

THE COMPANIES ACT 1985
PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS

-of-

RAC plc



Passed on the 14th day of April 2005

AT an ANNUAL GENERAL MEETING of the Company duly convened and held on the above date the following resolutions were duly passed:-

SPECIAL RESOLUTION

(Renewal of Company's authority to purchase its own shares)

"That the Company be generally and unconditionally authorised to make market purchases (as defined by Section 163(3) of the Companies Act 1985) of ordinary shares of 25p each in the capital of the Company ('ordinary shares') provided that:

- i) the maximum aggregate number of ordinary shares which may be purchased is 11,840,000;
- ii) the minimum price which may be paid for each share is 25p (exclusive of expenses);
- iii) the maximum price which may be paid for each share is an amount equal to 5% above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; and
- iv) this authority shall expire at the close of the Annual General Meeting of the Company to be held in 2006 or on 14 July 2006 (whichever is the earlier), except in relation to the purchase of shares the contract for which was concluded before the expiry of this authority and which might be executed wholly or partly after such expiry."

ORDINARY RESOLUTION

(Renewal of directors' authority to allot shares)

"That the authority and power conferred on the directors by Article 10.1 of the Company's Articles of Association be renewed for the period ending on the date of the Company's Annual General Meeting to be held in 2006 or on 14 July 2006 (whichever is the earlier) and for such period the 'Section 80 amount' is £9,500,000."

SPECIAL RESOLUTION

(Renewal of directors' authority to disapply pre-emption rights)

"That the authority and power conferred on the directors by Article 10.2 of the Company's Articles of Association be renewed for the period ending on the date of the Company's Annual General Meeting to be held in 2006 or on 14 July 2006 (whichever is the earlier) and for such period the 'Section 89 amount' is £1,480,000."

Alec Taylor
Deputy Company Secretary

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PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS

-of-

RAC plc

Passed on the 14th day of April 2005

AT an ANNUAL GENERAL MEETING of the Company duly convened and held on the above date the following resolutions were duly passed:-

ORDINARY RESOLUTION

(Increase the Authorised Share Capital)

"That the authorised share capital of the Company be and it is hereby increased from £39,235,000 to £41,235,000 by the creation of an additional 8,000,000 ordinary shares of 25p each, having the rights and being subject to the restrictions set out in the Articles of Association of the Company."

SPECIAL RESOLUTION

(Adoption of new Articles of Association)

"That the new Articles of Association of the Company, a copy of which was produced to the meeting and initialled for the purposes of identification by the Chairman of the Company, be and are hereby adopted as the Articles of Association of the Company to the exclusion of and in substitution for the existing Articles of Association."



Alec Taylor
Deputy Company Secretary

COMPANY NUMBER 229121

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

RAC plc

(New Articles of Association adopted on 14 April 2005)

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INDEX

	PAGE
TABLE A	1
INTERPRETATION.....	1
BUSINESS	3
SHARE CAPITAL.....	3
MODIFICATION OF RIGHTS.....	4
SHARES	4
SHARE CERTIFICATES.....	8
LIEN	12
CALLS ON SHARES.....	13
TRANSFER OF SHARES.....	14
TRANSMISSION OF SHARES	16
FORFEITURE OF SHARES.....	16
STOCK	18
INCREASE OF CAPITAL.....	18
ALTERATIONS OF CAPITAL.....	19
GENERAL MEETINGS	20
NOTICE OF GENERAL MEETINGS	20
PROCEEDINGS AT GENERAL MEETINGS.....	22
VOTES OF MEMBERS.....	25
DIRECTORS.....	29
POWERS AND DUTIES OF THE BOARD	34
BORROWING POWERS	36
PENSIONS AND ALLOWANCES	38
EXECUTIVE DIRECTORS	39
RETIREMENT OF THE BOARD BY ROTATION.....	39
PROCEEDINGS OF THE BOARD	41
SECRETARY	43
THE SEAL	43
DIVIDENDS	44
RESERVES.....	45
CAPITALISATION OF PROFITS	46
ACCOUNTS.....	46
AUDIT	47
WINDING UP	50
INDEMNITY	51
UNTRACED SHAREHOLDERS.....	51
DESTRUCTION OF DOCUMENTS.....	52

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

RAC plc

(New Articles of Association adopted on 14 April 2005)

TABLE A

- 1 The regulations contained in the schedule to the Companies (Table A to F) Regulations 1985 do not apply to the company.

INTERPRETATION

- 2 In these articles, the following definitions apply:

<i>Act</i>	the Companies Act 1985, as modified or re-enacted from time to time;
<i>articles</i>	these articles of association, as amended from time to time;
<i>Auditors</i>	the auditors for the time being of the company;
<i>Board</i>	the Board of directors of the company or a committee of the Board;
<i>certificated</i>	in relation to a share, that title to the share is recorded on the register as being held in certificated form;
<i>electronic communication</i>	as defined in section 15 of the Electronic Communications Act 2000;
<i>holder</i>	in relation to shares means the member whose

	name is entered in the register of members as holder of them;
<i>London Stock Exchange</i>	London Stock Exchange Plc;
<i>office</i>	the registered office of the company;
<i>recognised person</i>	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange;
<i>register</i>	the register of members of the company;
<i>Regulations</i>	The Uncertificated Securities Regulations 2001 (SI 2001 No 3755) including any modifications thereof and rules made thereunder or any regulations made in substitution therefor under section 207 of the Companies Act 1989 for the time being in force;
<i>seal</i>	the common seal of the company and includes, so far as is applicable, an official seal;
<i>secretary</i>	the secretary of the company or other person appointed to perform the duties of secretary, including a joint, assistant or deputy secretary;
<i>uncertificated</i>	in relation to a share, that title to the share is recorded on the register as being held in uncertificated form;
<i>United Kingdom</i>	Great Britain and Northern Ireland; and
<i>writing</i>	includes any method of representing or reproducing words in a legible and non-transitory form and "written" is interpreted accordingly.

Unless the context otherwise requires, words and expressions contained in these articles bear the same meanings as in the Act; but, if a particular word or expression has more than one definition in the Act, the definition to be adopted is that which has the most general application in the Act.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine and neuter genders.

Words importing persons shall include corporations.

Expressions referring to writing shall be construed as including references to typewriting, printing, lithography, photography and other modes of representing or reproducing words in a visible form.

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

The expression "dividend" shall include bonus.

The expression "Operator", "participating security", properly authenticated dematerialised instruction" and "relevant system" have the same meaning as are respectively ascribed to them in the Regulations.

Reference to any enactment or any part or any provision thereof shall be construed as a reference thereto as re-enacted or consolidated or amended from time to time.

BUSINESS

- 3 The office shall be at such place in England as the Board shall from time to time appoint.

SHARE CAPITAL

- 4 The share capital of the company at the date of adoption of these articles is £41,235,000 divided into 164,940,000 ordinary shares of 25p each.
- 5 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the company may be issued with or have attached to it such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the company may from time to time by ordinary resolution determine.
- 6 Subject to the provisions of the Act any shares may be issued on the terms that, at the option of the company or the holder of the shares, they are or are to be liable

to be redeemed on such terms and in such manner as the company may by special resolution determine.

MODIFICATION OF RIGHTS

- 7 Subject to the provisions of the Act, all or any of the special rights for the time being attached to any class of shares for the time being issued may (unless otherwise provided by the terms of issue of that class) from time to time (whether or not the company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these articles as to general meetings of the company shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that if at any adjourned meeting of such holders a quorum as above defined be not present those of such holders who are present in person or by proxy shall be a quorum.
- 8 The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

SHARES

- 9 Subject to the provisions of these articles, of the Act and of any resolution of the company for the time being in force and binding on the Board, the unissued shares of the company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such time and for such consideration and upon such terms and conditions as the Board may determine, but so that no shares shall be issued at a discount except in accordance with the Act.

