

No. 214436

**CERTIFIED TO BE A TRUE COPY**

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The Companies Act 1985 (As amended)

Public company limited by shares

Special Resolution

of

**MARKS AND SPENCER p.l.c.**

Passed 28th February, 2002

At the Extraordinary General Meeting of the above named Company, duly convened and held at The Paragon Hotel, 47 Lillie Road, Kensington, London SW6 1UD on 28 February 2002 the following RESOLUTION was duly passed, viz:

**SPECIAL RESOLUTION**

1. THAT:

- (A) the Scheme of Arrangement dated 29 January 2002 between the Company and the Scheme Shareholders (as defined in the Scheme) in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the "Scheme") be approved and the Directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (B) for the purpose of giving effect to the Scheme in its original form or with or subject to any modification, addition or condition approved or imposed by the Court:
  - (i) the issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme);
  - (ii) forthwith and contingently upon the said reduction of capital taking effect:
    - (a) the authorised share capital of the Company shall be increased by the creation of such number of new ordinary shares of 25 pence each in the capital of the Company ("new ordinary shares") as shall be equal to the aggregate nominal amount of Scheme Shares cancelled pursuant to sub-paragraph (B)(i) of this resolution; and



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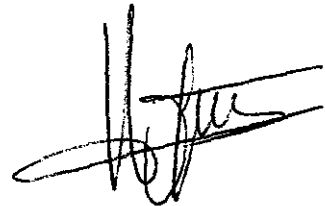
- (b) the Company shall apply the credit arising in its books of account as a result of such reduction of capital in paying up, in full at par, the new ordinary shares created pursuant to sub-paragraph (B)(ii)(a) of this resolution and shall allot and issue the same, credited as fully paid, to Marks & Spencer Group and/or its nominee; and
  - (c) the Directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of section 80 of the Companies Act 1985, to allot the new ordinary shares referred to in sub-paragraph (B)(ii)(a) of this resolution provided that (a) the maximum number of shares which may be allotted hereunder is 2,860,000,000, (b) this authority shall expire on 31 December 2002, and (c) this authority shall be in addition to any subsisting authority conferred on the Directors of the Company pursuant to the said section 80;
- (C) with effect from the passing of this resolution the Articles of Association of the Company be hereby amended by the renumbering of Article 3 as Article 3(A) and by the adoption and inclusion of the following new Article as Article 3(B);

#### **"Scheme of Arrangement**

- 3 (B) (a) In this Article, the "Scheme" means the scheme of arrangement of the Company dated 29 January 2002 under section 425 of the Companies Act 1985, between the Company and the holders of the Scheme Shares, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court. Expressions defined in the Scheme shall have the same meaning in this Article.
- (b) Notwithstanding any other provision of these Articles, if the Company issues any ordinary share after the time at which this Article becomes effective and prior to the confirmation by the Court of the reduction of capital provided for under the Scheme, such shares shall be allotted and issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly.
  - (c) Subject to paragraph (e) of this Article, if any ordinary shares are issued to any person (a "new member") after the Scheme has become effective they will, provided that Marks and Spencer Group p.l.c. is a member of the Company, be immediately transferred to Marks and Spencer Group p.l.c. and/or its nominee(s) in consideration of and conditional on the issue to the new member of an equal number of Marks & Spencer Group Ordinary Shares as those transferred.

- (d) The Marks & Spencer Group Ordinary Shares issued pursuant to paragraph (c) of this Article shall be credited as fully paid and shall rank equally in all respects with all other Marks & Spencer Group Ordinary Shares in issue at the time and be subject to the Memorandum and Articles of Association of Marks & Spencer Group.
- (e) The number of Marks & Spencer Group Ordinary Shares to be allotted and issued under paragraph (c) of this Article may be adjusted by the Directors following any variation in the share capital of either the Company or Marks & Spencer Group (other than the Marks & Spencer Group Reduction of Capital and the redemption of the B Shares) or such other event as the Directors consider fair and reasonable on such adjusted terms as the board of Marks & Spencer Group may determine provided that no such adjustment may be made unless the auditors have confirmed in writing to the Directors that, in their opinion, such adjustment is fair and reasonable.
- (f) No fraction of a Marks & Spencer Group Ordinary Share shall be allotted pursuant to this Article, but the entitlement of each member who would otherwise have been entitled to a fraction of a Marks & Spencer Group Ordinary Share shall be rounded down to the nearest whole number. Any fractions of a Marks & Spencer Group Ordinary Share may be aggregated and sold in the market on the behalf of the Shareholders.
- (g) To give effect to any transfer required by this Article, the Company may appoint any person to execute and deliver as transferor a form or instructions of transfer on behalf of the new member in favour of Marks & Spencer Group and/or its nominee(s) and to agree for and on behalf of the new member to become a member of Marks & Spencer Group. Pending the registration of Marks & Spencer Group as the holder of any shares in the Company, Marks & Spencer Group shall be empowered to appoint a person to act as attorney on behalf of the new member in accordance with such directions as Marks & Spencer Group may give in relation to any dealings with or disposal of such shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and, if a person is so appointed to act as attorney, the new member shall not be entitled to exercise any rights attaching thereto except:

- (i) to the extent that the person appointed to act as attorney fails to act in accordance with the directions of Marks & Spencer Group; and
  - (ii) in accordance with the directions of Marks & Spencer Group."
- (D) the proposed reduction of capital of Marks & Spencer Group p.l.c. approved at an extraordinary general meeting of Marks & Spencer Group p.l.c. to implement the Marks & Spencer Group Reduction of Capital (as described in Part 3 of the document containing the explanatory statement sent out with the Scheme pursuant to the provisions of Section 426 of the Companies Act 1985) be approved.



