

**Company Number: 00229606**

**THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTION**

**of**

**BHS LIMITED (the Company)**

(passed on 19 October 2005)

We, the sole shareholder of the Company, pass the following resolution:

**THAT** the Articles of Association of the Company be adopted in the form attached.



.....  
**BHS GROUP LIMITED**



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COMPANIES HOUSE 20/10/2005

No. 229606

The Companies Acts 1908 to 1917

and

The Companies Acts 1948 to 1981

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**PRIVATE COMPANY LIMITED BY SHARES**

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NEW

**ARTICLES OF ASSOCIATION**

(Adopted by Special Resolution passed on 30 June 1982 and  
amended by Special Resolution on 16 May 2000)

OF

**BhS Limited**

**PART 1**

**PRELIMINARY**

**INTERPRETATION**

1. The marginal notes hereto shall not affect the construction hereof, and an these Articles unless there be something in the subject or context inconsistent therewith:

**"The Act"** means the Companies Act 1948;

**"The 1976 Act"** means the Companies Act 1976;

**"The 1980 Act"** means the Companies Act 1980;

**"The 1981 Act"** means the companies Act 1981;

**"The Statutes"** means the Companies Acts 1948 to 1981 and every statutory modification or re-enactment thereof for the time being in force;

**"These Articles"** means these Articles of Association or other the ??;

**"The Directors"** means the Directors for the time being of the Company;

**"The Auditors"** means the Auditors for the time being of the Company;

**"The Office"** means the registered office for the time being of the Company;

**"The Register"** means the Register of Members to be kept pursuant to Section 110 of the Act;

**"Month"** means calendar month;

**"Dividend"** includes bonus;

**"Paid-up"** includes credited as paid up;

**"Secretary"** includes an assistant or deputy secretary, and any person appointed by the Directors to perform the duties of the Secretary;

**"In writing"** and **"written"** includes printing, lithography, and other modes of representing and reproducing words in a visible form.

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

Words importing the masculine gender only include the feminine gender.

Words importing persons include corporations.

Words and expressions defined in the Statutes shall, unless the context otherwise requires have the same meanings in these Articles.

Table "A" not to  
apply 2.

None of the regulations contained either in Table "A" in the First Schedule to the Companies (Consolidation) Act 1908 or in Table "A" in the First Schedule to the Act (as amended) shall apply to the Company except so far as embodied in any of the following Articles, which shall be the regulations for the management of the Company.

## PART 2

### SHARE CAPITAL

3. 3 (A) The capital of the Company at the date of adoption of these Articles as the articles of association of the Company is £60,400,000 divided into 400,000 7 per cent. (now 4.9 per cent. plus tax credit) Cumulative Preference Shares of £1 each and 240,000,000 Ordinary Shares of 25p each.
- 3 (B) The holders of the said Cumulative Preference Shares shall be entitled to a fixed cumulative preferential dividend at the rate of 7 per cent per annum thereon, payable in priority to any dividend on any other shares for the time being forming part of the capital of the Company, and in a winding up to repayment of the capital amount of the said Cumulative Preference Shares, together with all arrears or accruals of the said cumulative preferential dividend down to the date of such repayment, whether the same shall have been declared or not and whether or not there shall have been profits available for the payment thereof before any return of capital is made to the holders of any other shares for the time being forming part of the capital of the Company, but to no further right of participation in profits or assets.
- Allotment of Shares 4. Subject to the Statutes and to the authority of the Company in General Meeting required by the Statutes, the Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any shares of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine.
- Shares may be issued subject to different condition as to calls 5. The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of Calls to be paid and the time of payment of such Calls.
- Installments on Shares to be duty paid 6. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due be paid to the Company by the person who for the time being shall be the registered holder of the share.
- Liability of joint holders of Shares 7. The joint holders of a share shall be severally as well as jointly liable for payment of all instalments and Calls in respect of such share, and any one of such persons may give effectual receipts for any return of capital payable in respect of such share.
- Payment of commission 8. In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company. Subject to the provisions of the Statutes, such commission may be satisfied by payment of cash or (with the sanction of an Ordinary Resolution of the Company) 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,
- Trusts not recognised 9. Save as herein otherwise provided or as by the Statutes otherwise required the Company shall be entitled to treat the registered holder of any share as

the absolute owner thereof, and accordingly shall not except as ordered by a Court of competent jurisdiction or by law required be bound to recognise any equitable, contingent, future, partial or other claim to or interest in any share on the part of any other person.