- 10 The directors are generally and unconditionally authorised, under 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.
- 10.2 In accordance with and within the terms of the above authority the directors may allot equity securities during a prescribed period wholly for cash:
- 10.2.1 In connection with a rights issue; or
- 10.2.2 up to an aggregate nominal amount equal to the Section 89 amount, otherwise than in connection with a rights issue;
- as if section 89(1) of the Act did not apply.
- 10.3 The directors may, during the prescribed period, make offers or agreements which require or might require equity securities or other relevant securities to be allotted after the period expires and they may allot the securities in accordance with the offers or agreements as if the prescribed period had not expired.
- 10.4 For the purposes of this article:
- 10.4.1 "rights issue" means an offer of equity securities in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the directors consider to be necessary or expedient in relation to fractional entitlements or legal, regulatory or practical problems under the laws or regulations of an overseas territory or the requirements of a regulatory body or stock exchange;
- 10.4.2 "prescribed period" means:
- 10.4.2.1 for the purposes of the authority conferred by article 10.1, the period (not being more than 15 months) for which the authority is given by a resolution stating the Section 80 amount for that period; or
- 10.4.2.2 for the purpose of the power conferred by article 10.2, the period (not being more than 15 months) for which the power is given by a resolution stating the Section 89 amount for the period;
- 10.4.3 "Section 80 amount" and "Section 89 amount" for any period are respectively the amounts stated in the appropriate resolution for that period;

- 10.4.4 "relevant securities" and "equity securities" have the meanings stated in sections 80(2) and 94(2) of the Act respectively.
- 11 The company may exercise the powers of paying commission conferred by the Act, provided that the rate or amount of the commission paid or agreed to be paid and the number of shares which persons have agreed to subscribe absolutely for a commission shall be disclosed in the manner required by the Act, and that such commission shall not exceed 10 per cent. of the price at which the shares in respect of which the commission is paid are issued. Commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The company may also on any issue of shares pay such brokerage as may be lawful.
- 12 Except as ordered by a Court of competent jurisdiction or 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 be compelled in any way to recognise (even when having had notice) 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 of the registered holder to the entirety of it.
- 13 If a member, or a person appearing to be interested in shares held by a member, has been given a notice under section 212 of the Act and is in default for the prescribed period in supplying the required information to the company, the directors may by a notice (a "s212 notice") to the member direct that, in relation to the shares in respect of which the default has occurred (the "default shares"), the member is not entitled to vote, either personally or by proxy, at a general meeting or a class meeting or to exercise any other right conferred by membership in relation to general meetings or meetings of the holders of any class of shares.
- 13.2 If the default shares represent at least 0.25% of the issued shares of a class, the s212 notice may also direct that:
- 13.2.1 dividends and other sums that would otherwise be payable in respect of the default shares shall (in whole or in part) be retained by the company without liability to pay interest on the sum withheld if and when it is paid to the member;
- 13.2.2 a transfer of the default shares, or of shares which include or might include default shares, which is not an approved transfer shall not be registered unless:

- 13.2.2.1 the member is not himself in default as regards supplying the information required; and
- 13.2.2.2 the transfer relates to part only of the member's holding and, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the directors to the effect that, after due and careful enquiry, the member is satisfied that none of the shares to which the transfer relates is a default share.
- 13.2.3 The directors shall send a copy of the notice to each other person appearing to be interested in the shares the subject of a s212 notice but the failure or omission of the company to do so shall not invalidate the notice.
- 13.2.4 A s212 notice shall have effect in accordance with its terms for so long as the default continues and (unless the s212 notice provides otherwise) for a further period of one week but shall cease to have effect in relation to default shares which are transferred by an approved transfer.
- 13.2.5 For the purpose of this article:
 - 13.2.5.1 a person is treated as appearing to be interested in shares if the member holding the shares has given a notice to the company under section 212 of the Act which either:
 - (a) names that person as being interested; or
 - (b) fails to establish the identities of those interested in the shares and (after taking into account the notice and any other relevant notification under s212) the company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
 - 13.2.5.2 the prescribed period is 14 days from the date when the s212 notice is given;
 - 13.2.5.3 a transfer is an approved transfer if:
 - (a) it is a transfer of shares to an offeror as a result of the acceptance of a take-over offer (as defined in section 428 of the Act); 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 the other persons appearing to be interested in the 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.

13.2.6 Nothing in this article limits the powers of the directors under section 216 of the Act.

14 Subject to the provisions of Chapter VII of Part V of the Act, the company may issue any share on terms that it is to be redeemed or is liable to be redeemed at the option of the company or the relevant shareholder and the company may purchase its own shares (including any redeemable shares).

SHARE CERTIFICATES

15 Subject to the provisions of the Regulations, the rules of any relevant system and these articles, every person, other than a recognised person, whose name is entered as a member in the register as the holder of certificated shares shall be entitled, without charge, to receive within two months after allotment or lodgment of transfer to him of the shares or within two months after the relevant Operator-instruction is received by the Company (or within such other period as the conditions of issue shall provide) one certificate for all his shares of any one class, or several certificates each for one or more of his shares of such class. In the case of a certificated share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. Where a member has transferred part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge. Share certificates sent through the post to the person so entitled shall, once posted by the company, be at that person's risk and the company shall not, following that time, be responsible for any loss or damage of whatever nature, howsoever arising in relation to any lost or damaged certificates.

- 16 If a share certificate is damaged, defaced, lost or destroyed it may be replaced without payment of any fee but on such terms (if any) as to evidence and indemnity and payment of the exceptional out-of-pocket expenses of the company of investigating such evidence as the Board may think fit and, in case of damage or defacement, on delivery of the old certificate to the company. If a member surrenders for cancellation a share certificate representing shares held by him and requests the company to issue in its place two or more share certificates representing the shares, the directors may comply with the request on payment of such fee (if any) as the Board may decide. In the case of shares held jointly by several persons, the request may be made by any one of them.
- 17 Every certificate shall be sealed with the seal, or shall be issued in such other manner as the directors determine, having regard to the terms of issue, the Act and the regulations of the London Stock Exchange, and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amounts paid up on them. A signature on a certificate may be made by such mechanical means as the directors determine.
- 17.2 The company is not obliged to issue more than one certificate for shares held jointly by several persons and delivery of a certificate for a share to one of several joint holders is sufficient delivery to all of them.
- 17.3 Notwithstanding anything in these articles to the contrary, any share may be issued, held, registered, converted to or transferred in uncertificated form and may be converted from uncertificated form to certificated form in accordance with the Regulations and the requirements and practices of the Operator of the relevant system.
- 17.3.2 In relation to any share which is for the time being held in uncertificated form:
- 17.3.2.1 the company may utilise the relevant system in which it is held to the fullest extent available from time to time in the exercise of any of its powers or functions under the Act or these articles or otherwise in effecting any actions and the Board may from time to time determine the manner in which such powers, functions and actions shall be so exercised or effected;
- 17.3.2.2 any provision in these articles which is inconsistent with:

- (a) the holding or transfer of that share in the manner prescribed or permitted by the Act;
- (b) any other provision of the Act relating to shares held in uncertificated form; or
- (c) the exercise of any powers or functions by the company or the effecting by the company of any actions by means of a relevant system,

shall not apply;

17.3.2.3 the company may, by notice to the holder of any such share, require the holder to convert such share into certificated form within such period as may be specified in the notice or, alternatively, may, to the extent permitted by the Regulations, give notice to the Operator of the relevant system requiring such share to be converted into certificated form;

17.3.2.4 the company shall not issue a certificate.

17.3.3 The company shall enter on the register the number of shares which are held by each member in certificated form and uncertificated form and shall maintain the register in each case as required by the Regulations.

17.3.4 Unless the Board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.

17.3.5 References in these articles to a requirement to execute or deliver an instrument of transfer or certificate or other document which shall not be appropriate in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Board may make from time to time pursuant to article 17.3.8.

17.3.6 A class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these articles or the Regulations which applies only in respect of certificated shares or uncertificated shares.