LUC VANDEVELDE

Chairman

The Companies Act 1985

PUBLIC COMPANY LIMITED BY SHARES

# Articles of Association

(Adopted by Special Resolution passed on 13th July 1989 and amended by Special Resolutions passed on 10th July 1991, on 21st July 1995 and 28th February, 2002)

of

## MARKS AND SPENCER p.l.c.

### PRELIMINARY

#### Table A

1. The regulations in Table A in the Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

#### Definitions

2. In these Articles (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

Words	Meanings
"the Act"	The Companies Act 1985.
"the Statutes"	The Act and every other statute (and any regulations subordinate thereto) for the time being in force concerning companies and affecting the Company.
"these Articles"	The Act and every other statute (and any regulations subordinate thereto) for the time being in force concerning companies and affecting the Company.
"Office"	The Registered Office of the Company for the time being.
"Transfer Office"	The place where the Register of Members is situate for the time being.

“Seal”	The Common Seal of the Company.
“Securities Seal”	An official seal kept by the Company by virtue of Section 40 of the Act.
“The Stock Exchange”	The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.
“The United Kingdom”	Great Britain and Northern Ireland.
“month”	Calendar month.
“year”	Calendar year.
“in writing”	Written or produced by any substitute for writing or partly one and partly another.
“paid”	Paid or credited as paid.

The expressions "debenture" and "debenture-holder" shall respectively include "debenture stock" and "debenture stockholder".

The expressions "recognised clearing house" and "recognised investment exchange" shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services Act 1986.

The expression "Secretary" shall include any person appointed by the Directors to perform any of the duties of the Secretary including, but not limited to, a Joint, Assistant or Deputy Secretary.

All such of the provisions in these Articles as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

Words denoting the singular shall include the plural and *vice versa*. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provisions of these Articles.

## SHARE CAPITAL

### Authorised share capital

3. (A) The share capital of the Company at 21st July 1995 is £800,000,000 divided into 3,200,000,000 Ordinary Shares of 25p each, none of which so far as the Statutes permit shall have distinguishing numbers. The rights, as regards participation in the profits and assets of the Company, attaching to these shares shall be as follows:
  - (i) The profits of the Company available for dividend and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Shares;
  - (ii) On a return of assets on a winding up the assets of the Company available for distribution among the members shall be applied in repaying to the holders of the Ordinary Shares the amounts paid up on such shares and subject thereto shall belong to and be distributed among such holders rateably according to the number of such shares held by them respectively.

## SCHEME OF ARRANGEMENT

3. (B) (i) In this Article, the "Scheme" means the scheme of arrangement of the Company dated 29 January 2002 under section 425 of the Companies Act 1985, between the Company and the holders of the Scheme Shares, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court. Expressions defined in the Scheme shall have the same meaning in this Article.
- (ii) Notwithstanding any other provision of these Articles, if the Company issues any ordinary share after the time at which this Article becomes effective and prior to the confirmation by the Court of the reduction of capital provided for under the Scheme, such shares shall be allotted and issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly.
- (iii) Subject to paragraph (v) of this Article, if any ordinary shares are issued to any person (a "new member") after the Scheme has become effective they will, provided that Marks and Spencer Group p.l.c. is a member of the Company, be immediately

transferred to Marks and Spencer Group p.l.c.l and/or its nominee(s) in consideration of and conditional on the issue to the new member of an equal number of Marks & Spencer Group Ordinary Shares as those transferred.

- (iv) The Marks & Spencer Group Ordinary Shares issued pursuant to paragraph (iii) of this Article shall be credited as fully paid and shall rank equally in all respects with all other Marks & Spencer Group Ordinary Shares in issue at the time and be subject to the Memorandum and Articles of Association of Marks & Spencer Group.
- (v) The number of Marks & Spencer Group Ordinary Shares to be allotted and issued under paragraph (iii) of this Article may be adjusted by the Directors following any variation in the share capital of either the Company or Marks & Spencer Group (other than the Marks & Spencer Group Reduction of Capital and the redemption of the B Shares) or such other event as the Directors consider fair and reasonable on such adjusted terms as the board of Marks & Spencer Group may determine provided that no such adjustment may be made unless the auditors have confirmed in writing to the Directors that, in their opinion, such adjustment is fair and reasonable.
- (vi) No fraction of a Marks & Spencer Group Ordinary Share shall be allotted pursuant to this Article, but the entitlement of each member who would otherwise have been entitled to a fraction of a Marks & Spencer Group Ordinary Share shall be rounded down to the nearest whole number. Any fractions of a Marks & Spencer Group Ordinary Share may be aggregated and sold in the market on the behalf of the Shareholders.
- (vii) To give effect to any transfer required by this Article, the Company may appoint any person to execute and delivery as transferor a form or instructions of transfer on behalf of the new member in favour of Marks & Spencer Group and/or its nominee(s) and to agree for and on behalf of the new member to become a member of Marks & Spencer Group. Pending the registration of Marks & Spencer Group as the holder of any shares in the Company, Marks & Spencer Group shall be empowered to appoint a person to act as attorney on behalf of the new member in accordance with such directions as Marks & Spencer Group may give in relation to any dealings with or disposal of such shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and, if a person is



so appointed to act as attorney, the new member shall not be entitled to exercise any rights attaching thereto except:

- (a) to the extent that the person appointed to act as attorney fails to act in accordance with the directions of Marks & Spencer Group; and
- (b) in accordance with the directions of Marks & Spencer Group.

#### **Shares with special rights**

- 4. Subject to the provisions of the Statutes and to any special rights previously conferred on the holders of any shares or class of shares for the time being issued (which special rights may be varied or abrogated only in the manner provided by the next following Article), any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue shares which are, or at the option of the Company or the shareholder are liable, to be redeemed.

### **VARIATION OF RIGHTS**

#### **Variation of rights**

- 5. (A) Subject to the provisions of the Statutes the holders of any class of shares may at any time and from time to time and whether before or during liquidation, by an Extraordinary Resolution passed at a meeting of such holders, consent on behalf of all the holders of shares of the class to the issue or creation of any shares ranking equally therewith, or having any priority thereto, or to the abandonment of any preference or priority or of any accrued dividend, or the reduction for any time or permanently of the dividends payable thereon, or to the amalgamation into one class of the shares of any two or more classes, or to the subdivision of shares of one class into shares of different classes, or any alterations in these Articles varying or taking away any rights or privileges attached to shares of the class, or to any scheme for the reduction of the Company's capital affecting the class of shares in a manner not otherwise authorised by these Articles, or to any scheme for the distribution (though not in accordance with legal rights) of assets in money or in kind on or before liquidation, or to any contract for the sale of the whole or any part of the Company's property or business determining the way in which as between the several classes of shareholders the purchase consideration shall be distributed, and

generally consent to any alteration or abrogation of rights, contract, compromise or arrangement which the persons voting thereon could if *sui juris* and holding all the shares of the class consent to or enter into, and such resolution shall be binding upon all the holders of shares of the class.

