting, with due observance of the provisions of the regulations as referred to in paragraph 8 **and such regulations must indicate any quorum requirements applicable to resolutions of the Board.**

4. At meetings of the Board, each member of the Board shall be entitled to cast one (1) vote.

*A new sentence is added to paragraph 2 of Article 15 to meet the requirement of the SE Regulation that the Board must meet at least once every three months.*

*The added text to paragraph 3 of Article 15 is to meet the SE Regulation requirement that quorum rules may only apply to Board resolutions if this is expressly provided for in the company's articles of association.*

*A new sentence is inserted in paragraph 4 of Article 15 to deviate of the general*

**The chairman of the Board will not have a decisive vote in the event of a tie in voting.** *rule under the SE Regulation that the chairman will have a decisive vote in case of a tie.*

- |    |  |    |  |  |
|----|--|----|--|--|
| 5. | The meetings of the Board shall be held in Amsterdam, or any other location as designated by the Chairman at the time of the convening of the meeting. In addition to physical meetings, meetings may be held by telephone or video conference provided that the members of the Board can hear and express their opinion to each other during the meeting. | 5. | The meetings of the Board shall be held in Amsterdam, or any other location as designated by the Chairman at the time of the convening of the meeting. In addition to physical meetings, meetings may be held by telephone or video conference provided that the members of the Board can hear and express their opinion to each other during the meeting. | <i>No changes to paragraph 5 of Article 15.</i>  |
| 6. | A member of the Board may be represented at Board meetings by another member of the Board only for a specific meeting and when authorised in writing. A member of the Board shall be entitled to act as representative for one (1) or more members of the Board.   | 6. | A member of the Board may be represented at Board meetings by another member of the Board only for a specific meeting and when authorised in writing. A member of the Board shall be entitled to act as representative for one (1) or more members of the Board.   | <i>No changes to paragraph 6 of Article 15.</i>  |
| 7. | The Board may also adopt resolutions without convening a meeting, provided that all of the members of the Board have been consulted and that none objects to adopting resolutions in this manner.  | 7. | The Board may also adopt resolutions without convening a meeting, provided that all of the members of the Board have been consulted and that none objects to adopting resolutions in this manner.  | <i>No changes to paragraph 7 of Article 15.</i>  |
| 8. | The Board shall adopt internal regulations regarding its decision making process and the internal allocation of tasks and responsibilities. The regulations shall  | 8. | The Board shall adopt internal regulations regarding its decision making process and the internal allocation of tasks and responsibilities. The regulations shall  | <i>The added text is to make clear that the regulations shall provide for a list of reserved matters which require a Board resolution, such in accordance with the</i> |

provide, with due observance of the provisions of the law, for the specific tasks and responsibilities entrusted to each of the executive and non-executive directors. The regulations may furthermore provide that executive respectively non-executive directors may validly adopt resolutions in respect of matters that are part of the specific tasks and responsibilities they are entrusted with, and may contain provisions regarding the titles as observed within the Board.

provide, with due observance of the provisions of the law, for the specific tasks and responsibilities entrusted to each of the executive and non-executive directors **and will specify for which matters a resolution of the Board is required.** The regulations may furthermore provide that executive and respectively non-executive directors may validly adopt resolutions in respect of matters that are part of the specific tasks and responsibilities they are entrusted with, and may contain provisions regarding the titles as observed within the Board.

**Article 29. Voting rights and decision-making.**

7. Blank votes and invalid votes shall be deemed not to have been cast.

**Article 29. Voting rights and decision-making.**

7. Blank votes, invalid votes **and abstentions** shall be deemed not to have been cast.

*Article 29 paragraph is amended to reflect the SE Regulation requirement that the number of votes cast at a general meeting of shareholders will not include abstentions.*

**Article 31. Amendment of the articles of association. Dissolution.**

4. A resolution to amend the articles of association of the company shall only be adopted with a majority of at least two third of the valid votes cast at a General Meeting.

*A new paragraph 4 is added to Article 31 to reflect that under the SE Regulation a two third majority of the votes cast at a general meeting of shareholders is required for amending the company's articles of association.*



**APPENDIX 2**  
**CONVERSION REPORT**

**BOARD REPORT RELATING TO THE CONVERSION OF  
NORD GOLD N.V.**

**Date \_\_\_\_ March 2016**

This board report is made pursuant to Section 37(4) of the Council Regulation No. 2157/2001 on the statute for a European company (*Verordening (EG) Nr. 2157/2001 betreffende het statuut van de Europese vennootschap*) (the **SE Regulation**) in connection with the proposed conversion of **Nord Gold N.V.**, a public limited liability company under Dutch law (*naamloze vennootschap*), having its official seat in Amsterdam, the Netherlands, its office address at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost and registered in the Dutch Commercial Register under number 17179668 (the **Company**), in a European public limited liability company (*societas Europaea*) (the **Conversion**).

This report is drawn up by the entire board of the Company (the **Board**).

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**1. Reasons for the Conversion**

The Board wants to move the Company to the United Kingdom in order to be eligible for listing on the premium segment of the London Stock Exchange and FTSE Index inclusion.

The first step to achieve the move to the United Kingdom is the Conversion. The second step is the transfer of the corporate seat of the Company from the Netherlands to the United Kingdom in accordance with the provisions of Section 8 of the SE Regulation (the **Migration**). A separate proposal for the Migration is adopted by the Board. Following the Migration the Company will be a UK entity, and subject to European and UK company law only.

**2. Explanation from a legal and economical point of view**

Legal:

In connection with the Conversion, the Company's legal form will change and the Company's articles of association will be amended to reflect such new legal form and to meet the requirements following from the SE Regulation.

The Conversion will not result in winding up of the Company or the establishment of a new legal entity. The legal position of the creditors or other counterparties of the Company is not expected to change as a direct result of the Conversion.

Economic:

It is not expected that the Conversion will have an economic impact on the Company or will lead to a change of the Company's business or activities.

**3. Consequences for shareholders**

The Conversion will not have an impact on the Company's shareholders other than that upon the Conversion becoming effective, the Company's legal form and articles of association are amended and the Company will be subject to the SE Regulation as well as the Dutch civil Code. Approval by the general meeting of shareholders is required for the Conversion and the amendment of the Company's articles of association.

**4. Consequences for employees**

The Company has no employees. Personnel within the Company's group will not be affected as a result of the Conversion.

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N. Zelenskiy

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E. Tulubensky

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D.W. Morgan

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P.R. Lester

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A. Mordashov

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R. Elkin

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P.J. Bacchus

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J.A. Munro

**APPENDIX 3**  
**MIGRATION PROPOSAL**

## MIGRATION PROPOSAL

### NORD GOLD N.V.

Date \_\_\_\_ March 2016

The undersigned, constituting the entire board (the **Board**) of Nord Gold N.V., a public limited liability company under Dutch law (*naamloze vennootschap*), having its official seat in Amsterdam, the Netherlands, its office address at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost and registered in the Dutch Commercial Register under number 17179668 (the **Company**),

hereby present the proposal for the migration of the Company from the Netherlands to the United Kingdom.

#### 1. Migration

- 1.1 It is proposed to transfer the corporate seat of the Company from Amsterdam, the Netherlands to London, the United Kingdom (the **Migration**).
- 1.2 The Migration will be effected in accordance with the provisions of Section 8 of the Council Regulation No. 2157/2001 on the statute for a European company (*Verordening (EG) Nr. 2157/2001 betreffende het statuut van de Europese vennootschap*) (the **SE Regulation**) and Sections 3, 4 and 5 of the Dutch Implementation Act (*Uitvoeringswet verordening Europese vennootschap*) are applicable in respect of the Migration.
- 1.3 The Migration is the second part of a two-step plan to move the Company from the Netherlands to the United Kingdom. The first step is to convert the Company into a European public limited liability company (*societas Europaea*) (the **Conversion**). The Conversion proposal is attached this Migration proposal as Annex A.
- 1.4 The Migration will only be effected after completion of the Conversion.
- 1.5 The Company considers the move to the United Kingdom as a first step towards listing on the premium segment of the London Stock Exchange and FTSE Index inclusion.
- 1.6 As a result of the Migration the type of legal entity, name, official seat and address of the Company shall be as follows:
  - (a) prior to the Migration, but after the Conversion:

Nordgold SE, a European public limited liability company, having its official seat in Amsterdam, the Netherlands, and its office address at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost, the Netherlands.
  - (b) after the Migration: Nordgold SE, a European public limited liability company, having its registered office address at 145 Leadenhall Street, EC3V 4QT, London, UK  
  
London, the United Kingdom.

#### 2. Amendment of the Articles of Association of the Company

- 2.1 It is proposed to amend the Company's articles of association as per the moment of the Migration becoming effective. The amendment of the Company's articles of association is required to reflect the Company's new corporate seat and to meet the requirements from the SE Regulation and UK Company law (the **Amendment**).

□

2.2 The proposed changes to the Company's articles of association in connection with the Migration are attached to this proposal as Annex B.

### **3. Effects on the Employees in connection with the Migration of the Company**

3.1 In connection with the Migration a Special Negotiation Body will be established in accordance with article 3 of Directive 2001/86/EC (**Directive**) and article 1:8 of the Employee Involvement (European Companies) Act (**WRW**).

3.2 It is envisaged that this Special Negotiation Body will waive its right to open negotiations in accordance with article 14(1)(b) WRW and rely on the rules on information and consultation of employees in force in the EU Member State where the Company has employees. As a consequence of the waiver the standard rules referred to in the Annex of the Directive and Part 3 (articles 2:12 and further) WRW will not apply.

3.3 There is no co-determination, employee involvement or employee representative body in place or required within the Company's group. Thus, no other employee consultation procedure needs to be initiated other than the establishment of a Special Negotiation Body.

### **4. Timetable**

The timetable for the Migration shall be as follows:

- (i) filing and announcement of the Migration proposal and Board report: not later than 24 March 2016;
- (ii) notice for convening a general meeting of shareholders of the Company: not later than 19 April 2016;
- (iii) end of creditors opposition period: 2 months after the announcement mentioned under (i);
- (iv) general meeting of shareholders of the Company to resolve on the Conversion and the Migration: 31 May 2016;
- (v) execution and filing of the Dutch notarial deed in relation to the Conversion: by no later than 31 May 2016;
- (vi) execution of the documents in relation to the Migration of the Company: after the Conversion becoming effective; and
- (vii) registration of the Company in the designated public register in the United Kingdom: envisaged for June / July 2016.

### **5. Rights of shareholders and creditors**

5.1 The Migration and the Amendment is subject to shareholders' approval. The approval requires a special majority of two thirds of the votes cast at the general meeting of shareholders, such in accordance with Section 59 of the SE Regulation.

5.2 Pursuant to Section 4(2) of the Dutch Implementation Act, each creditor may oppose to the Migration proposal by means of submission of an application at the District Court in Amsterdam, specifying the required security, until two months after the Company has announced the filing of the Migration proposal at the Dutch Commercial Register.

5.3 Pursuant to Section 8(4) of the SE Regulation the shareholders and creditors shall be entitled, at least one month before the general meeting of shareholders is held for approval of the Migration, to examine at the Company's office this proposal and the Board report and, on request, to obtain copies of those documents free of charge.

**6. Revocation of the Migration proposal**

The Board shall be authorised at its sole discretion to revoke the transfer of the corporate seat of the Company until the Migration becoming effective.