- 17.3.7 References in these articles to instruments of transfer shall, so far as may be consistent with the Regulations and the requirements of the relevant system, include, in relation to uncertificated shares, instructions and/or notifications made in accordance with the relevant system relating to the transfer of such shares.
- 17.3.8 Subject to the Regulations and the requirements of the relevant system, the Board may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing and transfer of uncertificated shares or otherwise for the purpose of implementing and/or supplementing the provisions of this article and the Regulations and the facilities and requirements of the relevant system and such arrangements and regulations (as the case may be) shall have the same effect as if set out in this article.
- 17.3.9 The Board may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security.
- 17.3.10 Where any class of shares in the capital of the company is a participating security and the company is entitled under any provisions of the Act or the rules made and practices instituted by the Operator of any relevant system or under these articles to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any share which is held in uncertificated form, such entitlement (to the extent permitted by the Regulations and the rules made and practices instituted by the Operator of the relevant system) shall include the right to:
- 17.3.10.1 request or require the deletion of any entries in the Operator register of members; and/or
 - 17.3.10.2 require any holder of any uncertificated share which is the subject of any exercise by the company of any such entitlement, by notice in writing to the holder concerned, to change his holding of such uncertificated share into certificated form within such period as may be specified in the notice, prior to completion of any disposal, sale or transfer of such share or direct the holder to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such share; and/or
 - 17.3.10.3 appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such share as may be required to effect a transfer of such share

and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated share concerned; and/or

17.3.10.4 otherwise rectify or change the register in respect of that share in such manner as may be appropriate; and/or

17.3.10.5 take such other action as may be necessary to enable that share to be registered in the name of the person to whom the share has been sold or disposed of or as directed by him.

LIEN

18 The company shall have a first and paramount lien and charge 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 company shall also have a first and paramount lien and charge on every share (other than a fully paid share) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the company, and that whether the same shall have been incurred before or after notice to the company of any equitable or other interest of any person other than such member, and whether the time for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person whether a member of the company or not. The company's lien on a share shall extend to all dividends payable on it. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this article.

19 The company may sell, in such manner as the Board may 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 fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy to the share.

20 The net proceeds of sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person entitled to the share at the time of the sale. For giving effect to any such sale the

Board may authorise some person to transfer the share sold to its purchaser. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

CALLS ON SHARES

- 21 Subject to the terms of allotment, the Board 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 amount of the shares or by way of premium), provided that no such call shall exceed one-fourth of the nominal amount of the shares or be payable at less than one month from the date fixed for payment of the last preceding call, and each member shall (subject to the company giving to him at least fourteen days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine. A person on whom a call is made shall remain liable for it notwithstanding the subsequent transfer of the shares on which the call was made.
- 22 A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.
- 23 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 24 If a sum called in respect of a share is not paid before or on the day appointed for payment the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at such rate (as well *after as before judgment*) not exceeding 15 per cent per annum, as the Board may determine, and all costs, charges and expenses incurred by the company as a result of the non-payment, but the Board shall be at liberty to waive payment of such interest or expenses wholly or in part.
- 25 Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the sum becomes payable, and, in case of non-payment, all relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

- 26 The Board may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 27 The Board may, if it thinks fit, receive from any member willing to advance all or part of the moneys uncalled and unpaid on shares held by him, and may pay interest on all or part of the advance (until it would have become payable if it had not been advanced) at such rate, not exceeding (unless the company in general meeting shall otherwise direct) 15 per cent per annum, as may be agreed upon between the Board and the member paying such sum in advance.

TRANSFER OF SHARES

- 28 A transfer of shares in certificated form may be effected by a transfer in writing in the usual common form or in any other form approved by the Board. The instrument of transfer shall be signed by or on behalf of the transferor and, in the case of partly paid shares, by or on behalf of the transferee.
- 28.2 Transfers of shares in uncertificated form shall be made in accordance with and subject to the Regulations and the facilities and requirements of the relevant system, and subject to and in accordance with arrangements made by the Board under article 17.3.
- 29 The Board may, without giving a reason, refuse to register a transfer of shares, whether in certificated or uncertificated form, which are not fully paid (provided that the refusal does not prevent dealings in the shares from taking place on an open and proper basis). The Board may also refuse to register a transfer of shares in certificated form unless it is:
- 29.1 duly stamped (if stampable), is deposited at the office or such other place as the directors appoint and is accompanied by the certificate for the shares to which it relates (except in the case of a transfer by a recognised person, unless certificates have been issued in respect of the shares) and such other evidence as the directors reasonably require to show the right of the transferor to make the transfer;
- 29.2 in respect of only one class of share; and
- 29.3 in favour of not more than four transferees.

In the case of shares in uncertificated form, the directors may decline to register a transfer in the circumstances permitted by the Regulations and the requirements of the relevant system.

- 30 If the Board refuses to register a transfer it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.
- 31 The company shall not charge any fee on the registration of any instrument of transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas notice, order of court or other instrument relating to or affecting the title to any share.
- 32 The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine and either generally or in respect of any class of shares. The register shall not be closed for more than thirty days in any year.
- 33 The company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation 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 certificate duly and properly cancelled and every other document destroyed as mentioned above was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the company, provided always that:
- 33.1 the above provisions 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;
- 33.2 nothing herein contained shall be construed as imposing upon the company any liability in respect of the destruction of any such document earlier than provided for above or in any other circumstances which would not attach to the company in the absence of this article;

- 33.3 references in these articles to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

- 34 In case of the death of a member the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole holder, shall be the only persons recognised by the company as having any title to his shares; but nothing contained in these articles shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him with other persons.
- 35 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time be required by the Board and save as provided below, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee of the share.
- 36 If the person becoming so entitled elects to be registered himself he shall deliver or send to the company a notice in writing signed by him, stating that he so elects. If he shall elect to have his nominee registered he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
- 37 A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the company or, save as provided above, to exercise in respect of the share any of the rights or privileges of a member until he shall have become registered as the holder of the share.

FORFEITURE OF SHARES

- 38 If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring

payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.

- 39 The notice shall name a further day (not being less than 14 days from the date 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 at or before the time and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited under these articles and, in such case, references in these articles to forfeiture shall include surrender.
- 40 If the requirements of any such notice provided for above 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 or instalments, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 41 When any share has been forfeited, notice of the forfeiture shall forthwith be given to the person who was before forfeiture the holder of the share or the person who was before forfeiture entitled to the share by reason of the death or bankruptcy of the holder (as the case may be); but no forfeiture shall be in any manner invalidated by any omission or neglect to give the notice of forfeiture.
- 42 A forfeited share shall be deemed to be the property of the company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.
- 43 A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the company all moneys which at the date of forfeiture were presently payable by him to the company in respect of the shares, with interest thereon at such rate as the Board may determine, not exceeding 15 per cent per annum, from the date of forfeiture until payment.
- 44 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 on a date stated in the

declaration shall be conclusive evidence of the facts stated in the statutory declaration as against all persons claiming to be entitled to the share. The company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition of the share and the Board may authorise the transfer of the share to the person to whom the share is sold or disposed of, and he shall on transfer be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

STOCK

- 45 The company may from time to time by ordinary resolution convert any paid up shares into stock and may re-convert any stock into paid up shares of any denomination.
- 46 The holders of stock may transfer all or part of it in the same manner and subject to the same articles as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances permit. The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not exceed the nominal amount of the share from which the stock arose.
- 47 The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at general meetings of the company and other matters as if they held the shares from which the stock arose, but no such right (except participation in the dividends and in assets on a reduction of capital or a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.
- 48 All such of the provisions of these articles as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" herein shall include "stock" and "stockholder" respectively.

INCREASE OF CAPITAL

- 49 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.