This Article shall not be read as implying the necessity for such consent in any case in which but for this Article the object of the resolution could have been effected without it. The consent in writing of the holders of three-fourths of the issued shares of the class shall have the same effect as an Extraordinary Resolution passed at a meeting of holders of shares of the class.

- (B) Any meeting for the purpose of sub-Article (A) above shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company provided that no member, not being a Director, shall be entitled to notice thereof or to attend thereat, unless he be a holder of shares of the class intended to be affected by the resolution and that (except that a chairman if a Director may give a casting vote whether a holder of shares of the class or not) no vote shall be given except in respect of a share of that class, and that the quorum at any such meeting shall (subject to the provisions as to an adjourned meeting hereinafter contained) be members holding or representing by proxy not less than one-third of the issued shares of that class, and that at any such meeting a poll may be demanded in writing by any five members present in person or by proxy and entitled to vote at the meeting.

### **Special rights**

6. Special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

## **ALTERATION OF CAPITAL**

### **New shares subject to these Articles**

7. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

### **Alteration by Ordinary Resolution**

8. (A) The Company may by Ordinary Resolution:
- (i) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (ii) Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;
  - (iii) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.
- (B) Upon any consolidation of fully-paid shares into shares of larger amount the Directors may settle any difficulty which may arise with regard thereto and in particular may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or joint holders) may make such arrangements for the allocation, acceptance or sale of the consolidated share and for the distribution of any moneys received in respect thereof as may be thought fit and for the purpose of giving effect thereto may appoint some person to transfer the consolidated share or any fractions thereof and to receive the purchase price thereof and any transfer executed in pursuance thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity.

#### **Power to purchase own shares**

9. Subject to the provisions of the Statutes, the Company may purchase any of its own shares (including any redeemable shares).

#### **Power to reduce capital**

10. The Company may reduce its share capital or any capital redemption reserve fund or share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

## SHARES

## Issue

11. (A) All unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.
- (B) (i) The Directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Act to exercise for each prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 amount.
- (ii) During each prescribed period the Directors shall be empowered to allot equity securities wholly for cash pursuant to and within the terms of the said authority:
- (a) in connection with a rights issue; and
- (b) otherwise than in connection with a rights issue, up to an aggregate nominal amount equal to the Section 89 Amount;
- as if Section 89(1) of the Act did not apply to any such allotment.
- (iii) By such authority and power the Directors may during such period make offers or agreements which would or might require the allotment of securities after the expiry of such period.
- (iv) For the purposes of this Article:
- (a) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register at a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory);
- (b) "prescribed period" means:

- (1) for the purposes of the authority conferred by subparagraph (i) above, the period (not exceeding fifteen months on any occasion) for which such authority is renewed by an Ordinary Resolution or Special Resolution of the Company (as the case may be) stating the Section 80 Amount for such period; and
- (2) for the purposes of the power conferred by subparagraph (ii) above, the period (not exceeding fifteen months on any occasion) for which such power is renewed by a Special Resolution of the Company stating the Section 89 Amount for such period;
- (c) "the Section 80 Amount" shall be that stated in the relevant Ordinary Resolution or Special Resolution (as the case may be) or any increased amount fixed by Ordinary Resolution;
- (d) "the Section 89 Amount" shall be that stated in the relevant Special Resolution;
- (e) the nominal amount of any securities shall be taken to be in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

#### **Commissions/brokerage**

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

#### **Renunciation of allotment**

- 13. The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

#### **Trusts not recognised**

- 14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or

compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

#### **Refusal to register**

15. The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of a share which is not fully paid, provided that such a refusal does not prevent dealings in the share from taking place on an open and proper basis. The Directors may also refuse to register an allotment or transfer of shares (whether fully-paid or not) in favour of more than four persons jointly. If the Directors refuse to register an allotment or transfer they shall within two months after the date on which the letter of allotment or transfer was lodged with the Company send to the allottee or transferee notice of the refusal.

### **SHARE CERTIFICATE**

#### **Issue of certificates**

16. Every share certificate shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class. No certificate shall normally be issued in respect of shares held by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange. Subject to the Statutes and to the requirements of The Stock Exchange such share certificate may be authenticated by or issued bearing any one or more, as the Directors may from time to time decide, of: the Seal or Securities Seal, or a representation of the Seal or Securities Seal; the signatures, or representations of the signatures, of two Directors; or the signatures, or representations of the signatures, of a Director and the Secretary. Such representations may be made or produced mechanically, electronically, by laser printing or by such other means as the Directors may from time to time approve.

#### **Members' rights to certificates**

17. Every person whose name is entered as a member in the Register of Members in respect of any shares of any one class upon the issue or transfer thereof shall be entitled without payment to a certificate therefor within one month after allotment (or one month after the date of expiration of any right of renunciation, if earlier) or within five business days of the lodgement of a transfer or (subject to the foregoing) within such other period as the terms of issue shall provide. Provided that the Company shall not be bound to register more than four persons as the joint holders of a share and in the case of a share held jointly by several persons the Company shall not be bound to issue more

than one certificate therefor and delivery of a certificate to one of such persons shall be sufficient delivery to all.

#### **Transfer of part of shareholding**

18. Where a member transfers part only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

#### **Replacement of certificates**

19. If a share certificate shall be damaged, defaced, or alleged to have been lost, stolen or destroyed, it may be replaced by a new certificate and on delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) on such terms (if any) as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors think fit.