#### CERTIFICATES

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| Certificates  | 10. | The certificates of title to shares shall be issued under the Common Seal of the Company or under the Securities Seal kept by the Company by virtue of Section 2 of The Stock Exchange (Completion of Bargains) Act 1976.  |
| Members' right to certificates  | 11. | Every Member (except a Stock Exchange nominee in respect of whom the Company is not required by law to complete and have ready a certificate) shall be entitled within the time specified by the Statutes and without payment to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered, and where a Member transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares retained by him and registered in his name. Every such certificate of shares shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon. If any Member shall require additional certificates he shall pay for each additional certificate such sum as the Directors may from time to time determine. |
| As to issue of a new certificate in the place of one defaced, lost or destroyed | 12. | If any certificate be worn out or defaced then upon delivery thereof to the Directors they may order the same to be cancelled, and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity with or without security as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.  |
| Costs   | 13. | Every certificate issued under the last preceding Article shall be issued without payment, but there shall be paid to the Company a sum equal to the costs incurred by the Company of any such indemnity and security as is referred to in that Article.   |
| To which of the joint holders certificates to be issued                         | 14. | The Company shall not be bound to issue more than one certificate in respect of shares registered in the names of two or more persons and such certificate shall be delivered to the person first named on the Register in respect of such shares,   |

#### CALLS ON SHARES

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| Calls                               | 15. | The Directors may, subject to the terms of allotment, from time to time make such Calls as they think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively provided that fourteen days' notice at least be given of each Call and each Member shall pay the amount of each Call so made on him to the person and at the time and place specified by the Directors in the said notice. |
| May be payable by instalments, etc. | 16. | A Call may be made payable by instalments and may, at any time before receipt by the Company of a sum due thereunder, either be revoked or postponed in whole or in part.   |

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| When Call deemed to have been made                             | 17. | A Call shall be deemed to have been made at a time when the resolution of the Directors authorising such Call was passed.   |
| Installments to be treated as Calls and power to differentiate | 18. | If by the terms of any prospectus or by the conditions of allotment any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a Call duly made by the Directors of which due notice had been given. The Directors may on the issue of shares differentiate between the holders as to the amount of Calls to be paid and the times of payment,   |
| When interest on Calls or instalment                           | 19. | If the sum payable in respect of any Call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the Call shall have been made, or the instalment shall be due, shall pay interest for the same at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the appropriate rate (as defined by the 1980 Act) from the time appointed for payment thereof until the actual payment thereof, and shall not receive any dividend in respect of the amount unpaid.                                     |
| Payment of Calls in advance                                    | 20. | The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up: and upon the money paid in advance, or so much thereof as from time to time exceeds the amount of the Calls then made upon the shares in respect of which such advance shall have been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company given by Ordinary Resolution, the appropriate rate aforesaid) as the Member paying such sum in advance and the Directors agree upon. |
| Sums due on allotment to be treated as Calls                   | 21. | Any sum which by or pursuant to the terms of allotment of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a Call duly made and payable on the date on which by or pursuant to the terms of allotment the same becomes payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a Call duly made and notified.               |

#### FORFEITURE AND LIEN

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| If Call or instalment be not paid notice may be given | 22. | If any Member fails to pay any Call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the Call or instalment or any part thereof remains unpaid, serve a notice on such Member requiring him to pay the same, together with any interest that may have accrued thereon and all expenses incurred by the Company by reason of such non-payment. |
| Form of Notice  | 23. | The notice shall name a day (not being less than 14 days from the date of the notice) and a place on and at which such Call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the Call was made or instalment is payable will be liable to be forfeited.      |
| If notice not complied with Shares may be forfeited   | 24. | If the requirements of any such notice as aforesaid be not complied with, any shares in respect of which such notice shall have been given may at any time thereafter, and before payment of all Calls or instalments, interest and   |

expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder and in such case references in these Articles to forfeiture shall include surrender.