- 50 Any new shares in the capital of the company may be issued with such preferential right to dividend and such priority in the distribution of assets, or subject to such postponement of dividends or in the distribution of assets, and with or subject to such preferential or limited or qualified right of voting at general meetings as the company may from time to time by ordinary resolution determine or, if no such direction is given at the time of the creation of such new shares, as the Board shall determine, provided that the preferential or special rights attached to any issued shares as a class shall not be varied except with the consent of the holders of shares of that class duly given under these articles.
- 51 The new shares shall be subject to all the provisions of these articles with reference to the payments of calls, lien, transfer, transmission, forfeiture and otherwise.

ALTERATIONS OF CAPITAL

- 52 The company may from time to time by ordinary resolution:
- 52.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 52.2 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 Act), 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 have any such preferred or other special rights over, or may have such qualified or deferred rights or be subject to any such restrictions as compared with, the other or others as the company has power to attach to unissued or new shares;
- 52.3 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 share capital by the amount of the shares so cancelled;
- and may also by special resolution:
- 52.4 reduce its share capital or any capital redemption reserve fund or any share premium account in any manner and with and subject to any incident authorised and consent required by law.
- 53 If as a result of the consolidation of shares members would become entitled to fractions of a share, the Board may for the purpose of eliminating the fractions sell

the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among the members who would have been entitled to the fractions. The Board may authorise some person to execute an instrument of transfer of the shares representing the fractions to, or in accordance with the directions of, the purchaser. The name of the transferee shall, upon presentation of the transfer duly stamped, be entered in the register of members as the holder of the shares and he shall not be bound to see to the application of the purchase money. The title of the transferee to the shares shall not be affected by an irregularity in or invalidity of the proceedings relating to the sale.

GENERAL MEETINGS

- 54 The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next. The annual general meeting shall be held at such time and place as the Board shall appoint.
- 55 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 56 The Board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by the Act. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

- 57 An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and any other general meeting shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the time of meeting, and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or

extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Notice of every general meeting shall be given in the manner set out in these articles to such persons as are, in accordance with the provisions of these articles, entitled to receive such notices from the company, and also to the Auditors.

Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article, be deemed to have been duly called if it is so agreed:

- 57.1 in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- 57.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

In every notice calling a meeting there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member.

- 58 For the purpose of giving notice of a general meeting to members who hold shares in uncertificated form, the Board may determine that the members in respect of the shares entitled to receive the notice are those persons entered onto the register of members at the close of business on a day determined by them, being not more than 21 days before the day that the notice of general meeting is despatched. A notice of general meeting to members who hold shares in uncertificated form may specify a time, being not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. Changes made to the entries on the register of members after the specified time shall be disregarded in determining the rights of a person to attend or vote at the meeting.
- 59 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by any person entitled to receive notice, shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 60 All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of the declaration and sanctioning of dividends, the consideration of the accounts and balance sheet and the reports of the directors and Auditors and other documents required to be attached to or annexed to the accounts, the election of directors in place of those retiring by rotation or otherwise, the appointment or reappointment and fixing of the remuneration of the Auditors.
- 61 No business (other than the appointment of a chairman) shall be transacted at any general meeting unless a quorum be present when the meeting proceeds to business. Save as otherwise provided by these articles, three members present in person or by proxy, and entitled to vote shall be a quorum for all purposes. A corporation being a member shall be deemed for the purpose of this article to be personally present if represented by proxy or in accordance with the provisions of the Act.
- 62 If within half an hour from the time appointed for the meeting a quorum is not present the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same time and place, or to such other day and at such other time or place as the chairman of the meeting may determine, and the provisions of article 66 shall apply. If at such adjourned meeting a quorum as above defined is not present within fifteen minutes from the time appointed for holding the meeting the members present in person or by proxy shall be a quorum.
- 63 The chairman, if any, of the Board, or in his absence some other director nominated by the chairman in writing, shall preside as chairman of the meeting. If neither the chairman nor the nominated director is present within 15 minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the directors present may choose one of the directors who is present to be chairman. If there is only one director present and he is willing to act, he shall be chairman.
- 64 If no director is willing to act as chairman or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote may choose one of their number to be chairman.

- 65 A director, even if not a member, and any other person invited to do so by the chairman may attend and speak at general meetings and at separate meetings of the holders of a class of shares. Any proxy appointed by a member shall also be entitled to speak at any general meeting of the company and at any separate meeting of the holders of a class of shares at which such member would have been entitled to attend and speak.
- 66 The chairman may, with the consent of the meeting at which a quorum is present (and shall, if directed by the meeting to do so), adjourn the meeting either indefinitely or to another time or place. The chairman may also, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or is quorate) either indefinitely or to such other time and place as he or the directors decide if it appears to him that:
- 66.1.1 the number of persons wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; or
 - 66.1.2 the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly holding or continuation of the meeting; or
 - 66.1.3 an adjournment is otherwise necessary for the business of the meeting to be properly conducted; or
 - 66.1.4 a proposal of such importance is made that the consideration of a larger number of members is desirable.
- 66.2 The chairman may adjourn the meeting even if, by reason of the adjournment, some members may be unable to be present at the adjourned meeting. A member may execute a form of proxy for the adjourned meeting which, if delivered by him to the chairman or the secretary, shall be valid even though it is given at less notice than would otherwise be required by these articles.
- 66.3 When a meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Except where these articles otherwise require, it shall not be necessary to give notice of an adjournment or of the business to be transacted at the adjourned meeting.
- 66.4 No business shall be transacted at an adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

67 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.

68 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by:

68.1 the chairman; or

68.2 at least five members present in person or by proxy and entitled to vote; or

68.3 any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or

68.4 any member or members present in person or by proxy and holding shares conferring a right to vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost, and an entry to that effect in the book of proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such a resolution.

69 If any votes shall be counted which ought not to have been counted or might have been rejected or if any vote shall not be counted which ought to have been counted the error shall not vitiate the resolution unless it is pointed out at the same meeting and not in that case unless it shall, in the opinion of the chairman of the meeting, be of sufficient magnitude to vitiate the resolution.

70 If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- 71 In case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote.
- 72 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 after an interval not exceeding 30 days from the date of the meeting and at such place and in such manner (including the use of ballot or voting papers or tickets or electronic voting equipment) as the chairman of the meeting may direct. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers. No notice need be given of a poll not taken immediately.
- 73 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn (but only with the approval of the meeting) at any time before the next business is proceeded with.

VOTES OF MEMBERS

- 74 Subject to any special terms as to voting upon which any other shares may be issued or may for the time being be held, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 25p nominal amount of share capital of which he is the holder.
- 75 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- 76 In accordance with the Act, a corporation being a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the company or of any class of members of the company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company.
- 77 A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons

incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his committee, *curator bonis* or other person in the nature of a committee or *curator bonis* appointed by such court, and such committee, *curator bonis* or other person may vote on a poll by proxy.

- 78 No member shall be entitled to vote either personally or by proxy at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 79 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 80 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 casts in the same way.
- 81 Any proxy appointed by a member of the company shall also be entitled to speak at any general meeting of the company and at any separate meeting of the holders of a class of shares at which such member would have been entitled to attend and speak. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting or on the poll concerned.
- 82 A proxy need not be a member of the company.
- 83 An instrument appointing a proxy shall be:
- 83.1.1 by means of an instrument in writing in any usual form or in any other form which the Board may approve, signed by the appointor, or his agent duly authorised in writing, or, if the appointor is a corporation, shall either be executed under its common seal or be signed by some agent or officer authorised for that purpose; or
- 83.1.2 contained in an electronic communication sent to such address (if any) as may for the time being be notified by or on behalf of the company for that purpose provided that the electronic communication is received in accordance with article 84.1 not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or, where a poll is taken more than 48 hours after it is demanded, after

the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll.