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N. Zelenskiy

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E. Tulubensky

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D.W. Morgan

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P.R. Lester

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A. Mordashov

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R. Elkin

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P.J. Bacchus

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J.A. Munro

**Annexes:**

Annex A: Conversion proposal

Annex B: Proposed changes to the Company's articles of association

**COUNCIL REGULATION (EC) NO 2157/2001  
OF 8 OCTOBER 2001  
ON THE STATUTE FOR A EUROPEAN COMPANY (SE)  
A EUROPEAN PUBLIC LIMITED LIABILITY COMPANY  
(*SOCIETAS EUROPAEA* OR *SE*)**

## **STATUTES**

**OF**

**NORD GOLD SE**

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Company number  
[●]

COUNCIL REGULATION (EC) NO 2157/2001  
OF 8 OCTOBER 2001  
ON THE STATUTE FOR A EUROPEAN COMPANY (SE)  
  
A EUROPEAN PUBLIC LIMITED LIABILITY COMPANY  
(*SOCIETAS EUROPAEA* OR *SE*)

**STATUTES**  
**OF**  
**NORD GOLD SE**

**PRELIMINARY**

**1. EC Regulation**

Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (SE) (the **SE Regulation**) shall apply to the Company and to the extent that there is any inconsistency between the SE Regulation and these Statutes, the SE Regulation shall apply.

**2. Standard regulations do not apply**

None of the regulations in the model articles for public companies set out in Schedule 3 to the Companies (Model Articles) Regulations 2008 shall apply to the Company.

**3. Interpretation**

(a) In these Statutes, unless the contrary intention appears:

(i) the following definitions apply:

**board** means the board of directors for the time being of the Company;

**CA 2006** means the Companies Act 2006 as in force from time to time;

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

**committee** means a committee of the board;

the **Company** means Nord Gold SE;

**director** means a director for the time being of the Company;

**Disclosure and Transparency Rules** means the disclosure and transparency rules for the time being in force, as published by the Financial Conduct Authority in the Financial Conduct Authority Handbook;

**electronic address** has the same meaning as in the CA 2006;

**electronic form** has the same meaning as in the CA 2006;

**electronic means** has the same meaning as in the CA 2006;

**hard copy form** has the same meaning as in the CA 2006;

**holder** in relation to any share means the member whose name is entered in the register as the holder of that share;

**Legislation** means the CA 2006, the Uncertificated Securities Regulations 2001 and every other statute, statutory instrument, regulation or order for the time being in force concerning the Company;

**office** means the registered office for the time being of the Company;

**paid up** means paid up or credited as paid up;

**person entitled by transmission** means a person whose entitlement 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 has been noted in the register;

a **proxy notification address** means the address or addresses (including any electronic address) specified in a notice of a meeting or in any other information issued by the Company in relation to a meeting (or, as the case may be, an adjourned meeting or a poll) for the receipt of proxy notices relating to that meeting (or adjourned meeting or poll) or, if no such address is specified, the office;

**register** means either or both of the register of members of the Company or the issuer register of members and, where the context requires, any register maintained by the Company of persons holding any renounceable right of allotment of a share;

**relevant system** means a computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument, pursuant to the Uncertificated Securities Regulations 2001 or any relevant regulations made pursuant to the CA 2006;

**seal** means any common seal of the Company or any official seal or securities seal which the Company may have or be permitted to have under Legislation;

**secretary** means the secretary of the Company or, if there are joint secretaries, any of the joint secretaries and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary of the Company;

**Statutes** means these statutes, as from time to time altered by special resolution; and

- (ii) **treasury shares** means those shares held by the Company in treasury in accordance with section 724 of the CA 2006; any reference to an uncertificated share, or to a share being held in uncertificated form, means a share title to which may be transferred by means of a relevant system, and any reference to a certificated share means any share other than an uncertificated share;
- (iii) any other words or expressions defined in the SE Regulation or the CA 2006 or, if not defined in the SE Regulation or the CA 2006, in any other provision of Legislation (in each case as in force on the date these Statutes take effect) have the same meaning in these Statutes except that the word **company** includes any body corporate;
- (iv) any reference in these Statutes to any statute or statutory provision includes a reference to any modification or re-enactment of it for the time being in force;
- (v) words importing the singular number include the plural number and vice versa, words importing one gender include the other gender and words importing persons include bodies corporate and unincorporated associations;
- (vi) any reference to writing includes a reference to any method of reproducing words in a legible form;
- (vii) any reference to a document being sealed or executed under seal or under the common seal of any body corporate (including the Company) or any similar expression includes a reference to its being executed in any other manner which has the same effect as if it were executed under seal;
- (viii) any reference to a meeting shall not be taken as requiring more than one person to be present in person if any quorum requirement can be satisfied by one person;
- (ix) any reference to a show of hands includes such other method of casting votes as the board may from time to time approve;
- (x) where the Company has a power of sale or other right of disposal in relation to any share, any reference to the power of the Company or the board to authorise a person to transfer that share to or as directed by the person to whom the share has been sold or disposed of shall, in the case of an uncertificated share, be deemed to include a reference to such other action as may be necessary to enable that share to be registered in the name of that person or as directed by him; and
- (xi) any reference to:

- (A) rights attaching to any share;
- (B) members having a right to attend and vote at general meetings of the Company;
- (C) dividends being paid, or any other distribution of the Company's assets being made, to members; or
- (D) interests in a certain proportion or percentage of the issued share capital, or any class of share capital,

shall, unless otherwise expressly provided by Legislation, be construed as though any treasury shares held by the Company had been cancelled.

- (b) Subject to Legislation, a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under these Statutes.
- (c) Headings to these Statutes are inserted for convenience only and shall not affect construction.

#### **4. Objects**

Nothing in these Statutes shall constitute a restriction on the objects of the Company to do (or omit to do) any act and, in accordance with section 31(1) of the CA 2006, the Company's objects are unrestricted.

#### **5. Limited liability**

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

### **SHARE CAPITAL**

#### **6. Rights attached to shares**

Subject to Legislation and to the rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution is in effect or so far as the resolution does not make specific provision, as the board may decide.

#### **7. Allotment (etc.) of shares**

Subject to Legislation, these Statutes and any resolution of the Company, the board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares to such persons, at such times and generally on such terms as the board may decide.

#### **8. Authority to allot shares and grant rights**

The Company may from time to time pass an ordinary resolution referring to this Statute and authorising, in accordance with section 551 of the CA 2006, the board to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company and:

- (a) on the passing of the resolution the board shall be generally and unconditionally authorised to allot such shares or grant such rights up to the maximum nominal amount specified in the resolution; and
- (b) unless previously revoked the authority shall expire on the day specified in the resolution (not being more than five years from the date on which the resolution is passed),

but any authority given under this Statute shall allow the Company, before the authority expires, to make an offer or agreement which would or might require shares to be allotted or rights to be granted after it expires.

## 9. Dis-application of pre-emption rights

- (a) Subject (other than in relation to the sale of treasury shares) to the board being generally authorised to allot shares and grant rights to subscribe for or to convert any security into shares in the Company in accordance with section 551 of the CA 2006, the Company may from time to time resolve, by a special resolution referring to this Statute, that the board be given power to allot equity securities for cash and, on the passing of the resolution, the board shall have power to allot (pursuant to that authority) equity securities for cash as if section 561 of the CA 2006 did not apply to the allotment but that power shall be limited to:

- (i) the allotment of equity securities in connection with a rights issue; and
- (ii) the allotment (other than in connection with a rights issue) of equity securities having a nominal amount not exceeding in aggregate the sum specified in the special resolution,

and unless previously revoked, that power shall (if so provided in the special resolution) expire on the date specified in the special resolution of the Company. The Company may before the power expires make an offer or agreement which would or might require equity securities to be allotted after it expires.

- (b) For the purposes of this Statute:
  - (i) **equity securities** and **ordinary shares** have the meanings given in section 560 of the CA 2006;
  - (ii) **rights issue** means an offer or issue of equity securities open for acceptance for a period fixed by the board to or in favour of holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings and holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities; but the board may make such exclusions or other arrangements as the board considers expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depository receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and
  - (iii) a reference to the **allotment of equity securities** includes (pursuant to sections 560(2) and (3) of the CA 2006) the grant of a right to subscribe for, or to convert any securities into, ordinary shares in the Company, and the sale

of any ordinary shares in the Company or (as the case may be) shares of a particular class, that immediately before the sale, were held by the Company as treasury shares.

**10. Power to pay commission**

The Company may in connection with the issue of any shares exercise all powers of paying commission conferred or permitted by Legislation.

**11. Power to alter share capital**

- (a) The Company may exercise the powers conferred by Legislation to:
  - (i) increase its share capital by allotting new shares;
  - (ii) reduce its share capital;
  - (iii) sub-divide or consolidate and divide all or any of its share capital; and
  - (iv) redenominate all or any of its shares and reduce its share capital in connection with such a redenomination.
- (b) A resolution by which any share is sub-divided may determine that, as between the holders of the shares resulting from the sub-division, one or more of the shares may have such preferred or other special rights, or may have such qualified or deferred rights or be subject to such restrictions, as compared with the other or others, as the Company has power to attach to new shares.
- (c) If as a result of any consolidation and division or sub-division of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit. In particular, the board may:
  - (i) (on behalf of those members) aggregate and sell the shares representing the fractions to any person (including, subject to Legislation, the Company) and distribute the net proceeds of sale in due proportion among those members (except that any proceeds in respect of any holding less than a sum fixed by the board may be retained for the benefit of the Company); or
  - (ii) subject to Legislation, first, allot to a member credited as fully paid by way of capitalisation of any reserve account of the Company such number of shares as rounds up his holding to a number which, following consolidation and division or sub-division, leaves a whole number of shares.
- (d) For the purpose of a sale under paragraph (c)(i) выше, the board may authorise a person to transfer the shares to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money and the title of the new holder to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale.

**12. Power to issue redeemable shares**

Subject to Legislation, any share may be issued on terms that it is to be redeemed or is liable to be redeemed at the option of the Company or the holder. The terms, conditions and

manner of redemption of such shares may be determined by the board before the shares are allotted.

**13. Power to purchase own shares**

Subject to Legislation, and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its shares of any class, including any redeemable shares.

**14. Power to reduce capital**

Subject to Legislation, and to any rights conferred on the holders of any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

**15. Trusts not recognised**

Except as required by law or these Statutes, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required to recognise (even when having notice of it) any interest in or in respect of any share, except the holder's absolute right to the entirety of the share.

**UNCERTIFICATED SHARES – GENERAL POWERS**

**16. Uncertificated shares – general powers**

- (a) The board may permit any class of shares to be held in uncertificated form and to be transferred by means of a relevant system and may revoke any such permission.
- (b) In relation to any share which is for the time being held in uncertificated form:
  - (i) the Company may utilise the relevant system in which it is held to the fullest extent available from time to time in the exercise of any of its powers or functions under Legislation or these Statutes or otherwise in effecting any actions and the board may from time to time determine the manner in which such powers, functions and actions shall be so exercised or effected;
  - (ii) any provision in these Statutes which is inconsistent with:
    - (A) the holding or transfer of that share in the manner prescribed or permitted by Legislation;
    - (B) any other provision of Legislation relating to shares held in uncertificated form; or
    - (C) the exercise of any powers or functions by the Company or the effecting by the Company of any actions by means of a relevant system,shall not apply;
  - (iii) the Company may, by notice to the holder of that share, require the holder to change the form of such share to certificated form within such period as may be specified in the notice;

- (iv) the Company may require that share to be converted into certificated form in accordance with Legislation; and
  - (v) the Company shall not issue a certificate.
- (c) The Company may, by notice to the holder of any share in certificated form, direct that the form of such share may not be changed to uncertificated form for a period specified in such notice.
- (d) For the purpose of effecting any action by the Company, the board may determine that shares held by a person in uncertificated form shall be treated as a separate holding from shares held by that person in certificated form but shares of a class held by a person in uncertificated form shall not be treated as a separate class from shares of that class held by that person in certificated form.

## **VARIATION OF RIGHTS**

### **17. Variation of rights**

- (a) Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied in such manner as those rights may provide or (if no such provision is made) either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the authority of a special resolution passed at a separate general meeting of the holders of those shares.
- (b) The provisions of these Statutes relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every such separate general meeting, except that:
- (i) the quorum at any such meeting (other than an adjourned meeting) shall be two members present in person or by proxy holding at least one-third in nominal amount of the issued shares of the class;
  - (ii) at an adjourned meeting the quorum shall be one member present in person or by proxy holding shares of the class;
  - (iii) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
  - (iv) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.
- (c) Unless otherwise expressly provided by the rights attached to any class of shares those rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them or by the purchase or redemption by the Company of any of its own shares.