### **CALLS ON SHARES**

#### **Power to make calls**

20. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the share or by way of premium) and not by the terms of issue thereof made payable at fixed times. Each member shall (subject to receiving at least twenty-one days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

#### **Time when call made**

21. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

#### **Liability of joint holders**

22. The joint holders of a share shall be jointly and severally liable to pay calls in respect thereof.

#### **Interest payable**

23. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual

payment at such rate (not exceeding 10 per cent per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

#### **Deemed calls**

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

#### **Differentiation on calls**

25. The Directors may on the allotment of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

#### **Payment on calls in advance**

26. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding 10 per cent per annum) as the member paying such sum and the Directors agree upon.

### **FORFEITURE AND LIEN**

#### **Notice requiring payment of call**

27. If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

#### **Form of notice**

28. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event



of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

#### **Forfeiture for non-compliance**

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

#### **Sale of forfeited shares**

30. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

#### **Liability following forfeiture**

31. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at 12 per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal or waive payment in whole or in part.

#### **Government tax**

32. (A) Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such

member by the Company on or in respect of any shares registered as aforesaid or for or on account or in respect of any member and whether in consequence of:

- (i) the death of such member;
- (ii) the non-payment of any income tax or other tax by such member;
- (iii) the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such member or by or out of his estate;
- (iv) any other act or thing;

the Company in every such case:

- (a) shall be fully indemnified by such member or his executor or administrator from all liability;
- (b) may recover as a debt due from such member or his executor or administrator wherever constituted any moneys paid by the Company under or in consequence of any such law together with interest thereon at the rate of 15 per cent per annum from date of payment to date of repayment.

Nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such member as aforesaid, his executor, administrator, and estate wheresoever constituted or situate, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

- (B) The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and the Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

#### **Enforcement of lien by sale**

- 33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of twenty-one days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall

have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.

#### **Application of proceeds**

34. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the amount in respect whereof the lien exists so far as the same is then payable and any residue shall, upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares prior to the sale, be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

#### **Statutory declaration**

35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

### **TRANSFER OF SHARES**

#### **Form and execution of transfer**

36. All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

#### **Registration**

37. The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares. The Register of Members shall not be closed for more than thirty days in any year.

#### **Invalid transfers**

38. The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is deposited at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

#### **Retention of transfers**

39. All instruments of transfer which are registered may be retained by the Company. The Company shall be entitled to destroy all instruments of transfer or other documents which have been registered or on the basis of which registration was made at any time after the expiration of six years from the date of registration thereof and all share certificates and dividend mandates and dividend warrants which have been cancelled or have ceased to have effect at any time after the expiration of one year from the date of such cancellation or cessation and all notifications of change of name or address after the expiration of one year from the date of the recording thereof and it shall conclusively be presumed in favour of the Company that 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 and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:

- (A) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (B) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;

- (C) References herein to the destruction of any document include references to the disposal thereof in any manner.

#### **No fee payable on registration**

40. No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or notice in lieu of distringas or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.

#### **Renunciation**

41. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

### **TRANSMISSION OF SHARES**

#### **Transmission on death**

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

#### **Registration/Transfer on transmission**

43. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such his desire or transfer such share to some other person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by the said member.

#### **Transmission - dividends**

44. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law (upon supplying to the Company

such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.

## STOCK

### Conversion

45. The Company may from time to time by Ordinary Resolution convert all or any of its paid-up shares into stock or reconvert any stock into paid-up shares of any denomination. If and whenever any unissued shares of any class in the capital of the Company for the time being shall have been issued and be fully paid and at that time the shares of that class previously issued shall stand converted into stock such further shares upon being fully paid shall *ipso facto* be converted into stock transferable in the same units as the existing stock of that class.

### Transfer

46. The holders of stock may transfer the same or any part thereof as the Company in General Meeting shall direct, but in the absence of any such direction in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit). No stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine.

### Rights and privileges

47. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

## GENERAL MEETINGS

### Annual General Meetings

48. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last

preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

#### **Extraordinary General Meetings**

49. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting.

### **NOTICE OF GENERAL MEETINGS**

#### **Period of notice**

50. An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least, and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the Meeting is to be held. Notice of such meetings shall be given in the manner hereinafter mentioned, to all members (other than members not entitled to receive such notice) whose names appear on the Register of Members at the close of business on such date as the Directors may from time to time determine, being a date not more than thirty-five days before the date set for the relevant meeting.

#### **Contents of notice**

51. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.

#### **Routine business**

52. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:
- (A) declaring dividends;
  - (B) considering and adopting the accounts, the reports of the Directors and Auditors and other documents required to be annexed to the accounts;
  - (C) appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed;
  - (D) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement by rotation or otherwise;
  - (E) any other business which pursuant to the Statutes shall be required to be transacted at an Annual General Meeting.

#### ATTENDANCE AT GENERAL MEETINGS

##### Attendance

53. (A) The provisions of this Article shall apply if any General Meeting is at or adjourned to more than one place.
- (B) The notice of such a meeting or adjourned meeting shall specify the place at which the chairman of the meeting shall preside (the "Specified Place") and the Directors shall make arrangements for simultaneous attendance and participation at the Specified Place and at other places by members, provided that persons attending at any particular place shall be able to see and hear and be seen and heard by means of audio visual links by persons attending the Specified Place and at the other places at which the meeting is held.
- (C) The Directors may from time to time make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some geographical or regional means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a member who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may from time to time be in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.



- (D) For the purposes of all other provisions of these Articles any such meeting shall be treated as being held at the Specified Place.
- (E) If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these Articles.

### PROCEEDINGS AT GENERAL MEETINGS

#### Quorum

- 54. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Five members present in person and entitled to vote shall be a quorum for all purposes.

#### Chairman

- 55. The Chairman of the Directors shall preside as chairman at a General Meeting. If there be no such Chairman or if at any meeting he is not present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

#### Quorum at adjourned meeting

- 56. If within five minutes from the time appointed for a General Meeting (or such longer time as the chairman of the meeting may think fit to allow) 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 to the same day in the next week, at the same time and place, or to such day and at such time and place as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within five minutes from the time appointed for holding the meeting, the members present in person or by proxy shall be a quorum.