83.2 The signature on an instrument appointing a proxy need not be witnessed.

84 The appointment of a proxy shall:

84.1.1 in the case of an instrument, be delivered personally or by post to the office or such other place within the United Kingdom as may be specified by or on behalf of the company for that purpose:

84.1.1.1 in the notice convening the meeting; or

84.1.1.2 in any form of proxy sent by or on behalf of the company in relation to the meeting,

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

84.1.2 in the case of an appointment contained in an electronic communication, where an address has been specified by or on behalf of the company for the purpose of receiving electronic communications:

84.1.2.1 in the notice convening the meeting; or

84.1.2.2 in any form of proxy sent by or on behalf of the company in relation to the meeting; or

84.1.2.3 in any invitation contained in an electronic communication to appoint a proxy issued by or on behalf of the company in relation to the meeting,

be received at such address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

84.1.3 in either case, where a poll is taken more than 48 hours after it is demanded, be delivered or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

84.1.4 in the case only of an instrument, where a poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at

which the poll was demanded to the chairman or to the secretary or to any director;

and for the purpose of this article 84.1 and article 84.2 "address", in relation to electronic communications includes any number or address (including in the case of any Uncertificated Proxy Instruction permitted pursuant to article 84.2, an identification number of a participant in the relevant system concerned) used for the purposes of such communications.

84.2 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Board may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an uncertificated proxy instruction (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the company as the directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to the facilities and requirements of the relevant system concerned)); and may in a similar manner permit supplements to, or amendments or revocations of, any such uncertificated proxy instruction to be made by like means. The Board may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the company or such participant. The Board may treat any such uncertificated proxy instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

84.3 An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so received for the purposes of any meeting shall not require again to be received for the purposes of any subsequent meeting to which it relates. Subject to article 84.6, the proxy appointment shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

84.4 Where the appointment of a proxy is expressed to have been or purports to have been executed by a person on behalf of the holder of a share:

84.4.1 the company may treat the appointment as sufficient evidence of the authority of that person to execute the appointment on behalf of that holder; and

- 84.4.2 that holder shall, if requested by or on behalf of the company at any time, send or procure the sending of any written authority under which the appointment has been executed, or a copy of such authority certified notarially or in some other way approved by the Board, to such address and by such time as may be specified in the request and, if the request is not complied with in any respect, the appointment may be treated as invalid.
- 84.5 A proxy appointment which is not delivered or received in accordance with article 84.1, or in respect of which article 84.4 has not been complied with, shall be invalid.
- 84.6 No proxy appointment shall be valid more than twelve months from the date of execution.
- 84.7 If two or more valid but differing instruments of proxy in writing are received in respect of the same share for use at the same meeting or poll, the one which is last delivered or received (regardless of its date or of the date or time of its execution or transmission) shall be treated as replacing and revoking the others.
- 84.8 The Board may determine at its discretion when a proxy appointment shall be treated as delivered or received for the purposes of these articles.
- 85 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the company at the office at least one hour before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the *instrument of proxy is used*.

DIRECTORS

- 86 Unless and until otherwise determined by an ordinary resolution of the company, the directors shall be not less than two and not more than fifteen in number.
- 87 A director shall not be required to hold any shares of the company by way of qualification. A director who is not a member of the company shall nevertheless be entitled to attend and speak at general meetings of the company and at all separate meetings of the holders of any class of shares in the capital of the company.

- 88 Each director shall have the power to appoint either another director or any person approved for that purpose by a resolution of the Board to act as alternate director in his place during his absence and may at his discretion remove such alternate director. A person so appointed shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the terms and conditions existing with reference to the other directors of the company, and each alternate director, while so acting, shall exercise and discharge all the functions, powers and duties as a director of his appointor in such appointor's absence. Any director acting as alternate shall have an additional vote for each director for whom he acts as alternate. An alternate director shall *ipso facto* cease to be an alternate director if his appointor ceases for any reason to be a director, provided that if at any meeting any director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired. Any appointment or removal of an alternate director shall be effected by instrument in writing delivered at the office and signed by the appointor.
- 89 The directors (other than directors holding executive office) shall be paid by way of fees for their services such a sum as the Board shall from time to time determine subject to a maximum of £250,000 in aggregate per annum (which figure shall be subject to upward only adjustment in line with any percentage increase in the retail prices index (as defined in section 833(2) of the Income and Corporation Taxes Act 1988) after the date of the adoption of these articles) or such higher amount as is decided by ordinary resolution. Such fees shall be divided amongst the directors in such proportions and manner as they may determine and in default of determination equally (except that, if a director holds office for less than the whole of the period to which the fees relate, his share shall be reduced in proportion to the part of the period for which he did not hold office).
- 90 Any director who holds any executive office (including for the purposes of this article the office of chairman or deputy chairman or chief executive or managing director, whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Board are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise as the Board may determine.
- 91 The directors (including alternate directors) shall also be entitled to be paid their reasonable travelling, hotel and other expenses of attending and returning from

meetings of the Board or committees of the Board or general meetings or otherwise incurred while engaged on the business of the company.

- 92 A director of the company may be or become a director or other officer of or otherwise interested in any company promoted by the company or in which the company may be interested, and no such director shall be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company. The Board may also exercise the voting power conferred by the shares in any other company held or owned by the company in such manner and in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the members of the Board or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- 93 A director may hold any other office or place of profit under the company (except that of Auditor) in conjunction with his office of director upon such terms as the Board may determine, and may receive such remuneration therefor as the Board may think fit in addition to any other remuneration provided for in these articles. Subject to the next paragraph of this article, no director or intending director shall be disqualified by his office from contracting with the company, either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any contract or arrangement entered into by or on behalf of the company in which any director is in any way interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.
- 93.2 A director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if his interest then exists, or in any other case at the first meeting of the Board after he becomes so interested. A general notice to the Board given by a director to the effect that he is a director or a member of a specified company or firm and is to be regarded as interested in all transactions with such company or firm shall be sufficient declaration of interest under this article, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transaction with such company or firm, provided that either the notice is given at a

meeting of the Board or the director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

93.3 A director shall not vote (nor be counted in the quorum) in respect of any contract, arrangement or proposal in which he (together with persons connected with him) has a material interest (otherwise than by virtue of his interests in shares in or otherwise through the company), and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters, namely:

93.3.1 any contract, arrangement or proposal for giving to such director any security or indemnity in respect of money lent by him or obligations undertaken by him or any other person at the request of or for the benefit of the company or any of its subsidiaries;

93.3.2 any contract, arrangement or proposal for the giving by the company of any security or indemnity to a third party in respect of a debt or obligation of the company which the director has himself guaranteed or secured in whole or in part;

93.3.3 any contract, arrangement or proposal with the director to subscribe for or underwrite or sub-underwrite shares, debentures or other securities of the company or any of its subsidiaries;

93.3.4 any contract, arrangement or proposal with a corporation in which the director is interested only by reason of his being an officer, creditor or member of such corporation or beneficially interested in shares, debentures or other securities of that corporation, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such corporation (or of any third corporation through which his interest is derived) or of the voting rights available to members of the relevant corporation (any such interest being deemed for the purpose of this article to be a material interest in all circumstances);

93.3.5 any exercise of the powers conferred on the Board by article 104 and 158;

93.3.6 any contract or resolution relating to any of the company's share option schemes or incentive plans, other than a contract or resolution specifically relating to an option acquired or to be acquired by the director under such schemes or plans;

93.3.7 any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit

and which has been approved by or is subject to and conditional upon approval by the Inland Revenue for taxation purposes.

The provisions of this paragraph may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract or arrangement, by ordinary resolution of the company.