## **TRANSFERS OF SHARES**

### **18. Right to transfer shares**

Subject to the restrictions in these Statutes, a member may transfer all or any of his shares in any manner which is permitted by Legislation and is from time to time approved by the board.

**19. Transfers of uncertificated shares**

The Company shall maintain a record of uncertificated shares in accordance with Legislation.

**20. Transfers of certificated shares**

- (a) An instrument of transfer of a certificated share may be in any usual form or in any other form which the board may approve and shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee.
- (b) The board may, in its absolute discretion refuse to register any instrument of transfer of a certificated share:
  - (i) which is not fully paid up but, in the case of a class of shares which has been admitted to official listing by the Financial Conduct Authority, not so as to prevent dealings in those shares from taking place on an open and proper basis; or
  - (ii) on which the Company has a lien.
- (c) The board may also refuse to register any instrument of transfer of a certificated share unless it is:
  - (i) left at the office, or at such other place as the board may decide, for registration;
  - (ii) accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the board may reasonably require to prove the title of the intending transferor or his right to transfer the shares; and
  - (iii) in respect of only one class of shares.
- (d) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the board refuses to register shall (except in any case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person presenting it.

**21. Other provisions relating to transfers**

- (a) No fee shall be charged for registration of a transfer or other document or instruction relating to or affecting the title to any share.
- (b) The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of the share.
- (c) Nothing in these Statutes shall preclude the board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- (d) Unless otherwise agreed by the board in any particular case, the maximum number of persons who may be entered on the register as joint holders of a share is four.

**22. Notice of refusal**

If the board refuses to register a transfer of a certificated share it shall, as soon as practicable and in any event within two months after the date on which the instrument of transfer was lodged, give to the transferee notice of the refusal together with its reasons for refusal. The board shall provide the transferee with such further information about the reasons for the refusal as the transferee may reasonably request.

**TRANSMISSION OF SHARES**

**23. Transmission on death**

If a member dies, the survivor, where the deceased was a joint holder, and his personal representatives where he was a sole or the only surviving holder, shall be the only person or persons recognised by the Company as having any title to his shares; but nothing in these Statutes shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly.

**24. Election of person entitled by transmission**

- (a) A person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to a transmission by operation of law may, on producing such evidence as the board may require and subject as provided in this Statute, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as the holder of the share.
- (b) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute a transfer of the share to that person or shall execute such other document or take such other action as the board may require to enable that person to be registered.
- (c) The provisions of these Statutes relating to the transfer of shares shall apply to the notice or instrument of transfer or other document or action as if it were a transfer effected by the person from whom the title by transmission is derived and the event giving rise to such transmission had not occurred.

**25. Rights of person entitled by transmission**

- (a) A person becoming entitled to a share in consequence of a death or bankruptcy or of any other event giving rise to a transmission by operation of law shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share and shall have the same rights in relation to the share as he would have if he were the holder except that, until he becomes the holder, he shall not be entitled to attend or vote at any general meeting of the Company.
- (b) 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 after 90 days the notice has not been complied with, the board may withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

**DISCLOSURE OF INTERESTS IN SHARES**

**26. Disclosure of interests in shares**

- (a) This Statute applies where the Company gives to the holder of a share or to any person appearing to be interested in a share a notice requiring any of the information mentioned in section 793 of the CA 2006 (a **section 793 notice**).
- (b) If a section 793 notice is given by the Company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non-receipt of the copy by the holder shall not prejudice the operation of the following provisions of this Statute.
- (c) If the holder of, or any person appearing to be interested in, any share has been given a section 793 notice and, in respect of that share (a **default share**), has been in default for a period of 14 days after the section 793 notice has been given in supplying to the Company the information required by the section 793 notice, the restrictions referred to below shall apply. Those restrictions shall continue for the period specified by the board, being not more than seven days after the earlier of:

- (i) the Company being notified that the default shares have been sold pursuant to an exempt transfer; or
- (ii) due compliance, to the satisfaction of the board, with the section 793 notice.

The board may waive these restrictions, in whole or in part, at any time.

- (d) The restrictions referred to above are as follows:
  - (i) if the default shares in which any one person is interested or appears to the Company to be interested represent less than 0.25% of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting of the Company; or
  - (ii) if the default shares in which any one person is interested or appears to the Company to be interested represent at least 0.25% of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares:
    - (A) to attend or to vote, either personally or by proxy, at any general meeting of the Company; or
    - (B) to receive any dividend or other distribution; or
    - (C) to transfer or agree to transfer any of those shares or any rights in them.

The restrictions in paragraphs (i) and (ii) выше shall not prejudice the right of either the member holding the default shares or, if different, any person having a power of sale over those shares to sell or agree to sell those shares under an exempt transfer.

- (e) If any dividend or other distribution is withheld under paragraph (d)(ii) выше, the member shall be entitled to receive it as soon as practicable after the restriction ceases to apply.

- (f) If, while any of the restrictions referred to above apply to a share, another share is allotted in right of it (or in right of any share to which this paragraph applies), the same restrictions shall apply to that other share as if it were a default share. For this purpose, shares which the Company allots, or procures to be offered, *pro rata* (disregarding fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with issuing or offering shares outside the United Kingdom) to holders of shares of the same class as the default share shall be treated as shares allotted in right of existing shares from the date on which the allotment is unconditional or, in the case of shares so offered, the date of the acceptance of the offer.
- (g) For the purposes of this Statute:
  - (i) an **exempt transfer** in relation to any share is a transfer pursuant to:
    - (A) a sale of the share on a recognised investment exchange in the United Kingdom or on any stock exchange outside the United Kingdom on which shares of that class are listed or normally traded; or
    - (B) a sale of the whole beneficial interest in the share to a person whom the board is satisfied is unconnected with the existing holder or with any other person appearing to be interested in the share; or
    - (C) acceptance of a takeover offer (as defined for the purposes of Part 28 of the CA 2006);
  - (ii) the percentage of the issued shares of a class represented by a particular holding shall be calculated by reference to the shares in issue at the time when the section 793 notice is given; and
  - (iii) a person shall be treated as appearing to be interested in any share if the Company has given to the member holding such share a section 793 notice and either (i) the member has named the person as being interested in the share or (ii) (after taking into account any response to any section 793 notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the share.
- (h) The Company may exercise any of its powers under Statute 16 in respect of any default shares in uncertificated form.
- (i) The provisions of this Statute are without prejudice to the provisions of section 794 of the CA 2006 and, in particular, the Company may apply to the court under section 794(1) of the CA 2006 whether or not these provisions apply or have been applied.

## **GENERAL MEETINGS**

### **27. Annual general meetings**

The board shall convene and the Company shall hold an annual general meeting within 6 months of the end of its financial year and otherwise in accordance with Legislation. Such meetings shall be convened by the board at such time and place as it thinks fit.

### **28. Convening of general meetings other than annual general meetings**

- (a) The board may convene a general meeting other than an annual general meeting whenever it thinks fit.
- (b) A general meeting may also be convened in accordance with Statute 65.
- (c) A general meeting shall also be convened by the board on the requisition of members under Legislation or, in default, may be convened by such requisitionists, as provided by Legislation. Any request that a general meeting be convened shall state the items to be put on the agenda.
- (d) The board shall comply with Legislation regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

**29. Separate general meetings**

Subject to these Statutes and to any rights for the time being attached to any class of shares in the Company, the provisions of these Statutes relating to general meetings of the Company (including, for the avoidance of doubt, provisions relating to the proceedings at general meetings or to the rights of any person to attend or vote or be represented at general meetings or to any restrictions on these rights) shall apply, *mutatis mutandis*, in relation to every separate general meeting of the holders of any class of shares in the Company.

**NOTICE OF GENERAL MEETINGS**

**30. Length and form of notice**

- (a) Subject to Legislation, an annual general meeting shall be called by not less than 21 clear days' notice and all other general meetings shall be called by not less than 14 clear days' notice or by not less than such minimum notice period as is permitted by Legislation.
- (b) The notice (including any notice given by means of a website) shall comply with all applicable requirements in Legislation and shall specify whether the meeting will be an annual general meeting.
- (c) Notice of every general meeting shall be given to all members other than any who, under these Statutes or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each director.

**31. Omission or non-receipt of notice**

- (a) The accidental omission to give notice of a general meeting to, or the non-receipt of notice by, any person entitled to receive the notice shall not invalidate the proceedings of that meeting.
- (b) Paragraph (a) выше applies to confirmatory copies of notices (and confirmatory notifications of website notices) of meetings sent pursuant to Statute 122(b)(ii) in the same way as it applies to notices of meetings.

## PROCEEDINGS AT GENERAL MEETINGS

### 32. Quorum

- (a) No business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business.
- (b) Except as otherwise provided by these Statutes two qualifying persons entitled to vote shall be a quorum, unless:
  - (i) each is a qualifying person only because he is authorised to act as the representative of a corporation in relation to the meeting, and they are representatives of the same corporation; or
  - (ii) each is a qualifying person only because he is appointed as proxy of a member in relation to the meeting, and they are proxies of the same member.
- (c) For the purposes of this Statute, a **qualifying person** means:
  - (i) an individual who is a member of the Company;
  - (ii) a person authorised to act as the representative of a corporation in relation to the meeting; or
  - (iii) a person appointed as proxy of a member in relation to the meeting.
- (d) If within 15 minutes from the time fixed for holding a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned for ten clear days (or, if that day is a Saturday, a Sunday or a holiday, to the next working day) and at the same time and place as the original meeting, or, subject to Statute 37(d) and Legislation, to such other day, and at such other time and place, as the board may decide.
- (e) If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

### 33. Security

The board may make any security arrangements which it considers appropriate relating to the holding of a general meeting of the Company including, without limitation, arranging for any person attending a meeting to be searched and for items of personal property which may be taken into a meeting to be restricted. A director or the secretary may:

- (i) refuse entry to a meeting to any person who refuses to comply with any such arrangements; and
- (ii) eject from a meeting any person who causes the proceedings to become disorderly.

### 34. Chairman

At each general meeting, the chairman of the board (if any) or, if he is absent or unwilling, the deputy chairman (if any) of the board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office, shall preside as chairman of the meeting. If neither the chairman nor deputy chairman is present and willing, one of the other directors selected for the purpose by the directors present or, if only one director is

present and willing, that director, shall preside as chairman of the meeting. If no director is present within 15 minutes after the time fixed for holding the meeting or if none of the directors present is willing to preside as chairman of the meeting, the members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

### **35. Right to attend and speak**

- (a) A director shall be entitled to attend and speak at any general meeting of the Company whether or not he is a member.
- (b) The chairman may invite any person to attend and speak at any general meeting of the Company if he considers that such person has the appropriate knowledge or experience of the Company's business to assist in the deliberations of the meeting.
- (c) A proxy shall be entitled to speak at any general meeting of the Company.

### **36. Resolutions and amendments**

- (a) Subject to Legislation, a resolution may only be put to the vote at a general meeting if the chairman of the meeting in his absolute discretion decides that the resolution may properly be regarded as within the scope of the meeting.
- (b) In the case of a resolution to be proposed as a special resolution no amendment may be made, at or before the time at which the resolution is put to the vote, to the form of the resolution as set out in the notice of meeting, except to correct a patent error or as may otherwise be permitted by law.
- (c) In the case of a resolution to be proposed as an ordinary resolution no amendment may be made, at or before the time at which the resolution is put to the vote, unless:
  - (i) in the case of an amendment to the form of the resolution as set out in the notice of meeting, notice of the intention to move the amendment is received at the office at least 48 hours before the time fixed for the holding of the relevant meeting; or
  - (ii) in any case, the chairman of the meeting in his absolute discretion otherwise decides that the amendment or amended resolution may properly be put to the vote.

The giving of notice under paragraph (i) выше shall not prejudice the power of the chairman of the meeting to rule the amendment out of order.