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| Forfeited Shares to become the property of Company | 25. | When any share has been forfeited notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice as aforesaid. Subject to the provisions of the Statutes any share so forfeited shall be deemed to be the property of the Company, no voting rights shall be exercised in respect thereof and the Directors may within three years of such forfeiture sell, re-allot, or otherwise dispose of the same in such manner as they think fit either to the person who was before the forfeiture the holder thereof, or to any other person, and either with or without any past or accruing dividends, and in the case of re-allotment, with or without any money paid thereon by the former holder being credited as paid up thereon. Any share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture shall thereupon be cancelled in accordance with the provisions of the Statutes. |
| Power to annual forfeiture                         | 26. | The Directors may at any time, before any share so forfeited shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture upon such conditions as they think fit.  |
| Arrears to be paid notwithstanding forfeiture      | 27. | Any Member whose shares have been forfeited shall thereupon cease to be a member in respect of such shares but shall notwithstanding be liable to pay, and shall forthwith pay to the Company all Calls, instalments, interest, and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the shares or, if no rate is so fixed, at the appropriate rate aforesaid, and the Directors may enforce payment thereof if they think fit.   |
| Company's lien on Shares                           | 28. | The Company shall have a first and paramount lien upon all the shares, other than fully paid-up shares, registered in the name of each Member (whether solely or jointly with other persons) for any amount payable in respect of such shares, whether the period for payment thereof shall have actually arrived or not and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such shares. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.  |
| As to enforcing lien by sale                       | 29. | For the purpose of enforcing such lien, the Directors may sell the shares subject thereto, in such manner as they think fit, but no such sale shall be made until such period as aforesaid shall have arrived and until notice in writing stating, and demanding payment of, the sum payable and giving notice of the intention to sell in default of such payment shall have been served on such Member and default shall have been made by him in the payment of such amounts payable for seven days after such notice.   |
| Application of proceeds of sale                    | 30. | The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Member or the person (if any) entitled by transmission to the shares.   |

- Validity of sale after forfeiture or for enforcing lien 31. Upon any sale or re-allotment after forfeiture or upon any sale for enforcing any lien in purported exercise of the powers hereinbefore given, the Directors, may in the case of a sale nominate some person to execute a transfer of the shares sold in the name and on behalf of the registered holder or his executors or administrators and may in any case cause the name of the purchaser or allottee to be entered in the Register in respect of the shares sold or re-allotted, and the purchaser or allottee shall not be bound to see to the regularity of the proceedings or to the application of the purchase or subscription money, and after his name has been entered in the Register in respect of such shares the validity of the sale or forfeiture shall not be impeached by any person and the remedy of any person aggrieved by the sale or forfeiture shall be in damages only and against the Company exclusively.

#### TRANSFER OF SHARES

- Form of transfer 32. The instrument of transfer of any share in the Company shall be in the usual common form or in such other form as shall be approved by the Directors, and shall be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share by the transferee) and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereon and when registered the instrument of transfer shall be retained by the Company.
33. [ ]
- Registration of transfer 34. Every instrument of transfer must be left at the Office, or at such other place as the Directors may from time to time determine, to be registered, accompanied by the certificate of the shares comprised therein, and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer and thereupon the Directors, subject to the power vested in them by the last preceding Article, shall register the transferee as the holder.
- Fees on registration 35. No fee shall be payable for registering any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, or other document relating to or affecting the title to any shares or the right to transfer the same.
- Suspension of registration and closing of Register 36. The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares: Provided that the Register shall not be closed for more than 30 days in any year.
- Location of instruments of transfer 37. All instruments of transfer which are registered shall, subject to Article 154 (iii), be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in the case of fraud) be returned to the person depositing the same.