- 93.4 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employment with the company or any company in which the company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned (if not debarred from voting under the proviso to article 93.3.4 shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 93.5 Any director may act by himself or his firm in a professional capacity for the company (otherwise than as Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- 94 If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other director shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned has not been fairly disclosed. Any question relating to the chairman shall be referred to the deputy chairman of the meeting and his ruling shall be final and conclusive except as aforesaid.
- 95 Without prejudice to the provisions for retirement by rotation or otherwise hereinafter contained, the office of director shall be vacated in any of the events following, namely:
- 95.1.1 if he delivers to the Board or to the secretary a notice in writing of his resignation of his office of director but such event shall be without prejudice to any claim which the company may have for damages for breach of any contract of service between the company and such director;
- 95.1.2 he ceases to be a director by virtue of any provision of the Act or pursuant to these articles or he becomes prohibited by law from being a director; or

- 95.1.3 he becomes bankrupt or makes an arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement; or
- 95.1.4 an order is made by a court claiming jurisdiction for that purpose on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- 95.1.5 his contract of employment with the company is terminated; or
- 95.1.6 he is requested to resign by a notice (which may consist of several documents each signed by one or more directors) signed by not less than three-quarters of the other directors. In calculating the number of directors who are entitled to make the request, an alternate appointed by the director to whom the request is made shall be disregarded and an alternate director shall be counted as one director with his appointor and may sign the request on behalf of his appointor; or
- 95.1.7 he is absent from meetings of the Board for six consecutive months without the permission of the Board, and his alternate director (if any) does not attend in his place, and the Board resolves that his office be vacated.
- 95.2 A resolution of the directors declaring that a director has vacated office under this article shall be conclusive as to that fact and as to the ground of vacation as stated in the resolution.

POWERS AND DUTIES OF THE BOARD

- 96 The business of the company shall be managed by the Board, which may exercise all such powers of the company as are not required by the Act or by these articles to be exercised by the company in general meeting, subject nevertheless to the provisions of the Act and of these articles and to such directions, being not inconsistent with such provisions, as may be prescribed by the company in general meeting, but no directions made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if such directions 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 Board by any other article.
- 97 The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the company for such purposes and with such

powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these articles) and for such period and subject to such conditions as it 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 Board may think fit, and may also authorise any such attorney to sub-delegate all of any of the powers, authorities and discretions vested in him.

- 98 The company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board.
- 99 The company may exercise the powers conferred by the Act with regard to the keeping of a Dominion register, and the Board may (subject to the provisions of the Act) make and vary such directions as it may think fit respecting the keeping of the register.
- 100 All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments and all receipts for moneys paid to the company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
- 101 The Board shall cause minutes to be made in books (or in such other form as may be permitted by the Act) provided for the purpose:
- 101.1 of all appointments of officers made by the Board;
- 101.2 of the names of the directors present at each meeting of the Board or committee of the Board;
- 101.3 of all resolutions and proceedings at all meetings of the company and of the Board and of any committee of the Board.
- 102 The Board shall cause to be kept the register of the directors' holdings of shares and debentures required by the Act, and shall render it available for inspection during the period and by the persons prescribed, and produce the register at every annual general meeting as required by the Act.

BORROWING POWERS¹

- 103 The Board may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and subject to the provisions of the Act 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.
- 103.2 The Board shall procure (but as regards subsidiaries of the company only in so far as by the exercise of voting and other rights or powers of control exercisable by the company in relation to its subsidiaries the Board can procure) that the aggregate amount for the time being remaining outstanding in respect of moneys borrowed or secured by the group (exclusive of intra group borrowings and less any cash in hand, cash balances and deposits with banks and licensed deposit takers) shall not at any time, without the previous sanction of an ordinary resolution of the company, exceed a sum equal to three times the adjusted total of capital and reserves.
- 103.2.2 For the purpose of this article the expression 'the adjusted total of capital and reserves' means the aggregate of (1) the amount for the time being paid up on the issued share capital of the company and (2) the total of the amounts for the time being standing to the credit of the capital and revenue reserves (including any share premium account, capital redemption reserve fund and profit and loss account) all as shown in the latest audited consolidated balance sheet of the group but:
- 103.2.2.1 adjusted as may be appropriate to reflect any variations since the date of such balance sheet in the amount of the paid up share capital, share premium account and capital redemption reserve fund of the company and so that for this purpose if the company proposes to issue or has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys (not being moneys payable later than three months after the date the underwriting becomes unconditional) shall be deemed to have been paid up at the date when the underwriting becomes unconditional;
- 103.2.2.2 excluding any sums set aside for taxation;

¹ Changes are suggested. Please advise whether acceptable or whether further amendments (to the formula or

- 103.2.2.3 deducting amounts attributable to goodwill or other intangible assets (other than goodwill arising only on consolidation) and any debit balance on profit and loss account;
- 103.2.2.4 deducting any distribution (other than dividends paid out of profits earned since such date) in cash or specie made since that date and not provided for in such balance sheet;
- 103.2.2.5 adjusted to take account of any companies which since the date of such accounts have ceased to be or have become subsidiaries and any companies which will become subsidiaries as a result of the transaction in relation to which the calculation falls to be made; and
- 103.2.2.6 after making such other adjustments (if any) as the Auditors may consider appropriate.

103.2.3 For the purpose of this article the 'borrowings' shall be deemed to include the following except in so far as otherwise taken into account:

- 103.2.3.1 the principal amount in issue of any debentures (owned otherwise than by the company) together with any fixed or minimum premium payable on final repayment;
- 103.2.3.2 The nominal amount of any share capital and the principal amount of any borrowings, together in each case with any fixed or minimum premium payable on final repayment the repayment of which is guaranteed or secured by the company or a subsidiary;
- 103.2.3.3 the nominal amount of any share capital (not being equity share capital) of a subsidiary owned otherwise than by the company or another subsidiary; and
- 103.2.3.4 the principal amount raised by the company or a subsidiary by acceptances under any acceptance credit opened on its behalf by any bank or accepting house not being acceptances in relation to the purchase or sale of goods in the ordinary course of business.

but shall not include:

otherwise) are intended to achieve higher borrowing threshold.

- 103.2.3.5 the proportion of the total borrowings of a partly owned subsidiary (otherwise than from the company or another subsidiary) which corresponds to the proportion of its equity share capital not attributable to the company;
- 103.2.3.6 amounts borrowed for the purpose of repaying the whole or any part of any borrowings of the group for the time being outstanding (including any fixed or minimum premium payable on final repayment) and intended to be applied for that purpose within four months of the borrowing thereof (pending their being so applied);
- 103.2.3.7 *borrowings from bankers or others for the purpose of financing any contract in respect of which any part of the price receivable is guaranteed or insured by the Export Credits Guarantee Department or by another government department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured; and*
- 103.2.3.8 moneys held by the company or a subsidiary whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants.
- 103.2.4 For the purpose of this article the expression "group" shall mean the company and all subsidiaries thereof from time to time.
- 103.3 Nevertheless no lender or other person dealing with the company shall be concerned to see or inquire whether this limit is observed. No debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.
- 103.4 The determination of the Auditors as to the amount of the adjusted total of capital and reserves at any time shall be conclusive and binding on all concerned.

PENSIONS AND ALLOWANCES

- 104 The Board may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been directors of or employed by or in the service of the company or of any company which is a subsidiary company of or allied or associated with the company or any

such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may set up, establish, support and maintain pension, superannuation, profit sharing and other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise) and may vote as a director in respect of the exercise of any of the powers by this article conferred upon the Board notwithstanding that he is or may be or become interested therein.

EXECUTIVE DIRECTORS

- 105 The Board may from time to time appoint one or more of its body to be the holder of any executive office (including but not limited to the office of chief executive, managing director, joint managing director or assistant managing director) for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. The appointment of any director to any executive office as aforesaid shall be subject to termination if he ceases from any cause to be a director but without prejudice to any claim he may have for damages for breach of any contract of service between him and the company.
- 106 The Board may entrust to and confer upon an executive director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally or to the exclusion of its own powers, and may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such powers.