- (d) With the consent of the chairman of the meeting, a person who proposes an amendment to a resolution may withdraw it before it is put to the vote.
- (e) If the chairman of the meeting rules a resolution or an amendment to a resolution admissible or out of order (as the case may be), the proceedings of the meeting or the resolution in question shall not be invalidated by any error in his ruling. Any ruling by the chairman of the meeting in relation to a resolution or an amendment to a resolution shall be final and conclusive.

### **37. Adjournment**

- (a) With the consent of any general meeting at which a quorum is present the chairman of the meeting may (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place.
- (b) In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place if, in his opinion, it would facilitate the conduct of the business of the meeting to do so.
- (c) Nothing in this Statute shall limit any other power vested in the chairman of the meeting to adjourn the meeting.
- (d) Whenever a meeting is adjourned for 30 days or more or *sine die*, at least 14 clear days' notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting but otherwise no person shall be entitled to any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.
- (e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

### **38. Meeting at more than one place**

- (a) A general meeting may be held at more than one place if:
  - (i) the notice convening the meeting specifies that it shall be held at more than one place; or
  - (ii) the board resolves, after the notice convening the meeting has been given, that the meeting shall be held at more than one place; or
  - (iii) it appears to the chairman of the meeting that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend.
- (b) A general meeting held at more than one place is duly constituted and its proceedings are valid if (in addition to the other provisions of these Statutes relating to general meetings being satisfied) the chairman of the meeting is satisfied that facilities (whether electronic or otherwise) are available to enable each person present at each place to participate in the business of the meeting.
- (c) Each person present at each place who would be entitled to count towards the quorum in accordance with the provisions of Statute 32 shall be counted in the quorum for, and shall be entitled to vote at, the meeting. The meeting is deemed to take place at the place at which the chairman of the meeting is present.

### **39. Method of voting and demand for poll**

- (a) At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before, or immediately after the declaration of the result of, the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the meeting; or
- (ii) at least five members present in person or by proxy having the right to vote on the resolution; or
- (iii) a member or members present in person or by proxy representing in aggregate not less than 10% 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); or
- (iv) a member or members present in person or by proxy holding shares conferring the right to vote on the resolution on which an aggregate sum has been paid up equal to not less than 10% 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),

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

- (b) No poll may be demanded on the appointment of a chairman of the meeting.
- (c) A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting and the demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- (d) Unless a poll is demanded (and the demand is not withdrawn), a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or has been carried by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- (e) The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

#### **40. How poll is to be taken**

- (a) If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days after the meeting), at such place and in such manner (including electronically) as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be members).
- (b) A poll demanded on a question of adjournment shall be taken at the meeting without adjournment.
- (c) It shall not be necessary (unless the chairman of the meeting otherwise directs) for notice to be given of a poll whether taken at or after the meeting at which it was demanded.

- (d) On a poll, votes may be given either personally or by proxy and a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- (e) The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

## **VOTES OF MEMBERS**

### **41. Voting rights**

- (a) Subject to these Statutes and to any special rights or restrictions as to voting for the time being attached to any class of shares in the Company, the provisions of the CA 2006 shall apply in relation to voting rights.
- (b) Subject to paragraph (c) ниже, on a vote on a resolution on a show of hands at a general meeting, every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote.
- (c) On a vote on a resolution on a show of hands at a general meeting, a proxy has one vote for and one vote against the resolution if:
  - (i) the proxy has been duly appointed by more than one member entitled to vote on the resolution; and
  - (ii) the proxy has been instructed by, or exercises his discretion given by, one or more of those members to vote for the resolution and has been instructed by, or exercises his discretion given by, one or more other of those members to vote against it.
- (d) For the purposes of determining which persons are entitled to attend or vote at any general meeting, and how many votes such persons may cast, the Company must specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend or vote at the meeting. In calculating the period mentioned, no account shall be taken of any part of a day that is not a working day. Changes to entries on the register after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting, notwithstanding any provisions in Legislation or these Statutes to the contrary.

### **42. Representation of corporations**

- (a) Any corporation which is a member of the Company may, by resolution of its board or other governing body, authorise any person or persons to act as its representative or representatives at any general meeting of the Company.
- (b) The board or any director or the secretary may (but shall not be bound to) require evidence of the authority of any such representative.

### **43. Voting rights of joint holders**

If more than one of the joint holders of a share tenders a vote on the same resolution, whether in person or by proxy, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be

determined by the order in which the names stand in the register in respect of the relevant share.

**44. Voting rights of members incapable of managing their affairs**

A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, *curator bonis* or other person in the nature of a receiver or *curator bonis* appointed by that court, and the receiver, *curator bonis* or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the board of the authority of the person claiming the right to vote must be received at the office (or at such other address as may be specified for the receipt of proxy appointments) not later than the last time by which a proxy appointment must be received in order to be valid for use at the meeting or adjourned meeting or on the holding of the poll at or on which that person proposes to vote and, in default, the right to vote shall not be exercisable.

**45. Voting rights suspended where sums overdue**

Unless the board otherwise decides, a member shall not be entitled to vote, either in person or by proxy, at any general meeting of the Company in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid.

**46. Objections to admissibility of votes**

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting or poll at which the vote objected to is or may be given or tendered, and every vote not disallowed at such meeting or poll shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

**PROXIES**

**47. Proxies**

- (a) A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.
- (b) The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or on the poll concerned.
- (c) The appointment of a proxy shall only be valid for the meeting mentioned in it and any adjournment of that meeting (including on any poll demanded at the meeting or any adjourned meeting).

**48. Appointment of proxy**

- (a) Subject to Legislation, the appointment of a proxy may be in such form as is usual or common or in such other form as the board may from time to time approve and shall be signed by the appointor, or his duly authorised agent, or, if the appointor is a corporation, shall either be executed under its common seal or be signed by an agent or officer authorised for that purpose. The signature need not be witnessed.

- (b) Without limiting the provisions of these Statutes, the board may from time to time in relation to uncertificated shares: (i) approve the appointment of a proxy by means of a communication sent in electronic form in the form of an "uncertificated proxy instruction" (a properly authenticated dematerialised instruction and/or other instruction or notification, which is sent by means of the relevant system and received by such participant in that system acting on behalf of the Company as the board may prescribe, in such form and subject to such terms and conditions as the board may from time to time prescribe (subject always to the facilities and requirements of the relevant system)); and (ii) approve supplements to, or amendments or revocations of, any such uncertificated proxy instruction by the same means. In addition, the board may prescribe the method of determining the time at which any such uncertificated proxy instruction is to be treated as received by the Company or such participant and 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.

#### **49. Receipt of proxy**

- (a) A proxy appointment:
- (i) must be received at a proxy notification address not less than 48 hours before the time fixed for holding the meeting at which the appointee proposes to vote; or
  - (ii) in the case of a poll taken more than 48 hours after it is demanded or in the case of an adjourned meeting to be held more than 48 hours after the time fixed for holding the original meeting, must be received at a proxy notification address not less than 24 hours before the time fixed for the taking of the poll or, as the case may be, the time fixed for holding the adjourned meeting; or
  - (iii) in the case of a poll which is not taken at the meeting at which it is demanded but is taken 48 hours or less after it is demanded, or in the case of an adjourned meeting to be held 48 hours or less after the time fixed for holding the original meeting, must be received:
    - (A) at a proxy notification address in accordance with (i) above;
    - (B) by the chairman of the meeting or the secretary or any director at the meeting at which the poll is demanded or, as the case may be, at the original meeting; or
    - (C) at a proxy notification address by such time as the chairman of the meeting may direct at the meeting at which the poll is demanded.

In calculating the periods mentioned, no account shall be taken of any part of a day that is not a working day.

- (b) The board may, but shall not be bound to, require reasonable evidence of the identity of the member and of the proxy, the member's instructions (if any) as to how the proxy is to vote and, where the proxy is appointed by a person acting on behalf of the member, authority of that person to make the appointment.

- (c) The board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under paragraph (b), above has not been received in accordance with the requirements of this Statute.
- (d) Subject to paragraph (c) выше, if the proxy appointment and any of the information required under paragraph (b) выше, is not received in the manner set out in paragraph (a) выше, the appointee shall not be entitled to vote in respect of the shares in question.
- (e) If two or more valid but differing proxy appointments are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

**50. Notice of revocation of authority etc.**

- (a) A vote given or poll demanded by proxy or by a representative of a corporation shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll or (until entered in the register) the transfer of the share in respect of which the appointment of the relevant person was made unless notice of the termination was received at a proxy notification address not less than six hours before the time fixed for holding the relevant meeting or adjourned meeting or, in the case of a poll not taken on the same day as the meeting or adjourned meeting, before the time fixed for taking the poll.
- (b) A vote given by a proxy or by a representative of a corporation shall be valid notwithstanding that he has not voted in accordance with any instructions given by the member by whom he is appointed. The Company shall not be obliged to check whether the proxy or representative of a corporation has in fact voted in accordance with any such member's instructions.

**DIRECTORS**

**51. Number of directors**

The directors (other than alternate directors) shall not, unless otherwise determined by an ordinary resolution of the Company, be less than three.

**52. Directors need not be members**

A director need not be a member of the Company.

**ELECTION, RETIREMENT AND REMOVAL OF DIRECTORS**

**53. Election of directors by the Company**

- (a) Subject to these Statutes, the Company may by ordinary resolution elect any person who is willing to act to be a director, either to fill a vacancy or as an additional director for a term not exceeding six years, but the total number of directors shall not exceed any maximum number fixed by or in accordance with these Statutes.

- (b) No person (other than a director retiring in accordance with these Statutes) shall be elected or re-elected a director at any general meeting unless:
  - (i) he is recommended by the board; or
  - (ii) not less than 14 nor more than 42 days before the date appointed for the meeting there has been given to the Company, by a member (other than the person to be proposed) entitled to vote at the meeting, notice of his intention to propose a resolution for the election of that person, stating the particulars which would, if he were so elected, be required to be included in the Company's register of directors and a notice executed by that person of his willingness to be elected.

**54. Separate resolutions for election of each director**

Every resolution of a general meeting for the election of a director shall relate to one named person and a single resolution for the election of two or more persons shall be void, unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being cast against it.

**55. Retirement of directors**

- (a) At each annual general meeting a director shall retire from office if:
  - (i) he has been appointed by the board since the previous annual general meeting; or
  - (ii) it is the third annual general meeting following the annual general meeting at which he was elected or last re-elected.

A retiring director shall be eligible for re-election, and a director who is re-elected will be treated as continuing in office without a break.

- (b) A retiring director who is not re-elected shall retain office until the close of the meeting at which he retires.
- (c) If the Company, at any meeting at which a director retires in accordance with these Statutes, does not fill the office vacated by such director, the retiring director, if willing to act, shall be deemed to be re-elected, unless at the meeting a resolution is passed not to fill the vacancy or to elect another person in his place or unless the resolution to re-elect him is put to the meeting and lost.

**56. Removal of directors**

- (a) The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with Legislation, remove any director before his period of office has expired notwithstanding anything in these Statutes or in any agreement between him and the Company.
- (b) A director may also be removed from office by giving him notice to that effect signed by not less than three quarters of the other directors (or their alternates), being not less than three in number.

- (c) Any removal of a director under this Statute shall be without prejudice to any claim which such director may have for damages for breach of any agreement between him and the Company.

**57. Vacation of office of director**

Without prejudice to the provisions of these Statutes for retirement or removal, the office of a director shall be vacated if:

- (i) he is prohibited by law or by a judicial or administrative decision from being a director; or
- (ii) he becomes bankrupt or he makes any arrangement or composition with his creditors generally; or
- (iii) if for more than six months he is absent (whether or not an alternate director attends in his place), without special leave of absence from the board, from board meetings held during that period and the board resolves that his office be vacated; or
- (iv) he gives to the Company notice of his wish to resign, in which event he shall vacate that office on the receipt of that notice by the Company or at such later time as is specified in the notice.