#### Adjournments

- 57. Without prejudice to any other powers or discretions which he might exercise but for the provisions of this Article, the chairman of any General Meeting may with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place; and if it appears to the chairman that it is likely to be impracticable to hold or continue that meeting because the number of persons wishing to attend cannot be conveniently accommodated in the place appointed for the meeting or in the reasonable opinion of the chairman unruly conduct of persons attending the meeting prevents the continuation of

the business of the meeting he may adjourn the meeting to another time and place (or other places pursuant to Article 53) without the need for such consent; but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die* the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner hereinafter mentioned as in the case of the original meeting.

#### **Notice of adjournment**

58. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Amendments to resolutions**

59. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. In the case of a resolution duly proposed as an Ordinary Resolution no amendment (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon unless written notice of the proposed amendment and of the intention to move it has been left at the Office not less than forty-eight hours before the time appointed for the holding of the meeting at which the Ordinary Resolution is to be considered.

#### **Methods of voting**

60. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (A) the chairman of the meeting; or
  - (B) not less than five members present in person or by proxy and entitled to vote; or
  - (C) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

- (D) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

### **Poll**

61. A demand for a poll may be withdrawn only with the approval of the chairman of the meeting. Unless a poll be demanded a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is duly demanded, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. If a demand for a poll is withdrawn the result of a show of hands declared before the demand was made shall remain valid and shall constitute the decision of the meeting on the resolution or issue in question.

### **Chairman's casting vote**

62. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

### **When poll to be taken**

63. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

## **VOTES OF MEMBERS**

### **Voting rights**

64. Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every

member who is present in person or by proxy shall have one vote for every Ordinary Share held by him.

#### **Votes of joint holders**

65. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.

#### **Member under incapacity**

66. Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person to vote in person or by proxy on behalf of such member at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

#### **Disentitlement**

67. (A) No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any calls or other sums presently payable by him to the Company in respect of such shares in the Company remain unpaid.
- (B) If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter by notice (a "direction notice") to such member direct that in respect of the shares in relation to which the default occurred ("the default shares") the member shall not be entitled to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to a General Meeting of the Company. The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

(C) Where the default shares represent at least 0.25 per cent of the issued shares of that class then the direction notice may additionally direct that:

- (i) any cash dividend or other money which would otherwise be payable in respect of the default shares shall be retained by the Company without any liability to pay interest on such dividend or other money when it is finally paid; and/or
- (ii) no transfer of any shares held by such member (other than an approved transfer) shall be registered.

(D) Any direction notice shall have effect in accordance with its terms but shall cease to have effect after a period of seven days following the earlier of:

- (i) receipt by the Company of notice that the shares have been transferred by such member by means of an approved transfer;
- (ii) such date as the Directors are satisfied that such member and any other person appearing to be interested in shares held by such member, has given to the Company the information required by the relevant Section 212 notice.

The Directors may at any time give notice cancelling a direction notice.

(E) For the purposes of this Article:

- (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares or any other person has given to the Company a notification under the said Section 212 which either:
  - (a) names such person as being so interested; or
  - (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (ii) the prescribed period is twenty-eight days from the date of service of the said notice under the said Section 212 except that, if the default shares represent at least 0.25 per cent of the issued shares of that class, the prescribed period is fourteen days from such date;

- (iii) a transfer of shares is an approved transfer if, but only if:
  - (a) it is a transfer of shares to an offeror by way of acceptance of or in pursuance of a take-over offer (within the meaning of Section 14 of the Company Securities (Insider Dealing) Act 1985); or
  - (b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in such shares; or
  - (c) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

- (F) Nothing contained in this Article shall limit the power of the Directors under Section 216 of the Act.

#### **Objections to voting**

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

#### **Poll votes**

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

#### **Proxy**

- 70. A proxy need not be a member of the Company.

#### **Instrument appointing proxy**

- 71. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may accept and:
  - (A) in the case of an individual shall be signed by the appointor or by his attorney; and

- (B) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or officer of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer. The signature on such instrument need not be witnessed.

#### **Lodgement of proxy**

72. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purpose of any subsequent meetings to which it relates.

#### **Proxy demanding poll**

73. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting, and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

#### **Invalidation of proxy**

74. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

### **CORPORATIONS ACTING BY REPRESENTATIVES**

#### **Appointed representative**

75. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of

the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## **DIRECTORS**

### **Number of Directors**

76. Subject as hereinafter provided the Directors shall not be less than six in number. The Company may by Ordinary Resolution from time to time vary the minimum number of Directors and/or fix and from time to time vary the maximum number of Directors.

### **Share qualification**

77. The qualification of a Director shall be the holding (whether in his own name or by his nominee) of shares of any class of the Company to the nominal value of not less than £500. The person elected or appointed may act before acquiring his qualification, but it shall be deemed a condition of his election or appointment that he shall acquire the said qualification within two months thereafter, and in default his office shall be vacated. A person vacating office under this Article shall be ineligible for re-election or re-appointment as a Director until he shall have obtained his qualification.

### **Expenses**

78. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

### **Additional remuneration**

79. Any Director who is appointed to any executive office or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid additional remuneration by way of salary, commission or otherwise.

### **Pensions**

80. The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director who may hold or have held any executive office or any office or place of profit under the Company or any of its



subsidiaries and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

#### **Interests in contracts**

81. A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed by him) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

#### **Appointment to executive office**

82. (A) The Directors may from time to time appoint one or more of their body to be holder of any executive office by such title and on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.
83. The appointment of any Director to the office of Chairman or to any executive office shall automatically determine if he cease to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

#### **Delegation of powers**

84. Subject as otherwise provided by these Articles the Directors may entrust to and confer upon any Director any of the powers exercisable by them as Directors (other than the power to borrow and to make calls) upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

#### **Vacation of office**

85. The office of a Director shall be vacated in any of the following events, namely:
- (A) if he shall become prohibited by law from acting as a Director;

- (B) if he shall resign by writing under his hand left at the Office or if he shall tender his resignation and the Directors shall resolve to accept the same;
- (C) if he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (D) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- (E) if he shall be absent from meetings of the Directors for six months without the consent of a majority of the other Directors and the Directors shall resolve that his office be vacated;
- (F) if he shall be removed from office by notice in writing served upon him signed by not less than three-quarters of the Directors for the time being, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
- (G) if he shall cease to hold the necessary qualification in shares of the Company or does not obtain the same within two months from the date of his appointment.