RETIREMENT OF THE BOARD BY ROTATION

- 107 At every annual general meeting one-third of the directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third shall retire from office, provided that each director shall retire at least every three years. A director retiring at a meeting shall retain office until the close of the meeting.
- 108 The directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were last re-

elected directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

- 109 A retiring director shall subject to the provisions of the Act and these articles be eligible for re-election.
- 110 Subject to the provisions of article 111 the company at the meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto and in default the retiring director shall, if willing to continue to act, be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.
- 111 Save as provided above the company may also in general meeting elect any person to be a director either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with these articles.
- 112 A motion for the appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be made has been first agreed to by the meeting without any vote being given against it. A motion for approving a person's appointment or for nominating a person for appointment is to be treated as a motion for his appointment.
- 113 No person, other than a director retiring at the meeting, shall, unless recommended by the Board, be eligible for election to the office of director at any general meeting unless, not less than seven and not more than forty two clear days before the day appointed for the meeting, there shall have been given to the secretary notice in writing by some member 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.
- 114 Without prejudice to the power of the company in general meeting in pursuance of any of the provisions of these articles to appoint any person to be a director, the Board shall have power at any time and from time to time to appoint any eligible person to be a director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with these articles. Any director so appointed shall (subject to the Act and to these articles) hold office only

until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at such meeting.

- 115 The company may by extraordinary resolution, or (subject to the provisions of the Act) by ordinary resolution of which special notice has been given, remove any director including without limitation any director holding any executive office in the company before the expiration of his period of office and may (subject to article 111 or to the provisions of the Act, as the case may be) by an ordinary resolution appoint another person in his place. The person so appointed shall be subject to retirement at the same time 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.
- 116 A director shall not be required to retire from his office and a prospective director shall not be precluded from being appointed or elected to office by reason of his attaining or having attained the age of 70 or any other age. Special notice need not be given of a resolution for the appointment or reappointment or approving the appointment as a director of a person who has attained the age of 70. It shall not be necessary to give to the members notice of the age of a director or prospective director. Section 293 of the Act does not apply to the company.

PROCEEDINGS OF THE BOARD

- 117 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. A director may and the secretary on the requisition of a director shall at any time summon a Board meeting. It shall not be necessary to give notice of a Board meeting to any director for the time being absent from the United Kingdom. A director may, either retrospectively or prospectively, waive the requirement that he is given notice of any meeting.
- 118 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be two.
- 119 The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number be reduced below the minimum number fixed by or in accordance with these articles the continuing directors may act for the purpose of filling up vacancies in their body or of summoning general meetings of the company but not for any other purpose, and may act for either of these purposes whether or

not their number be reduced below the number fixed by or in accordance with these articles as the quorum.

- 120 The Board may elect a chairman of its meetings and determine the period for which they are respectively to hold office. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.
- 121 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
- 122 The Board may delegate any of its powers and/or authorities and/or discretions to committees, consisting of such member or members of its body or any such other person or persons as it thinks fit. Any committee so formed shall, in the exercise of the powers and/or authorities and/or discretions so delegated, conform to any directions that may be imposed on it by the Board.
- 123 The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any directions imposed by the Board under the last preceding article.
- 124 A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the directors or members of the committee concerned.
- 125 All acts done by any Board or by any committee or by any person acting as a director or member of a committee, notwithstanding it is later discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them had vacated office, shall be as valid as if every such person had been duly appointed and had continued to be a director or a member of such committee.

- 126 A meeting of the Board may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:
- 126.1.1 to hear each of the other participating directors addressing the meeting; and
- 126.1.2 if he wishes, to address all of the other participating directors simultaneously, whether by conference telephone or by video conference or by any other form of communications equipment (whether in use when these articles are adopted or developed subsequently) or by a combination of any such methods.
- 126.2 A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum, subject to the provisions of article 118.
- 126.3 A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
- 127 The Board may from time to time appoint any director or former director of the company who has rendered outstanding services to the company to be president of the company, and may remove or replace such person at any time. The president shall not by virtue of that office alone be a director, but if not a director he may by invitation of the Board attend at meetings of the Board for the purpose of giving advice. The president shall receive such remuneration, if any, as the Board may from time to time determine.

SECRETARY

- 128 Subject to the Act, the secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any secretary so appointed may be removed by the Board.
- 129 A provision of the Act or these articles requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

THE SEAL

- 130 The seal shall be used only with the authority of the Board or of a committee of Board authorised by the Board. The Board may determine who shall sign an

instrument to which the seal is affixed and, unless they determine otherwise, it shall be signed by two directors or by a director and the secretary.

- 131 The company may have official seals under sections 39 and 40 of the Act for use as the Board determines.
- 132 A document signed by a director and the secretary or by two directors of the company and expressed (in whatever form of words) to be executed by the company has the same effect as if it were under the seal. A document which makes it clear upon its face that it is intended by the persons making it to be a deed has effect, upon delivery, as a deed.

DIVIDENDS

- 133 Subject to the provisions of the Act, the company in general meeting may from time to time declare dividends to be paid to the members according to their rights and interests in the profits, but no dividend shall be declared in excess of the amount recommended by the Board.
- 134 All dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share be issued on terms providing that it shall rank for dividend as from a particular date or for all dividends declared after a particular date, such share shall rank for dividend accordingly.
- 135 The Board may from time to time declare and pay to the members such interim dividends as appear to the Board to be justified by the position of the company. The Board may also declare and pay any fixed dividend which is payable on any shares of the company half-yearly or otherwise on fixed dates, whenever the profits available, in the opinion of the Board, justifies the payment.
- 136 The Board may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the company on account of calls or otherwise.
- 137 No dividend shall bear interest against the company. All unclaimed dividends, or other sums payable, may be invested or otherwise made use of by the Board for the benefit of the company until claimed and the company shall not be constituted

a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having been declared or having become due for payment shall be forfeited, shall cease to remain owing by the company and shall revert to the company.

- 138 Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the register in respect of the shares or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the registered holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.
- 139 Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of any such specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to secure equality of distribution.

RESERVES

- 140 The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company or its holding company, if any) as the Board may from time to time think fit. The Board may also, without placing them to reserve, carry forward any profits which it may think prudent not to divide.
- 141 The Board shall transfer to a share premium account as required by the Act sums equal to the amount or value of any premiums at which shares of the company may be issued and, subject to the provisions of the Act, the provisions of these articles

relating to reserves shall be applicable to the sums for the time being standing to the credit of the share premium account.

CAPITALISATION OF PROFITS

- 142 The Board may with the authority of an ordinary resolution:
- 142.1 subject as provided in this article, resolve to capitalise undistributed profits which are not required for paying fixed or preferred dividends (whether or not the profits are available for distribution) or a sum standing to the credit of share premium account or capital redemption reserve or other reserve or fund;
- 142.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions; apply the sum on their behalf either in or towards paying up the amounts, if any, unpaid on shares held by them, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to the sum; and allot the shares or debentures credited as fully paid to those members, or as they direct, in those proportions, or partly in one way and partly in the other. But the share premium account, the capital redemption reserve and any profits, reserve or fund which are not available for distribution may, for the purposes of this article, be applied only in paying up unissued shares to be allotted to members credited as fully paid;
- 142.3 make such provision by the issue of fractional certificates, by ignoring fractions or by the payment of cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions;
- 142.4 authorise some person to enter, on behalf of and so as to bind all the members concerned, into an agreement with the company providing for the allotment to them, credited as fully paid, of the shares or debentures to which they are entitled on the capitalisation; and
- 143 generally do anything required or desirable to give effect to the resolution.

ACCOUNTS

- 144 The Board shall cause true accounts complying with the Act to be kept:
- 144.1 of the sums of money received and expended by the company and the matters in respect of which such receipt and expenditure take place; and

- 144.2 of all sales and purchases of goods by the company; and
- 144.3 of the assets and liabilities of the company.
- 145 The accounting records shall be kept at the office or, subject to the Act, at such other place or places as the Board may 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 document of the company except as conferred by law or authorised by the Board or ordered by a court of competent jurisdiction.
- 146 The Board shall from time to time, in accordance with the Act, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the applicable legislation.
- 147 A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the company in general meeting and of the directors' and Auditors' reports shall, not less than twenty-one days before the date of the meeting, be sent to every member and to 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 Act or under these articles. Provided that this article shall not require copies of such documents to be sent to any person to whom, by virtue of the Act, the company is not required to send the same, nor to any person of whose address the company is not aware nor to more than one of the joint holders of any shares or debentures. If securities of the company are listed on the London Stock Exchange the required number of each of these documents shall at the same time be forwarded to the appropriate department.
- 148 The company may, in accordance with section 251 of the Act and regulations made under it, send a summary financial statement to a member instead of or in addition to the documents referred to in article 147.