**58. Executive directors**

- (a) The board may appoint one or more directors to hold any executive office under the Company (including that of chairman, chief executive or managing director) for such period (subject to Legislation and not exceeding six years) and on such other terms as it may decide and may revoke or terminate any appointment so made without prejudice to any claim for damages for breach of any contract of service between the director and the Company.
- (b) The remuneration of a director appointed to any executive office shall be fixed by the board and may be by way of salary, commission, participation in profits or otherwise and either in addition to or inclusive of his remuneration as a director.
- (c) A director appointed as executive chairman, chief executive or managing director shall automatically cease to hold that office 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. A director appointed to any other executive office shall not automatically cease to hold that office if he ceases to be a director unless the contract or any resolution under which he holds office expressly states that he shall, in which case that cessation shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

**ALTERNATE DIRECTORS**

**59. Power to appoint alternate directors**

- (a) Each director (other than an alternate director) may appoint another director or any other person who is willing to act as his alternate and may remove him from that office. The appointment as an alternate director of any person who is not himself a director shall be subject to the approval of a majority of the directors or a resolution of the board.

- (b) An alternate director shall be entitled to receive notice of all board meetings and of all meetings of committees of which the director appointing him is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting these Statutes shall apply as if he were a director.
- (c) Every person acting as an alternate director shall (except as regards the power to appoint an alternate and remuneration) be subject in all respects to these Statutes relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director.
- (d) Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.
- (e) Any person appointed as an alternate director shall vacate his office as alternate director if the director by whom he has been appointed vacates his office as director (otherwise than by retirement at a general meeting of the Company at which he is re-appointed) or removes him by notice to the Company or on the happening of any event which, if he is or were a director, causes or would cause him to vacate that office.
- (f) Every appointment or removal of an alternate director shall be made by notice and shall be effective (subject to paragraph (a) выше) on receipt by the secretary of the notice.

#### **REMUNERATION, EXPENSES, PENSIONS AND OTHER BENEFITS**

##### **60. Special remuneration**

- (a) The board may grant special remuneration to any director who performs any special or extra services to or at the request of the Company.
- (b) Such special remuneration may be paid by way of lump sum, salary, commission, participation in profits or otherwise as the board may decide in addition to any remuneration payable under or pursuant to any other of these Statutes.

##### **61. Expenses**

A director shall be paid out of the funds of the Company all travelling, hotel and other expenses properly incurred by him in and about the discharge of his duties, including his expenses of travelling to and from board meetings, committee meetings and general meetings. Subject to any guidelines and procedures established from time to time by the board, a director may also be paid out of the funds of the Company all expenses incurred by him in obtaining professional advice in connection with the affairs of the Company or the discharge of his duties as a director.

##### **62. Pensions and other benefits**

The board may exercise all the powers of the Company to:

- (a) pay, provide, arrange or procure the grant of pensions or other retirement benefits, death, disability or sickness benefits, health, accident and other insurances or other such benefits, allowances, gratuities or insurances, including in relation to the termination of employment, to or for the benefit of any person who is or has been at any time a director of the Company or in the employment or service of the Company or of any body corporate which is or was associated with the Company or of the predecessors in business of the Company or any such associated body corporate, or the relatives or dependants of any such person. For that purpose the board may procure the establishment and maintenance of, or participation in, or contribution to, any pension fund, scheme or arrangement and the payment of any insurance premiums;
- (b) establish, maintain, adopt and enable participation in any profit sharing or incentive scheme including shares, share options or cash or any similar schemes for the benefit of any director or employee of the Company or of any associated body corporate, and to lend money to any such director or employee or to trustees on their behalf to enable any such schemes to be established, maintained or adopted; and
- (c) support and subscribe to any institution or association which may be for the benefit of the Company or of any associated body corporate or any directors or employees of the Company or associated body corporate or their relatives or dependants or connected with any town or place where the Company or an associated body corporate carries on business, and to support and subscribe to any charitable or public object whatsoever.

## **POWERS OF THE BOARD**

### **63. One-tier system**

The Company shall operate under a one-tier management system pursuant to Article 43 of the SE Regulation and the business of the Company shall be managed by the board, as the administrative organ of the Company.

### **64. General powers of the board to manage the Company's business**

- (a) The business of the Company shall be managed by the board which may exercise all the powers of the Company, subject to Legislation, these Statutes and any special resolution of the Company. No special resolution or alteration of these Statutes shall invalidate any prior act of the board which would have been valid if the resolution had not been passed or the alteration had not been made.
- (b) Notwithstanding paragraph (a) above, the board shall adopt internal regulations regarding its decision making process and the internal allocation of tasks and responsibilities. The regulations shall provide, with due observance of the provisions of law, for the specific tasks and responsibilities entrusted to each of the directors and will specify for which matters a resolution of the board is required.
- (c) The powers given by this Statute shall not be limited by any special authority or power given to the board by any other Statute or any resolution of the Company.

### **65. Power to act notwithstanding vacancy**

The continuing directors or the sole continuing director at any time may act notwithstanding any vacancy in their number; but, if the number of directors is less than the minimum number of directors fixed by or in accordance with these Statutes, they or he may act for the purpose of filling up vacancies or calling a general meeting of the Company, but not for any other purpose. If no director is able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

**66. Provisions for employees**

The board may exercise any of the powers conferred by Legislation to make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) 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.

**67. Power to borrow money**

The board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both 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.

**68. Power to change the name of the Company**

The board may change the name of the Company.

**DELEGATION OF BOARD'S POWERS**

**69. Delegation to individual directors**

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) on such terms and conditions as it thinks fit and may revoke or vary all or any of them, but no person dealing in good faith shall be affected by any revocation or variation.

**70. Committees**

- (a) The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee consisting of such person or persons (whether directors or not) as it thinks fit, provided that the majority of the members of the committee are directors and that no meeting of the committee shall be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are directors. The board may make any such delegation on such terms and conditions as it thinks fit and may revoke or vary any such delegation and discharge any committee wholly or in part, but no person dealing in good faith shall be affected by any revocation or variation. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may be imposed on it by the board.
- (b) The proceedings of a committee with two or more members shall be governed by any regulations imposed on it by the board and (subject to such regulations) by these Statutes regulating the proceedings of the board so far as they are capable of applying.

**71. Local boards**

- (a) The board may establish any local or divisional board or agency for managing any of the affairs of the Company whether in the United Kingdom or elsewhere and may appoint any persons to be members of a local or divisional board, or to be managers or agents, and may fix their remuneration.
- (b) The board may delegate to any local or divisional board, manager or agent any of its powers, authorities and discretions (with power to sub-delegate) and may authorise the members of any local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies.
- (c) Any appointment or delegation under this Statute may be made on such terms and subject to such conditions as the board thinks fit and the board may remove any person so appointed, and may revoke or vary any delegation, but no person dealing in good faith shall be affected by the revocation or variation.

**72. Powers of attorney**

The board may by power of attorney or otherwise appoint any person to be the agent of the Company on such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to sub-delegate). The board may remove any person appointed under this Statute and may revoke or vary the delegation, but no person dealing in good faith shall be affected by the revocation or variation.

**DIRECTORS' INTERESTS**

**73. Directors' interests other than in relation to transactions or arrangements with the Company**

- (a) If a situation (a **Relevant Situation**) arises in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest) the following provisions shall apply if the conflict of interest does not arise in relation to a transaction or arrangement with the Company:
  - (i) if the Relevant Situation arises from the appointment or proposed appointment of a person as a director of the Company, the directors (other than the director, and any other director with a similar interest, who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the appointment of the director and the Relevant Situation on such terms as they may determine;
  - (ii) if the Relevant Situation arises in circumstances other than in paragraph (i) выше, the directors (other than the director and any other director with a similar interest who shall not be counted in the quorum at the meeting and shall not vote on the resolution) may resolve to authorise the Relevant Situation and the continuing performance by the director of his duties on such terms as they may determine.

- (b) Any reference in paragraph (a) выше to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- (c) Any terms determined by directors under paragraphs (a)(i) or (a)(ii) выше may be imposed at the time of the authorisation or may be imposed or varied subsequently and may include (without limitation):
  - (i) whether the interested directors may vote (or be counted in the quorum at a meeting) in relation to any resolution relating to the Relevant Situation;
  - (ii) the exclusion of the interested directors from all information and discussion by the Company of the Relevant Situation; and
  - (iii) (without prejudice to the general obligations of confidentiality) the application to the interested directors of a strict duty of confidentiality to the Company for any confidential information of the Company in relation to the Relevant Situation.
- (d) An interested director must act in accordance with any terms determined by the directors under paragraphs (a)(i) or (a)(ii) выше.
- (e) Except as specified in paragraph (a) выше, any proposal made to the directors and any authorisation by the directors in relation to a Relevant Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the directors in accordance with the provisions of these Statutes.
- (f) Any authorisation of a Relevant Situation given by the directors under paragraph (a) выше may provide that, where the interested director obtains (other than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it in relation to the Company's affairs in circumstances where to do so would amount to a breach of that confidence.

**74. Declaration of interests other than in relation to transactions or arrangements with the Company**

A director shall declare the nature and extent of his interest in a Relevant Situation within Statute 73(a)(i) or 73(a)(ii) to the other directors.

**75. Declaration of interests in a proposed transaction or arrangement with the Company**

If a director is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the Company, he must declare the nature and extent of that interest to the other directors.

**76. Declaration of interest in an existing transaction or arrangement with the Company**

Where a director is in any way, directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company, he must declare the nature and extent of his interest to the other directors, unless the interest has already been declared under Statute 75 выше.

**77. Provisions applicable to declarations of interest**

- (a) The declaration of interest must (in the case of Statute 76) and may, but need not (in the case of Statute 74 or 75) be made:
  - (i) at a meeting of the directors; or
  - (ii) by notice to the directors in accordance with:
    - (A) section 184 of the CA 2006 (notice in writing); or
    - (B) section 185 of the CA 2006 (general notice).

- (b) If a declaration of interest proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.
- (c) Any declaration of interest required by Statute 74 above must be made as soon as is reasonably practicable.

Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

- (d) Any declaration of interest required by Statute 75 выше must be made before the Company enters into the transaction or arrangement.
- (e) Any declaration of interest required by Statute 76 выше must be made as soon as is reasonably practicable.

Failure to comply with this requirement does not affect the underlying duty to make the declaration of interest.

- (f) 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.

For this purpose, a director is treated as being aware of matters of which he ought reasonably to be aware.

- (g) A director need not declare an interest:
  - (i) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (ii) 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
  - (iii) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered:
    - (A) by a meeting of the directors; or
    - (B) by a committee of the directors appointed for the purpose under the Statutes.

## 78. Directors' interests and voting

- (a) Subject to Legislation and to declaring his interest in accordance with Statute 74, 75 or 76 **ВЫШЕ**, a director may:
- (i) enter into or be interested in any transaction or arrangement with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company or as vendor, purchaser or otherwise;
  - (ii) hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period (subject to the Statutes) and upon such terms as the board may decide and be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board may decide, either in addition to or in lieu of any remuneration under any other provision of these Statutes;
  - (iii) act by himself or his firm in a professional capacity for the Company (except as auditor) and be entitled to remuneration for professional services as if he were not a director;
  - (iv) be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any holding company or subsidiary undertaking of that holding company or any other company in which the Company may be interested. The board may cause the voting rights conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of that other company to be exercised in such manner in all respects as it thinks fit (including the exercise of voting rights in favour of any resolution appointing the directors or any of them as directors or officers of the other company or voting or providing for the payment of any benefit to the directors or officers of the other company); and
  - (v) be or become a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his appointment as a director of that other company.
- (b) A director shall not, by reason of his holding office as director (or of the fiduciary relationship established by holding that office), be liable to account to the Company for any remuneration, profit or other benefit resulting from:
- (i) any Relevant Situation authorised under Statute 73(a); or
  - (ii) any interest permitted under paragraph (a) **ВЫШЕ**,

and no contract shall be liable to be avoided on the grounds of any director having any type of interest authorised under Statute 73(a) or permitted under paragraph (a) **ВЫШЕ**.