#### **Rotational retirement**

86. At each Annual General Meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office.

#### **Determination of retiring Directors**

87. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as among persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

### Re-election

88. The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:

- (A) where at such meeting it is expressly resolved not to fill up such office or a resolution for the re-election of such Director is put to the meeting and lost;
- (B) where such Director has given notice in writing to the Company that he is unwilling to be re-elected;
- (C) where the default is due to the moving of a resolution in contravention of the next following Article.

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

### Resolution for re-election

89. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

### Notice for re-election

90. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than fourteen clear days before the day appointed for the meeting there shall have been left at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

### Removal from office

91. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office notwithstanding any provisions of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement, and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by the Directors as a casual vacancy.

#### **Appointment by Board**

92. The Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

#### **The title "Director" for non-Directors**

93. The Directors may from time to time appoint any person to an office of employment having a designation or title including the word "Director" or attach to any existing office of employment with the Company such a designation or title and may at any time determine any such appointment or the use of any such designation or title. The inclusion of the word "Director" in the designation or title of such office of employment with the Company shall not imply that the holder thereof is a Director of the Company nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these Articles.

### **ALTERNATE DIRECTORS**

#### **Appointment**

94. (A) Any Director may at any time and from time to time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person to be his alternate Director either generally or for a specific period or purpose and may in like manner at any time terminate such appointment. If the person appointed as alternate Director is not himself a Director, such appointment, unless

previously approved by the Directors, shall have effect only upon and subject to being so approved.

- (B) The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director.
- (C) An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing sentence shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- (D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses, and to be indemnified, by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such proportion (if any) of the remuneration payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

## MEETING AND PROCEEDINGS OF DIRECTORS

### Calling/voting/notice

- 95. Subject to the provisions of these Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and, in particular, may meet together in any country, territory or state that they may determine. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote. The Chairman or any two Directors may, and the Secretary on the requisition of the Chairman or any two

Directors shall, at any time summon a meeting of the Directors. It shall not be necessary to send notice of a meeting of Directors to any Director for the time being absent from the United Kingdom but any such Director may require that notice of any meeting of Directors to be held during his absence shall be delivered to an address given for the purpose to the Secretary. Any Director may waive notice of any meeting and any such waiver may be retroactive.

#### **Quorum**

96. (A) The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be four persons. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- (B) All or any of the Directors may participate in a meeting of the Directors by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and to be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is present.

#### **Declaration of interest in contract**

97. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Statutes.

#### **Non-voting as a result of an interest**

98. (A) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him for the purposes of the Act) is a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (B) Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

- (i) The giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iii) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (iv) Any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 346 of the Act) is not beneficially interested in one per cent or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
  - (v) Any proposal concerning the adoption, modification, or operation of a superannuation fund or retirement benefits scheme or employees' share scheme under which he may benefit except where such proposal directly concerns his own individual rights of participation in or benefits under such scheme;
  - (vi) Any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or the benefit of persons including Directors.
- (C) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (B) (iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

- (D) If any question shall arise at any time as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

#### **Minimum number**

99. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

#### **Electing Chairman**

100. The Directors may elect a Chairman and determine the period for which he is to hold office. If no Chairman shall have been appointed, or if at any meeting he is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

#### **Resolutions in writing**

101. A resolution in writing signed by all the Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors.

#### **Delegation to committee**

102. The Directors may delegate any of their powers or discretions (other than the powers to borrow and make calls) to committees consisting of such one or more members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. The Directors may also delegate any of their powers or discretions (other than the powers to borrow and to make calls) to committees including persons other than Directors and may give such persons voting rights as members of such committee but so that:
- (A) the number of such persons shall be less than one-half of the total number of members of the committee; and



- (B) no resolution of the committee shall be effective unless a majority of the members of the committee present throughout the meeting are Directors.

#### **Meetings of committees**

103. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

#### **Persons dealing in good faith**

104. All acts done by any meeting of Directors, or of any such committee of Directors or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Director, or person acting as aforesaid, 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 was qualified and had continued to be a Director or member of the Committee and had been entitled to vote.

### **BORROWING POWERS**

#### **Borrowing powers and restrictions**

105. (A) Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property 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.
- (B) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to two times the Adjusted Capital and Reserves.

(C) For the purpose of the foregoing limit:

- (i) moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
- (ii) moneys borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and moneys borrowed and owing to a partly-owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of such partly-owned subsidiary which is not attributable to the Company.

(D) In this Article the expression "Adjusted Capital and Reserves" means at any material time a sum equal to the aggregate of:

- (i) the amount paid up on the issued share capital of the Company; and
- (ii) the amount standing to the credit of the capital and revenue reserves of the Company and its subsidiaries (including any share premium account or capital redemption reserve) after adding thereto or deducting therefrom any balance to the credit or debit of profit and loss account;

all based on a consolidation of the then latest available audited balance sheets of the Company and its subsidiaries but after making all such adjustments therein as in the opinion of the Auditors are appropriate.

The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned. For the purposes of this Article the Directors may act in reliance on a *bona fide* estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence the limit hereinbefore contained is inadvertently exceeded an amount of borrowed moneys equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Auditors or otherwise the Directors became aware that such a situation has or may have arisen.

- (E) No person dealing with the Company or any of its subsidiaries shall be concerned to see or inquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

## GENERAL POWERS OF DIRECTORS

### By Statutes and Articles

106. The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these Articles to the provisions of the Statutes and to such regulations, being not inconsistent with these Articles, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

### Appointment to local boards/agencies

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

### Attorney

108. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles and other than the powers to borrow and to make calls) and for such period and subject to such conditions as they may

think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

#### **Signing of financial instruments**

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

#### **SECRETARY**

#### **Appointment and removal of Secretary**

110. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also from time to time appoint one or more Assistant or Deputy Secretaries.