AUDIT

- 149 Auditors shall be appointed and their duties regulated in accordance with the Act.

NOTICES

- 150 Any notice or other document may be served on, sent or delivered to any member by the company either personally or by sending it through the post in a prepaid

letter addressed to such member at his registered address as appearing in the register or by delivering it to or leaving it at such registered address addressed to the member or by means of a relevant system, or by sending it using electronic communication to an address for the time being notified by the member concerned to the company for that purpose or by publication on a website in accordance with the Act or in any other manner provided by these articles. In the case of joint holders of a share, all notices shall, unless such holders otherwise in writing direct, be given to that one of the joint holders whose name stands first in the register, and notice so given shall be sufficient notice to all the joint holders.

- 151 A member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be served on him or an address for the service of notices by electronic communication shall be entitled to have notices served on him at that address (provided that, in the case of electronic communications, the company so agrees, which agreement the company shall be entitled to withhold in its absolute discretion including, without limitation, in circumstances in which the company considers that the sending of the notice or other document to such address using electronic communications would or might infringe the laws of any other jurisdiction) but otherwise:
- 151.1.1 no member whose registered address is not within the United Kingdom shall be entitled to receive any notice or other document from the company; and
- 151.1.2 without prejudice to the generality of the foregoing, any notice of a general meeting of the company which is in fact sent or purports to be sent to such a member shall be ignored for the purpose of determining the validity of the proceedings at such meeting.
- 151.2 If on three consecutive occasions a notice to a member shall be returned undelivered, such member shall not thereafter be entitled to receive notices from the company until he shall have given notice in writing to the company of a new registered address or a postal address within the United Kingdom for the service of notices or shall have informed the company in such manner as shall be specified by the company of an address for the service of notices by electronic communication. For this purpose a notice sent by post shall be treated as returned undelivered if the notice is sent back to the company or its agent and a notice sent by electronic communication shall be treated as returned undelivered if the company or its agent

receives notification that the notice was not delivered to the address to which it was sent.

- 152 Any notice or other document, if served by first class post, shall be deemed to have been served on the day following that on which the envelope containing it is put into the post, or, if served by second class post, shall be deemed to have been served on the second day following that on which the envelope containing it was put into the post and in proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed, prepaid and put into the post.
- 152.2 Any notice or document not sent by post but left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day it was so left.
- 152.3 Subject to article 155, below, where notice is given by way of newspaper advertisement, such notice shall be deemed to have been duly served on each member or person entitled to receive it at noon on the day when the advertisement appears.
- 152.4 A member present, either in person or by proxy, at any meeting of the company or class of members of the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which the meeting was convened.
- 152.5 Every person who becomes entitled to a share shall be bound by every notice (other than a notice in accordance with section 212 of the Act) in respect of that share which before his name is entered in the register was given to the person from whom he derives his title to the share.
- 152.6 Subject to the Act, the Board may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic communications for the sending of notices, other documents or communications and proxy appointments by the company to members and by members to the company. In the absence of any terms and conditions adopted to the contrary, where a notice or other document is given or sent by electronic communication it shall be deemed to have been given or sent at the expiration of two hours after it was sent to an address supplied by the member for the purpose or on notification to the member of its publication on a web site. Proof that a notice or other document given by electronic communication was given or sent in accordance with guidance issued by the Institute of Chartered

Secretaries and Administrators current at the date of adoption of these articles, or, if the Board so resolves, any subsequent guidance so issued shall be conclusive evidence that the notice or document was sent or given.

- 153 A person entitled to a share by reason of transmission upon supplying to the company such evidence as the Board may require to show his title to the share and upon also supplying a postal address within the United Kingdom for the service and delivery of notices and other documents and, if he so elects, an address for the sending of notices by electronic communication shall be entitled to have served upon or delivered to him at any address given by him any notice or document to which he would be entitled if he were the holder of that share and any such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested in the share.
- 154 Subject to article 153, any notice or other communication or document delivered, served or sent pursuant to these articles shall, notwithstanding that such member is then dead or bankrupt, and whether or not the company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder unless his name shall, at the *time of the service of the notice or document, have been removed from the register* as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- 155 If at any time by reason of the total suspension 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 (of which one should be a leading London daily newspaper) with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

WINDING UP

- 156 If the company shall be wound up the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Insolvency Act 1986, divide among the members in specie or kind the whole or any part of the

assets of the company and may, for that purpose, value assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the same sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the same sanction, shall think fit, but a member shall not be compelled to accept assets in respect of which there is a liability.

INDEMNITY

- 157 Subject to the provisions of the Act but without prejudice to any indemnity to which a director is otherwise entitled, every director, other officer or Auditor shall be indemnified out of the assets of the company against all costs, charges, expenses, losses and liabilities which he sustains or incurs in or about the execution of his office or otherwise in relation to his office, including liability incurred by him in defending proceedings, whether civil or criminal, in which judgment is given in his favour or the proceedings are withdrawn or settled on terms which do not include a finding or admission of a material breach of duty by him, or in which he is acquitted, or in connection with an application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.
- 158 Subject to the provisions of the Act, the Board may purchase and maintain insurance at the expense of the company for the benefit of the directors and other officers and the Auditor against liability which attaches to them or loss or expenditure which they incur in relation to anything done or omitted or alleged to have been done or omitted as directors, officers or Auditor.

UNTRACED SHAREHOLDERS

- 159 The company shall be entitled to sell at the best price reasonably obtainable any share or stock of a member or any share or stock to which a person is entitled by transmission if and provided that:
- 159.1 for a period of 12 years no cheque or warrant sent by the company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share or stock at his address on the register or at his last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the company that would enable the company to trace such member or the person entitled by transmission; and

- 159.2 during the said period of 12 years at least three dividends (whether interim or final) in respect of the shares or stock in question have become payable and no dividend payable on such shares during such period has been claimed; and
- 159.3 the company has at the expiration of the said period of 12 years given notice by advertisement in both a leading London daily newspaper and in a newspaper circulating in the area in which the address referred to in article 159.1 is located of its intention to sell such share or stock and has given notice of its intention to sell such share or stock to the London Stock Exchange in accordance with its requirements; and
- 159.4 the company has not during the further period of 3 months after the date of the advertisement and prior to the exercise of the power of sale received any communication that would enable the company to trace such member or person entitled by transmission.

To give effect to any such sale the company may appoint any person to execute as transferor an instrument of transfer of such shares or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares or stock and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The company shall account to the member or other person entitled to such shares or stock for the net proceeds of such sale and shall be deemed to be his debtor and not a trustee for him in respect of the same. Any monies accounted for the member or other person entitled to such shares or stock shall be carried to a separate account and shall be a permanent debt of the company. Monies carried to such separate account may for the benefit of the company either be employed in the business of the company or invested in such investment (other than shares of the company or its holding company if any) as the directors may from time to time think fit and no interest shall be paid in respect of the same and the company shall not be bound to account for any money earned thereon.

DESTRUCTION OF DOCUMENTS

- 160 The company may destroy:
- 160.1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

- 160.2 any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the company;
- 160.3 any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- 160.4 any other document on the basis of which any entry in the register is made at any time after the expiry of six years from the date an entry in the register was first made in respect of it

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

- 160.4.1 the above provisions of this article shall apply only to the destruction of a document in good faith and without express notice to the company that the preservation of such document was relevant to a claim;
- 160.4.2 nothing contained in this article shall be construed as imposing upon the company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso 160.4.1 above are not fulfilled; and
- 160.4.3 references in this article to the destruction of any document include references to its disposal in any manner.