- (c) A director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each director and in that case each of the directors concerned (if not otherwise debarred from voting under this Statute) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.
- (d) A director shall also not vote (or be counted in the quorum at a meeting) in relation to any resolution relating to any transaction or arrangement with the Company in which he has an interest which may reasonably be regarded as likely to give rise to a conflict of interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply and a director may vote (and be counted in the quorum) in respect of any resolution concerning any one or more of the following matters:
- (i) any transaction or arrangement in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
  - (ii) the giving of any guarantee, security or indemnity in respect of:
    - (A) 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
    - (B) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part (either alone or jointly with others) under a guarantee or indemnity or by the giving of security;
  - (iii) indemnification (including loans made in connection with it) by the Company in relation to the performance of his duties on behalf of the Company or of any of its subsidiary undertakings;
  - (iv) any issue or offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter;
  - (v) any transaction or arrangement concerning any other company in which he does not hold, directly or indirectly as shareholder, or through his direct or indirect holdings of financial instruments (within the meaning of Chapter 5 of the Disclosure and Transparency Rules) voting rights representing 1% or more of any class of shares in the capital of that company;
  - (vi) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and

- (vii) the purchase or maintenance of insurance for the benefit of directors or for the benefit of persons including directors.
- (e) 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.
- (f) If any question arises at any meeting as to whether an interest of a director (other than the chairman of the meeting) may reasonably be regarded as likely to give rise to a conflict of interest or as to the entitlement of any director (other than the chairman of the meeting) to vote in relation to a transaction or arrangement with the Company and the question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned, so far as known to him, has not been fairly disclosed. If any question shall arise in respect of the chairman of the meeting and is not resolved by his voluntarily agreeing to abstain from voting, the question shall be decided by a resolution of the board (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution 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.
- (g) Subject to Legislation, the Company may by ordinary resolution suspend or relax the provisions of this Statute to any extent or ratify any transaction or arrangement not duly authorised by reason of a contravention of this Statute.

**79. Confidential Information**

A director shall be under a duty, even after he has ceased to hold office, to not divulge any information which he has concerning the Company the disclosure of which might be prejudicial to the Company's interests, except where such disclosure is required or permitted under law or is in the public interest.

**PROCEEDINGS OF THE BOARD**

**80. Board meetings**

- (a) The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary at the request of a director at any time shall, summon a board meeting.
- (b) Notwithstanding paragraph (a) above, the board shall meet at least once every three months, at such intervals as the board thinks fit, to discuss the progress and foreseeable development of the Company's business.

**81. Notice of board meetings**

Notice of a board meeting may be given to a director personally or by word of mouth or given in hard copy form or in electronic form to him at such address as he may from time to time specify for this purpose (or if he does not specify an address, at his last known address). A director may waive notice of any meeting either prospectively or retrospectively. A director will be treated as having waived his entitlement to notice unless he has supplied the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

**82. Quorum**

The quorum necessary for the transaction of the business of the board shall be at least half of the members of the board. Subject to these Statutes, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the end of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.

**83. Chairman or deputy chairman to preside**

- (a) The board shall appoint a chairman and may appoint one or more deputy chairman or chairmen and may at any time revoke any such appointment.
- (b) The chairman, or failing him any deputy chairman (the longest in office taking precedence, if more than one is present), shall, if present and willing, preside at all board meetings but, if no chairman or deputy chairman has been appointed, or if he is not present within five minutes after the time fixed for holding the meeting or is unwilling to act as chairman of the meeting, the directors present shall choose one of their number to act as chairman of the meeting.

**84. Competence of board meetings**

A board meeting at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the board.

**85. Voting**

Questions arising at any board meeting shall be determined by a majority of votes of the members present or represented. In the case of an equality of votes the chairman of the meeting shall not have a second or casting vote.

**86. Telephone/electronic board meetings**

- (a) A board meeting may consist of a conference between directors some or all of whom are in different places provided that each director may participate in the business of the meeting whether directly, by telephone or by any other means (whether electronically or otherwise) which enables him:
  - (i) to hear (or otherwise receive real time communications made by) each of the other participating directors addressing the meeting; and
  - (ii) if he so wishes, to address all of the other participating directors simultaneously (or otherwise communicate in real time with them).
- (b) A quorum is deemed to be present if at least the number of directors required to form a quorum, subject to the provisions of Statute 65, may participate in the manner specified above in the business of the meeting.
- (c) A board meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

**87. Resolutions without meetings**

A resolution which is signed or approved by all the directors entitled to vote on that resolution (and whose vote would have been counted) shall be as valid and effectual as if it had been passed at a board meeting duly called and constituted. The resolution may be contained in one document or communication in electronic form or in several documents or communications in electronic form (in like form), each signed or approved by one or more of the directors concerned. For the purpose of this Statute:

- (i) the signature or approval of an alternate director (if any) shall suffice in place of the signature of the director appointing him; and
- (ii) the approval of a director or alternate director shall be given in hard copy form or in electronic form.

**88. Validity of acts of directors in spite of formal defect**

All acts *bona fide* done by a meeting of the board, or of a committee, or by any person acting as a director or a member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board or committee or of the person so acting, or that they or any of them 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 qualified to be a director and had continued to be a director or member of the committee and had been entitled to vote.

**89. Minutes**

The board shall cause minutes to be made in books kept for the purpose:

- (i) of all appointments of officers made by the board;
- (ii) of the names of all the directors present at each meeting of the board and of any committee; and
- (iii) of all resolutions and proceedings of all meetings of the Company and of any class of members and of the board and of any committee, such minutes and resolutions to be kept for at least 10 years from the date of the meeting or written resolution, as the case may be.

**SECRETARY**

**90. Secretary**

The secretary shall be appointed by the board for such term, at such remuneration and on such conditions as it thinks fit, and the board may remove from office any person so appointed (without prejudice to any claim for damages for breach of any contract between him and the Company).

**SHARE CERTIFICATES**

**91. Issue of share certificates**

- (a) A person whose name is entered in the register as the holder of any certificated shares shall be entitled (unless the conditions of issue otherwise provide) to receive one certificate for those shares, or one certificate for each class of those shares and, if he

transfers part of the shares represented by a certificate in his name, or elects to hold part in uncertificated form, to receive a new certificate for the balance of those shares.

- (b) In the case of joint holders, the Company shall not be bound to issue more than one certificate for all the shares in any particular class registered in their joint names, and delivery of a certificate for a share to any one of the joint holders shall be sufficient delivery to all.
- (c) A share certificate shall be issued under seal or signed by at least one director and the secretary or by at least two directors (which may include any signature being applied mechanically or electronically) or by any one director in the presence of a witness who attests the signature, or made effective in such other way as the directors decide. A share certificate shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares. Any certificate so issued shall, as against the Company, be prima facie evidence of title of the person named in that certificate to the shares comprised in it.
- (d) A share certificate may be given to a member in accordance with the provisions of these Statutes on notices.

## **92. Charges for and replacement of certificates**

- (a) Except as expressly provided to the contrary in these Statutes, no fee shall be charged for the issue of a share certificate.
- (b) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate issued.
- (c) If any member surrenders for cancellation a certificate representing shares held by him and requests the Company to issue two or more certificates representing those shares in such proportions as he may specify, the board may, if it thinks fit, comply with the request on payment of such fee (if any) as the board may decide.
- (d) If a certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued on compliance with such conditions as to evidence, indemnity and security for such indemnity as the board may think fit and on payment of any exceptional expenses of the Company incidental to its investigation of the evidence and preparation of the indemnity and security and, if damaged or defaced, on delivery up of the old certificate.
- (e) In the case of joint holders of a share a request for a new certificate under any of the preceding paragraphs of this Statute may be made by any one of the joint holders unless the certificate is alleged to have been lost, stolen or destroyed.

## **LIEN ON SHARES**

### **93. Lien on partly paid shares**

- (a) The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable (whether or not due) in respect of that share. The lien shall extend to every amount payable in respect of that share.
- (b) The board may at any time either generally or in any particular case declare any share to be wholly or partly exempt from this Statute. Unless otherwise agreed, the

registration of a transfer of a share shall operate as a waiver of the Company's lien (if any) on that share.

**94. Enforcement of lien**

- (a) The Company may sell any share subject to a lien in such manner as the board may decide if an amount payable on the share is due and is not paid within 14 clear days after a notice has been given to the holder or any person entitled by transmission to the share demanding payment of that amount and giving notice of intention to sell in default.
- (b) To give effect to any sale under this Statute, the board may authorise some person to transfer the share sold to, or as directed by, the purchaser. The purchaser shall not be bound to see to the application of the purchase money nor shall the title of the new holder to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale.
- (c) The net proceeds of the sale, after payment of the costs of such sale, shall be applied in or towards satisfaction of the amount due and any residue shall (subject to a like lien for any amounts not presently due as existed on the share before the sale), on surrender, in the case of shares held in certificated form, of the certificate for the shares sold, be paid to the holder or person entitled by transmission to the share immediately before the sale.

**CALLS ON SHARES**

**95. Calls**

- (a) Subject to the terms of allotment, the board may make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal amount or premium) and each member shall (subject to his receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be revoked or postponed as the board may decide.
- (b) Any call may be made payable in one sum or by instalments and shall be deemed to be made at the time when the resolution of the board authorising that call is passed.
- (c) A person on whom a call is made shall remain liable for it notwithstanding the subsequent transfer of the share in respect of which the call is made.
- (d) The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect of that share.

**96. Interest on calls**

If a call is not paid before or on the due date for payment, the person from whom it is due shall pay interest on the amount unpaid, from the due date for payment to the date of actual payment, at such rate as the board may decide, but the board may waive payment of the interest, wholly or in part.

**97. Sums treated as calls**

A sum which by the terms of allotment of a share is payable on allotment, or at a fixed time, or by instalments at fixed times, shall for all purposes of these Statutes be deemed to be a call duly made and payable on the date or dates fixed for payment and, in case of non-payment, these Statutes shall apply as if that sum had become payable by virtue of a call.

**98. Power to differentiate**

On any allotment of shares the board may make arrangements for a difference between the allottees or holders of the shares in the amounts and times of payment of calls on their shares.

**99. Payment of calls in advance**

The board may, if it thinks fit, receive all or any part of the moneys payable on a share beyond the sum actually called up on it if the holder is willing to make payment in advance and, on any moneys so paid in advance, may (until they would otherwise be due) pay interest at such rate as may be agreed between the board and the member paying the sum in advance.

**FORFEITURE OF SHARES**

**100. Notice of unpaid calls**

- (a) If the whole or any part of any call or instalment remains unpaid on any share after the due date for payment, the board may give a notice to the holder requiring him to pay so much of the call or instalment as remains unpaid, together with any accrued interest.
- (b) The notice shall state a further day, being not less than 14 clear days from the date of the notice, on or before which, and the place where, payment is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.
- (c) The board may accept a surrender of any share liable to be forfeited.

**101. Forfeiture on non-compliance with notice**

- (a) If the requirements of a notice given under the preceding Statute are not complied with, any share in respect of which it was given may (before the payment required by the notice is made) be forfeited by a resolution of the board. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
- (b) If a share is forfeited, notice of the forfeiture shall be given to the person who was the holder of the share or (as the case may be) the person entitled to the share by transmission, and an entry that notice of the forfeiture has been given, with the relevant date, shall be made in the register; but no forfeiture shall be invalidated by any omission to give such notice or to make such entry.

**102. Power to annul forfeiture or surrender**

The board may, at any time before the forfeited or surrendered share has been sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon payment of all calls and interest due on or incurred in respect of the share and on such further conditions (if any) as it thinks fit.