#### **THE SEAL**

#### **Safe custody and authentication**

111. (A) The Directors shall provide for the safe custody of the Seal and any Securities Seal which shall not be affixed to any instrument without the authority of the Directors or of a committee authorised by the Directors in that behalf.
- (B) Every instrument to which the Seal shall be affixed shall be signed autographically by:
- (i) two Directors; or
  - (ii) one Director and the Secretary or such other persons as the Directors may appoint for the purpose (and if the Secretary shall be a limited company, such company may nominate any person to act on his behalf); or
  - (iii) two other persons as may be appointed for the purpose by the Directors;

save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed or reproduced by mechanical or electronic means or by laser printing or by such other means as they may from time to time decide.

- (C) The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

## AUTHENTICATION OF DOCUMENTS

### Power to authenticate

112. Any Director or the Secretary or any person appointed for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee of the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee of the Directors which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

## DIVIDENDS

### Declaration of dividends

113. The Company may by Ordinary Resolution declare dividends but no dividend shall exceed the amount recommended by the Directors. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

### Apportionment of dividends

114. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is

paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

#### **Fixed dividends**

115. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends of such amounts and on such dates and in respect of such period as they think fit. A resolution of the Directors declaring any such dividend shall (once published with their authority) be irrevocable and have the same effect as if such dividend had been declared upon the recommendation of the Directors by an Ordinary Resolution of the Company.

#### **Profits from acquired business**

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

#### **Non-bearing interest**

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

#### **Permitted deductions**

118. The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

#### **Retention**

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

#### **Unclaimed**

120. The Directors may retain the dividends or other moneys payable on or in respect of a share if:
- (A) on at least three consecutive occasions dividend warrants in respect of the share have become payable and either have been left uncashed or have been returned to the Company; or
  - (B) the Company is not required pursuant to Article 139(B) to send any notices, documents or other communications to the holder of such share (or any person entitled to the member's share by transmission).

#### **Transfer**

121. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

#### **Forfeiture of unclaimed dividends**

122. The Directors may pay any unclaimed dividend or other moneys payable on or in respect of a share into a separate account provided that such payment shall not constitute the Company a trustee in respect thereof. All moneys accruing and earned in relation to such moneys shall belong absolutely to the Company. Any dividend unclaimed after a period of twelve years from the date such dividend became due for payment shall, if the Directors so resolve, be forfeited and shall revert to the Company.

#### **Forfeiture after twelve years**

123. (A) The shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy may be sold by the Company for the best price reasonably obtainable at the time of sale provided that:
- (i) During the period of twelve years prior to the date of the publication of the advertisements referred to in sub-paragraph (ii) below, (or if such advertisements are published on different dates, during the period of twelve years prior to the first date of publication of such advertisements), at least four dividends in respect of the shares have become payable but no dividend in respect of those shares has been claimed by presentation of the relative cheque or warrant to the paying bank or by transfer of funds to a bank account designated by the member or by the person entitled to the shares by transmission;

- (ii) The Company has caused to be published two advertisements declaring its intention to sell the shares after a period of not less than three months from the date of publication of such advertisements (or if such advertisements are published on different dates from the date of publication of the second such advertisement). One such advertisement shall be published in a daily newspaper with a national circulation and the other shall be published in a newspaper circulating in the area of the registered address of the member or of the person entitled to the shares by transmission;
  - (iii) So far as the Secretary is aware at the end of the said period of twelve years and at the end of the further period of not less than three months stated in the said advertisements, the Company has not received any communication from the member or person entitled to the shares by transmission;
  - (iv) After the expiration of the twelve year period referred to in sub-paragraph (A)(i) of this Article, the Company has given notice to The Stock Exchange of its intention to sell the shares.
- (B) If, during the twelve year period referred to in sub-paragraph (A)(i) of this Article:
- (i) further shares have been issued in right of the shares held at the beginning of that period; and
  - (ii) all the requirements of sub-Article (A) of this Article have been satisfied in relation to shares held at the beginning of that period;
- then the Company may sell those further shares also.
- (C) To effect any sale of shares pursuant to this Article the Board may authorise some person to transfer such shares. An instrument of transfer executed by that person shall be as effective as if it had been executed by the member or by the person entitled to the shares by transmission. A purchaser of the shares shall not be concerned with the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the procedures relating to the sale.
- (D) The net proceeds of sale of the shares shall belong to the Company and may be employed in the business of the Company or as the Directors think fit. On receiving such proceeds the Company shall become indebted to the former member or person formerly entitled to the shares by transmission for an amount equal to such proceeds and shall enter



the name of the former member or of the person formerly entitled to the shares by transmission in the books of the Company as a creditor for that amount. No trust shall be created in relation to the debt; no interest shall be payable on it, and the Company shall not be required to account for any moneys earned from the net proceeds.

#### **Payment by other means**

124. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

#### **Cheque/warrant**

125. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct or may be paid by inter-bank transfer or in accordance with some other means stipulated by such members or person or persons. Every such cheque or warrant shall be made payable to the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn or receipt of the moneys by the payee bank in the case of an inter-bank transfer shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

#### **Payment date**

126. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights

*inter se* in respect of such dividend of transferors and transferees of any such shares.

#### Joint holders

127. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

#### Scrip dividends

128. With the prior approval of an Ordinary Resolution of the Company passed at a General Meeting the Directors may, in respect of any dividend proposed to be paid or declared at that General Meeting or at any time prior to the end of the fifth Annual General Meeting held thereafter, offer Ordinary Shareholders the right to elect to receive an allotment of additional Ordinary Shares credited as fully paid in lieu of the whole or any part (to be determined by the Directors) of such dividend. In any such case the following provisions shall apply:

- (A) a holder of Ordinary Shares who elects to receive additional Ordinary Shares in lieu of a dividend, or part thereof, (an "Electing Shareholder") shall be entitled to be allotted that whole number of additional Ordinary Shares nearest to, but not greater than, the number determined by the formula  $(A - B)$

where:

"A" = relevant cash dividend which the Electing Shareholder forgoes;

"B" = tax credit on that dividend; and

"C" = Market Price.