**103. Disposal of forfeited or surrendered shares**

- (a) Every share which is forfeited or surrendered shall become the property of the Company and (subject to Legislation) may be sold, re-allotted or otherwise disposed of, upon such terms and in such manner as the board shall decide either to the person who was before the forfeiture the holder of the share or to any other person and whether with or without all or any part of the amount previously paid up on the share being credited as so paid up. The board may for the purposes of a disposal authorise some person to transfer the forfeited or surrendered share to, or in accordance with the directions of, any person to whom the same has been disposed of.
- (b) A statutory declaration by a director or the secretary that a share has been forfeited or surrendered on a specified date shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts stated in it and shall (subject to the execution of any necessary transfer) constitute a good title to the share. The person to whom the share has been disposed of shall not be bound to see to the application of the consideration for the disposal (if any) nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings connected with the forfeiture, surrender, sale, re-allotment or disposal of the share.

**104. Arrears to be paid notwithstanding forfeiture or surrender**

A person any of whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered share and shall, in the case of shares held in certificated form, surrender to the Company for cancellation any certificate for the share forfeited or surrendered, but shall remain liable (unless payment is waived in whole or in part by the board) to pay to the Company all moneys payable by him on or in respect of that share at the time of forfeiture or surrender, together with interest from the time of forfeiture or surrender until payment at such rate as the board shall decide, in the same manner as if the share had not been forfeited or surrendered. He shall also be liable to satisfy all the claims and demands (if any) which the Company might have enforced in respect of the share at the time of forfeiture or surrender. No deduction or allowance shall be made for the value of the share at the time of forfeiture or surrender or for any consideration received on its disposal.

**SEAL**

**105. Seal**

- (a) The Company may exercise the powers conferred by Legislation with regard to having official seals and those powers shall be vested in the board.
- (b) The board shall provide for the safe custody of every seal of the Company.
- (c) A seal shall be used only by the authority of the board or a duly authorised committee but that authority may consist of an instruction or approval given in hard copy form or in electronic form by a majority of the directors or of the members of a duly authorised committee.
- (d) The board may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means.
- (e) Unless otherwise decided by the board:

- (i) certificates for shares, debentures or other securities of the Company issued under seal need not be signed; and
- (ii) every other instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors or by one director in the presence of a witness who attests the signature.

## **DIVIDENDS**

### **106. Declaration of dividends by the Company**

The Company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the board.

### **107. Fixed and interim dividends**

The board may pay such interim dividends as appear to the board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the Company, in the opinion of the board, justifies its payment. If the board acts in good faith, none of the directors shall incur any liability to the holders of shares conferring preferred rights for any loss such holders may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

### **108. Calculation and currency of dividends**

- (a) Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:
  - (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Statute as paid up on the share;
  - (ii) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; and
  - (iii) dividends may be declared or paid in any currency.
- (b) The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

### **109. Method of payment**

- (a) The Company may pay any dividend or other sum payable in respect of a share:
  - (i) by cheque or dividend warrant payable to the holder (or, in the case of joint holders, the holder whose name stands first in the register in respect of the

relevant share) or to such other person as the holder (or, in the case of joint holders, all the joint holders) may notify to the Company for the purpose; or

- (ii) by a bank or other funds transfer system or by such other electronic means (including, in the case of an uncertificated share, a relevant system) to such account as the holder (or, in the case of joint holders, all the joint holders) may notify to the Company for the purpose; or
  - (iii) in such other way as may be agreed between the Company and the holder (or, in the case of joint holders, all such holders).
- (b) Any such cheque or dividend warrant may be sent by post to the registered address of the holder (or, in the case of joint holders, to the registered address of that person whose name stands first in the register in respect of the relevant share) or to such other address as the holder (or, in the case of joint holders, all the joint holders) may notify to the Company for the purpose.
- (c) Every cheque or warrant is sent, and payment in any other way is made, at the risk of the person or persons entitled to it and the Company will not be responsible for any sum lost or delayed when it has sent or transmitted the sum in accordance with these Statutes. Clearance of a cheque or warrant or transmission of funds through a bank or other funds transfer system or by such other electronic means as is permitted by these Statutes shall be a good discharge to the Company.
- (d) Any joint holder or other person jointly entitled to any share may give an effective receipt for any dividend or other sum paid in respect of the share.
- (e) Any dividend or other sum payable in respect of any share may be paid to a person or persons entitled by transmission to that share as if he or they were the holder or joint holders of that share and his address (or the address of the first named of two or more persons jointly entitled) noted in the register were the registered address.

**110. Dividends not to bear interest**

No dividend or other moneys payable by the Company on or in respect of any share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.

**111. Calls or debts may be deducted from dividends**

The board may deduct from any dividend or other moneys payable to any person (either alone or jointly with another) on or in respect of a share all such sums as may be due from him (either alone or jointly with another) to the Company on account of calls or otherwise in relation to shares of the Company.

**112. Unclaimed dividends etc.**

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the board for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee in respect of it.

**113. Uncashed dividends**

If:

- (i) a payment for a dividend or other sum payable in respect of a share sent by the Company to the person entitled to it in accordance with these Statutes is left uncashed or is returned to the Company and, after reasonable enquiries, the Company is unable to establish any new address or, with respect to a payment to be made by a funds transfer system, a new account, for that person; or
- (ii) such a payment is left uncashed or returned to the Company on two consecutive occasions,

the Company shall not be obliged to send any dividends or other sums payable in respect of that share to that person until he notifies the Company of an address or, where the payment is to be made by a funds transfer system, details of the account, to be used for the purpose.

#### **114. Dividends *in specie***

- (a) With the authority of an ordinary resolution of the Company and on the recommendation of the board, payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company.
- (b) Where any difficulty arises with the distribution, the board may settle the difficulty as it thinks fit and, in particular, may issue fractional certificates (or ignore fractions), fix the value for distribution of the specific assets or any part of them, determine that cash payments be made to any members on the basis of the value so fixed in order to secure equality of distribution and vest any of the specific assets in trustees on such trusts for the persons entitled to the dividend as the board may think fit.

#### **115. Scrip dividends**

- (a) The board may, with the authority of an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive further ordinary shares, credited as fully paid, instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution (a scrip dividend) in accordance with the following provisions of this Statute.
- (b) The ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period, but such period may not end later than five years after the date of the meeting at which the ordinary resolution is passed.
- (c) The basis of allotment shall be decided by the board so that, as nearly as may be considered convenient, the value of the further ordinary shares, including any fractional entitlement, is equal to the amount of the cash dividend which would otherwise have been paid (disregarding the amount of any associated tax credit).
- (d) For the purposes of paragraph (c) выше the value of the further ordinary shares shall be calculated in such manner as may be determined by or in accordance with the ordinary resolution.
- (e) The board shall give notice to the holders of ordinary shares of their rights of election in respect of the scrip dividend and shall specify the procedure to be followed in order to make an election.

- (f) The dividend or that part of it in respect of which an election for the scrip dividend is made shall not be paid and instead further ordinary shares shall be allotted in accordance with elections duly made and the board shall capitalise a sum equal to the aggregate nominal amount of the shares to be allotted out of such sums available for the purpose as the board may consider appropriate.
- (g) The further ordinary shares so allotted shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue except as regards participation in the relevant dividend.
- (h) The board may decide that the right to elect for any scrip dividend shall not be made available to members resident in any territory where, in the opinion of the board, compliance with local laws or regulations would be unduly onerous.
- (i) The board may do all acts and things as it considers necessary or expedient to give effect to the provisions of a scrip dividend election and the issue of any ordinary shares in accordance with the provisions of this Statute, and may make such provisions as it thinks fit for the case of shares becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than to the members concerned). To the extent that the entitlement of any holder of ordinary shares in respect of any dividend is less than the value of one new ordinary share (as determined for the basis of any scrip dividend) the board may also from time to time establish or vary a procedure for such entitlement to be accrued and aggregated with any similar entitlement for the purposes of any subsequent scrip dividend.
- (j) The board may from time to time establish or vary a procedure for election mandates, under which a holder of ordinary shares may, in respect of any future dividends for which a right of election pursuant to this Statute is offered, elect to receive ordinary shares in lieu of such dividend on the terms of such mandate.
- (k) The board shall not make a scrip dividend available unless the Company has sufficient undistributed profits or reserves to give effect to elections which could be made to receive that scrip dividend.
- (l) The board may decide at any time before the further ordinary shares are allotted that such shares shall not be allotted and pay the relevant dividend in cash instead. Such decision may be made before or after any election has been made by holders of ordinary shares in respect of the relevant dividend.

## **CAPITALISATION OF RESERVES**

### **116. Capitalisation of reserves**

- (a) The board may, with the authority of an ordinary resolution of the Company:
  - (i) resolve to capitalise any sum standing to the credit of any reserve account of the Company (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account not required for the payment of any preferential dividend (whether or not it is available for distribution); and
  - (ii) appropriate that sum as capital to the holders of ordinary shares in proportion to the nominal amount of the ordinary share capital held by them respectively

and apply that sum on their behalf in paying up in full any shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions or in paying up the whole or part of any amounts which are unpaid in respect of any issued shares in the Company held by them respectively, or otherwise deal with such sum as directed by the resolution provided that the share premium account, the capital redemption reserve, any redenomination reserve and any sum not available for distribution in accordance with the Statutes may only be applied in paying up shares to be allotted credited as fully paid up.

- (b) Where any difficulty arises in respect of any distribution of any capitalised reserve or other sum, the board may settle the difficulty as it thinks fit and in particular may make such provisions as it thinks fit in the case of shares or debentures becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than the members concerned) or ignore fractions and may fix the value for distribution of any fully paid up shares or debentures and may determine that cash payments be made to any members on the basis of the value so fixed in order to secure equality of distribution, and may vest any shares or debentures in trustees upon such trusts for the persons entitled to share in the distribution as the board may think fit.
- (c) The board may also authorise any person to sign on behalf of the persons entitled to share in the distribution a contract for the acceptance by those persons of the shares or debentures to be allotted to them credited as fully paid under a capitalisation and any such contract shall be binding on all those persons.

#### 117. Capitalisation of reserves – employees' share schemes

- (a) This Statute (which is without prejudice to the generality of the provisions of the immediately preceding Statute) applies where, pursuant to an employees' share scheme:
  - (i) a person is granted a right to acquire shares in the Company for no payment or at a price less than their nominal value; or
  - (ii) the terms on which any person is entitled to acquire shares in the Company are adjusted so that the price payable to acquire them is less than their nominal value,

and the relevant shares are to be subscribed.

- (b) In any such case the board:
  - (i) may, without requiring any further authority of the Company in General Meeting, at any time transfer to a reserve account a sum (the **reserve amount**) which is equal to the amount required to pay up the nominal value of the shares in full, after taking into account the amount (if any) payable by the person from the profits or reserves of the Company which are available for distribution and not required for the payment of any preferential dividend; and

- (ii) (subject to paragraph (d) ниже) will not apply the reserve amount for any purpose other than paying up the nominal value on the allotment of the relevant shares.
- (c) Whenever the Company allots shares to a person pursuant to a right described in Statute 117(a), the board will (subject to Legislation) appropriate to capital the amount of the reserve amount necessary to pay up the nominal value of those shares in full, after taking into account the amount (if any) payable by the person, apply that amount in paying up the nominal value of those shares in full and allot those shares credited as fully paid to the person entitled to them.
- (d) If any person ceases to be entitled to acquire shares as described in Statute 117(a), the restrictions on the reserve amount will cease to apply in relation to the part of that amount (if any) applicable to those shares.

## **RECORD DATES**

### **118. Fixing of record dates**

- (a) Notwithstanding any other of these Statutes, but without prejudice to any rights attached to any shares, the Company or the board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.
- (b) In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution, allotment or issue is made.

## **ACCOUNTS**

### **119. Accounting records**

- (a) The board shall cause accounting records of the Company to be kept in accordance with Legislation.
- (b) No member (as such) shall have any right of inspecting any account, book or document of the Company, except as conferred by law or authorised by the board or by any ordinary resolution of the Company.

## **COMMUNICATIONS**

### **120. Communications to the Company**

- (a) Subject to Legislation and except where otherwise expressly stated, any document or information to be sent or supplied to the Company (whether or not such document or information is required or authorised under Legislation) shall be in hard copy form or, subject to paragraph (b) below, be sent or supplied in electronic form or by means of a website.
- (b) Subject to Legislation, a document or information may be given to the Company in electronic form only if it is given in such form and manner and to such address as may have been specified by the board from time to time for the receipt of documents in electronic form. The board may prescribe such procedures as it thinks fit for

verifying the authenticity or integrity of any such document or information given to it in electronic form.