For this purpose, "Market Price" shall mean the average of the middle market quotations for the Company's Ordinary Shares on The Stock Exchange as derived from the Daily Official List for each of the first five business days on which the Company's Ordinary Shares are quoted "ex" the relevant dividend. A certificate or report by the Company's Sponsor or Auditor as to the Market Price shall be conclusive evidence of that fact;

- (B) if the Directors determine to allow such right of election on any occasion they shall give notice in writing to the Ordinary Shareholders of the right of election offered to them and shall issue forms of election and shall specify the procedure to be followed and the place at which, and the latest date and time by which, duly completed forms of election must be lodged in order to be effective; the Directors may also issue

forms under which Ordinary Shareholders may elect to receive Ordinary Shares instead of cash both in respect of the relevant dividend and in respect of future dividends not yet declared or resolved (and accordingly in respect of which the Market Price shall not have been determined);

- (C) the dividend, or that part of the dividend in respect of which a right of election has been accorded, shall not be payable on Ordinary Shares in respect of which the share election has been made, ("the Elected Ordinary Shares") and in lieu of such dividend there shall be allotted to each Electing Shareholder the number of additional Ordinary Shares to which such Electing Shareholder is entitled pursuant to sub-paragraph (i) of this Article.

For such purpose the Directors shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve fund or other undistributable reserve) or profit and loss account, as the Directors may determine, a sum equal to the aggregate nominal value of all the additional Ordinary Shares to be allotted to the Electing Shareholders and shall apply that sum in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the Electing Shareholders on the basis of allotment provided for by this Article;

- (D) the additional Ordinary Shares so allotted shall rank *pari passu* in all respects with the fully-paid Ordinary Shares in issue on the record date for the relevant dividend save only as regards participation in the relevant dividend;
- (E) no fraction of any share shall be allotted. The Directors may make provision whereby any fractional entitlements are accrued and/or retained (without interest) and in each case accumulated on behalf of the holder of the Elected Ordinary Shares and such accruals or retentions are applied to the future allotment to or future cash subscription on behalf of such Shareholder of fully-paid Ordinary Shares;
- (F) Article 129 shall apply *mutatis mutandis* to any capitalisation made pursuant to this Article;
- (G) unless the Directors shall on any occasion determine otherwise, rights of election shall not be made available to:
  - (i) the holders of American Depositary Receipts evidencing rights in relation to Ordinary Shares;

- (ii) any Ordinary Shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities the offer of rights of election under this Article would or might in the opinion of the Directors be unlawful;
  - (H) in relation to any particular proposed dividend the Directors may in their absolute discretion:
    - (i) withdraw the offer previously made to Ordinary Shareholders to elect to receive additional Ordinary Shares in lieu of the cash dividend (or part thereof); or
    - (ii) may disregard elections made pursuant to such offer at any time prior to the allotment of the additional Ordinary Shares;
- and, in either event, pay a cash dividend to Electing Shareholders;
- (I) the Directors shall give notice in writing to every Ordinary Shareholder to whom they propose to offer the right of election and either with or following that notice shall send forms of election and specify the procedure to be followed and the place at which and the time by which duly completed forms of election must be lodged in order to be effective.

## RESERVES

### Reserve fund from profits

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

## CAPITALISATION OF PROFITS AND RESERVES

### Shareholder rights

130. (A) The Company may upon the recommendation of the Directors by Ordinary Resolution authorise the Directors to capitalise any sum

standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account or otherwise available for distribution, and to appropriate the sum resolved to be capitalised to the Ordinary Shareholders in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend on the Ordinary Shares and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst them in the proportion aforesaid or partly in one way and partly in the other: provided that share premium account and capital redemption reserve may only be applied hereunder in the paying up of unissued shares to be issued as fully paid.

- (B) Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully-paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions as they think fit for the case of shares or debentures becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned) and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment credited as fully paid up of any shares or debentures to be issued upon such capitalisation and for matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

### MINUTES AND BOOKS

#### Record of proceedings

131. The Directors shall cause Minutes to be made in books to be provided for the purpose:
- (A) of all appointments of officers made by the Directors;
  - (B) of the names of the Directors present at each meeting of Directors and of any committee of Directors;

- (C) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.

### **Retention**

132. Any register, index, minute book, book of account or other book required by these presents or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

## **ACCOUNTS**

### **Location and inspection**

133. The books of account shall be kept at the Office, or at such other place within Great Britain as the Directors think fit and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or documents of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.

### **Documents laid before members**

134. A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles. Provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office provided further that if the Statutes so permit the Company need not send copies of these documents to members who do not wish to receive them but may send them such summary financial statement or other documents as may be authorised by the Statutes.

## **AUDITORS**

### **Good faith**

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

#### **Notice of General Meetings**

136. The Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

### **NOTICES**

#### **Method of despatch**

137. Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. The accidental failure to send, or the non-receipt by any person entitled to receive it of, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.

#### **Joint holders**

138. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.

#### **Notice to persons entitled by transmission**

139. A person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law upon supplying to the Company such evidence as the Directors may reasonably require to show his entitlement to the

share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said member would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company have notice of his death or bankruptcy or liquidation be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

#### **Address/receipt of notices**

140. (A) A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.
- (B) If at least three notices or other documents or communications (including any such document as is referred to in Article 133) sent to the address on the Register of Members at the last known address of a member are returned to the Company and such member (or any person entitled to the member's shares by transmission) has not notified the Company of a new address to which communications from the Company are to be sent, the Company shall not be required to send any further notices or such other documents or communications to such member (or any person entitled to the member's shares by transmission) until notified of a new address within the United Kingdom for the service of notices.

#### **Advertisement when postal strike**

141. If by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers with national circulation and such notice shall be deemed to have been duly served on all members entitled thereto on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

#### **Requirement by Statutes**



142. Nothing in any of the preceding five Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

## WINDING-UP

### Directors' power

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

### Division of assets

144. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as among the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

## INDEMNITY

### Indemnity to Directors and officers

145. Subject to the provisions of and so far as may be consistent with the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.

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