#### **121. Communications by the Company**

- (a) A document or information may be sent or supplied in hard copy form by the Company to any member either personally or by sending or supplying it by post addressed to the member at his registered address or by leaving it at that address.
- (b) Subject to Legislation (and other rules applicable to the Company), a document or information may be sent or supplied by the Company to any member in electronic form to such address as may from time to time be authorised by the member concerned or by making it available on a website and notifying the member concerned in accordance with Legislation (and other rules applicable to the Company) that it has been made available. A member shall be deemed to have agreed that the Company may send or supply a document or information by means of a website if the conditions set out in Legislation have been satisfied.
- (c) In the case of joint holders of a share, any document or information sent or supplied by the Company in any manner permitted by these Statutes to the joint holder who is named first in the register in respect of the joint holding shall be deemed to be given to all other holders of the share.
- (d) A member whose registered address is not within the United Kingdom shall not be entitled to receive any notice from the Company unless he gives the Company a postal address within the United Kingdom at which notices may be given to him.

#### **122. Communication during suspension or curtailment of postal services**

- (a) If at any time by reason of the suspension or curtailment of postal services within the United Kingdom (or some part of the United Kingdom) the Company is unable effectively to give notice of a general meeting to some or all of its members or directors then, subject to complying with paragraph (b) ниже, the Company need only give notice of the meeting to those members or directors to whom the Company is entitled, in accordance with the Statutes, to give notice by electronic means.
- (b) In the circumstances described in paragraph (a) выше, the Company must:
  - (i) advertise the general meeting by a notice which appears on its website and in at least one national newspaper complying with the notice period requirements set out in Statute 30; and
  - (ii) send confirmatory copies of the notice (or, as the case may be, the notification of the website notice) by post to those members and directors to whom notice (or notification) cannot be given by electronic means if at least six clear days before the meeting the posting of notices (and notifications) to addresses throughout the United Kingdom again becomes practicable.

#### **123. When communication is deemed received**

- (a) Any document or information, if sent by first class post, shall be deemed to have been received on the day following that on which the envelope containing it is put into the post, or, if sent by second class post, shall be deemed to have been received on the second day following that on which the envelope containing it is put into the post and

in proving that a document or information has been received it shall be sufficient to prove that the letter, envelope or wrapper containing the document or information was properly addressed, prepaid and put into the post.

- (b) Any document or information not sent by post but left at a registered address or address at which a document or information may be received shall be deemed to have been received on the day it was so left.
- (c) Any document or information, if sent or supplied by electronic means, shall be deemed to have been received on the day on which the document or information was sent or supplied by or on behalf of the Company.
- (d) If the Company receives a delivery failure notification following a communication by electronic means in accordance with paragraph (c) above, the Company shall send or supply the document or information in hard copy or electronic form (but not by electronic means) to the member either personally or by post addressed to the member at his registered address or by leaving it at that address. This shall not affect when the document or information was deemed to be received in accordance with paragraph (c) above.
  - (i) Where a document or information is sent or supplied by means of a website, it shall be deemed to have been received:
  - (ii) when the material was first made available on the website; or
  - (iii) if later, when the recipient was deemed to have received notice of the fact that the material was available on the website.
- (e) A member present, either in person or by proxy, at any meeting of the Company or class of members of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which the meeting was convened.
- (f) Every person who becomes entitled to a share shall be bound by every notice (other than a notice in accordance with section 793 of the CA 2006) in respect of that share which before his name is entered in the register was given to the person from whom he derives his title to the share.

#### **124. Record date for communications**

- (a) For the purposes of giving notices of meetings, or of sending or supplying other documents or other information, whether under section 310(1) of the CA 2006, any other provision of Legislation, a provision in these Statutes or any other instrument, the Company may determine that persons entitled to receive such notices, documents or other information are those persons entered on the register at the close of business on a day determined by it.
- (b) The day determined by the Company under paragraph (a) выше may not be more than 15 days before the day that the notice of the meeting, document or other information is given.

#### **125. Communication to person entitled by transmission**

Where a person is entitled by transmission to a share, any notice or other communication shall be given to him, as if he were the holder of that share and his address noted in the register

were his registered address. In any other case, any notice or other communication given to any member pursuant to these Statutes shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly given in respect of any share registered in the name of that member as sole or joint holder.

## UNTRACED MEMBERS

### 126. Sale of shares of untraced members

- (a) The Company may sell, in such manner as the board may decide and at the best price it considers to be reasonably obtainable at that time, any share of a member, or any share to which a person is entitled by transmission if:
  - (i) during a period of 12 years at least three cash dividends have become payable in respect of the share to be sold and have been sent by the Company in accordance with these Statutes;
  - (ii) during that period of 12 years no cash dividend payable in respect of the share has been claimed, no cheque, warrant, order or other payment for a dividend has been cashed, no dividend sent by means of a funds transfer system has been paid and no communication has been received by the Company from the member or the person entitled by transmission to the share;
  - (iii) on or after the expiry of that period of 12 years the Company has published advertisements both in a national newspaper and in a newspaper circulating in the area in which the last known address of the member or person entitled by transmission to the share or the address at which notices may be given in accordance with these Statutes is located, in each case giving notice of its intention to sell the share; and
  - (iv) during the period of three months following the publication of those advertisements and after that period until the exercise of the power to sell the share, the Company has not received any communication from the member or the person entitled by transmission to the share.
- (b) The Company's power of sale shall extend to any further share which, on or before the date of publication of the first of any advertisement pursuant to paragraph (a)(iii) выше, is issued in right of a share to which paragraph (a) above applies (or in right of any share to which this paragraph applies) if the conditions set out in paragraphs (a)(ii) to (iv) above are satisfied in relation to the further share (but as if the references to a period of 12 years were references to a period beginning on the date of allotment of the further share and ending on the date of publication of the first of the advertisements referred to above).
- (c) To give effect to any sale, the board may authorise some person to transfer the share to, or as directed by, the purchaser, who shall not be bound to see to the application of the purchase money; nor shall the title of the new holder to the share be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

### 127. Application of proceeds of sale

- (a) The Company shall account to the person entitled to the share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.
- (b) Pending payment of the net proceeds of sale to such person, the proceeds may either 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 decide.
- (c) No interest shall be payable in respect of the net proceeds and the Company shall not be required to account for any moneys earned on the net proceeds.

## **DESTRUCTION OF DOCUMENTS**

### **128. Destruction of documents**

- (a) The board may authorise or arrange the destruction of documents held by the Company as follows:
  - (i) at any time after the expiration of six years from the date of registration, all instruments of transfer of shares and all other documents transferring or purporting to transfer shares or representing or purporting to represent the right to be registered as the holder of shares on the faith of which entries have been made in the register;
  - (ii) at any time after the expiration of one year from the date of cancellation, all registered share certificates which have been cancelled;
  - (iii) at any time after the expiration of two years from the date of recording them, all dividend mandates and notifications of change of address; and
  - (iv) at any time after the expiration of one year from the date of actual payment, all paid dividend warrants and cheques.
- (b) It shall conclusively be presumed in favour of the Company that:
  - (i) every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made;
  - (ii) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;
  - (iii) every share certificate so destroyed was a valid certificate duly and properly cancelled;
  - (iv) every other document mentioned in paragraph (a) выше so destroyed was a valid and effective document in accordance with the particulars of it recorded in the books and records of the Company; and
  - (v) every paid dividend warrant and cheque so destroyed was duly paid.

- (c) The provisions of paragraph (b) выше shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant.
- (d) Nothing in this Statute shall be construed as imposing on the Company or the board any liability in respect of the destruction of any document earlier than as stated in paragraph (a) выше or in any other circumstances in which liability would not attach to the Company or the board in the absence of this Statute.
- (e) References in this Statute to the destruction of any document include references to its disposal in any manner.

## WINDING UP

### 129. Powers to distribute *in specie*

If the Company is in liquidation, the liquidator may, with the authority of a special resolution of the Company and any other authority required by Legislation:

- (i) divide among the members *in specie* the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members; or
- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like sanction, shall think fit but no member shall be compelled to accept any assets upon which there is any liability.

## INDEMNITY AND INSURANCE, ETC.

### 130. Directors' indemnity, insurance and defence

As far as Legislation allows, the Company may:

- (i) indemnify any director of the Company (or of an associated body corporate) against any liability;
- (ii) indemnify a director of a company that is a trustee of an occupational pension scheme for employees (or former employees) of the Company (or of an associated body corporate) against liability incurred in connection with the company's activities as trustee of the scheme;
- (iii) purchase and maintain insurance against any liability for any director referred to in paragraphs (i) or (ii) ; and
- (iv) provide any director referred to in paragraphs (i) or (ii) with funds (whether by loan or otherwise) to meet expenditure incurred or to be incurred by him in defending any criminal, regulatory or civil proceedings or in connection with an application for relief (or to enable any such director to avoid incurring such expenditure).

The powers given by this Statute shall not limit any general powers of the Company to grant indemnities, purchase and maintain insurance or provide funds (whether by way of loan or otherwise) to any person in connection with any legal or regulatory proceedings or applications for relief.

**APPENDIX 4**  
**MIGRATION REPORT**

## BOARD REPORT RELATING TO THE MIGRATION OF

### NORD GOLD N.V.

Date \_\_\_\_ March 2016

This board report is made pursuant to Section 8 of the Council Regulation No. 2157/2001 on the statute for a European company (*Verordening (EG) Nr. 2157/2001 betreffende het statuut van de Europese vennootschap*) (the **SE Regulation**) in connection with the proposed migration of **Nord Gold N.V.**, a public limited liability company under Dutch law (*naamloze vennootschap*), having its official seat in Amsterdam, the Netherlands, its office address at Herikerbergweg 238, Luna ArenA, 1101 CM Amsterdam Zuidoost and registered in the Dutch Commercial Register under number 17179668 (the **Company**) to London, the United Kingdom, by way of transfer of corporate seat after its conversion into a European public limited liability company (*societas Europaea*) (the **Migration**).

This report is drawn up by the entire board of the Company (the **Board**).

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#### 1. **Reasons for the Migration**

The Board wants to move the Company to the United Kingdom in order to be eligible for listing on the premium segment of the London Stock Exchange and FTSE Index inclusion.

The first step to achieve the move to the United Kingdom is to convert the Company into a European public limited liability company (*societas Europaea*) (the **Conversion**). The second step is the Migration. Following the Migration the Company will be a UK entity, and subject to European and UK company law only.

#### 2. **Explanation from a legal and economical point of view**

##### Legal:

In connection with the Migration, the Company's corporate seat (registered office) shall be transferred from Amsterdam, the Netherlands to London, United Kingdom. As part of the Migration the Company's articles of association will be amended to meet the requirements of UK company law.

The Migration will not result in winding up of the Company or the establishment of a new legal entity.

##### Economic:

It is not expected that the Migration will have an economic impact on the Company or will lead to a change of the Company's business or activities.

#### 3. **Consequences for shareholders**

The Migration will not have an impact on the Company's shareholders other than that upon the Migration becoming effective, the Company's legal form and articles of association are amended and the Company will be subject to the SE Regulation as well as the UK company law. Approval by the general meeting of shareholders is required for the Migration and the amendment of the Company's articles of association.

**4. Consequences for creditors**

It is not expected that the Migration will have a material affect on the legal position of the creditors or other counterparties of the Company is not expected to change as a direct result of the Migration. Also, it is not expected that the Migration would be prejudicial to the interests of (present and future) creditors of the Company.

**5. Consequences for employees**

The Company has no employees. Personnel within the Company's group will not be affected as a result of the Migration.

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N. Zelenskiy

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E. Tulubensky

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D.W. Morgan

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P.R. Lester

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A. Mordashov

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R. Elkin

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P.J. Bacchus

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J.A. Munro