#### TRANSMISSION OF SHARES

- Representatives of deceased Members 38. The executors or administrators of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to shares held by him alone; but in the case of shares held by more than one person, the survivor or survivors only shall be recognised by the Company as being entitled to such shares.



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| Evidence in case of death or bankruptcy | 39. | Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon such evidence being produced as may be required by the Directors, elect in writing either to be registered as a Member (in respect of which registration no fee shall be payable) by giving notice in writing to that effect or, without being so registered, execute a transfer to some other person who shall be registered as a transferee of such share and the execution of such a transfer shall signify his election as aforesaid; but the Directors shall in either case have the like power of declining or refusing to register such transfer as is provided with respect to ordinary transfers. The Directors may at any time give notice requiring any such person to elect as aforesaid and if such notice is not complied with within 60 days the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until compliance therewith. |
| Rights as to dividends and voting       | 40. | Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a Member in respect of the share, be entitled in respect of it to receive notices of or to exercise any rights conferred by membership in relation to meetings of the Company.  |

#### CONSOLIDATION AND SUB-DIVISION OF SHARES

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| Consolidation | 41. | The Company may by Ordinary Resolution consolidate its shares, or any of them, into shares of a larger amount.  |
| Sub-division  | 42. | The Company may by Special Resolution sub-divide its shares or any of them, into shares of a smaller amount, and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preferred or other advantage as regards dividend, capital voting or otherwise over or shall have such deferred rights or be subject to such restrictions as compared with the other or others as the Company has power to attach to shares upon the allotment thereof.  |
| Fractions     | 43. | Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation or sub-division and consolidation of shares Members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions for the best price reasonably obtainable and pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof, except only that, if the amount distributable to a Member is less than £1 (or such higher sum as may from time to time be fixed by The Stock Exchange for such purpose) the Company shall not be obliged to distribute it but may retain such amount for the benefit of the Company. For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the Members so entitled to the purchaser thereof and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. |

#### CONVERSION OF SHARES INTO STOCK

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| Paid up Shares convertible into stock | 44. | The Company may by Ordinary Resolution convert any fully paid up shares into stock of the same class as the shares which shall be so converted, and reconvert such stock into fully paid up shares of the same class and of any denomination.   |
| Transfer of Stock                     | 45. | When any shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulations as and subject to which any shares in the capital of the Company may be transferred; or as near thereto as circumstances admit, but the Directors may from time to time fix the minimum amount of stock transferable (which minimum shall not exceed the nominal amount of the shares from which the stock arose), and direct that fractions of that minimum shall not be transferred, but with power at their discretion to waive such rules in any particular case,  |
| Privilege of Stockholders             | 46. | The several holders of such stock shall be entitled to participate in the dividends and profits of the Company according to the class of stock and the amount of their respective interests in such stock, and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as would have been conferred by shares of the same class of equal amount in the capital of the Company, but so that none of such privileges or advantages, except the participation in the dividends and profits of the Company and in the assets of the Company on a winding up shall be conferred by any such amounts of stock as would not, if existing in the shares, have conferred such privileges or advantages. |
| Definition                            | 47. | All such provisions of these Articles relating to shares as are applicable to fully paid-up shares shall apply to stock, and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder". No such conversion shall affect or prejudice any preference or other special privilege.  |

#### INCREASE OR REDUCTION OF CAPITAL

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| Increase of Capital                             | 48. | The Company may, from time to time, by Ordinary Resolution, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject to such privileges, priorities, or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects as if they had been part of the original capital.  |
| Power to attach rights                          | 49. | Subject to the provisions of the Statutes any new shares in the capital of the Company may be allotted 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 determination be made, as the Directors shall determine, but so that the rights attached to any issued shares as a clause shall not be varied except with the consent of the holders thereof duly given under the provisions of these Articles. Subject as aforesaid any shares may be issued on the terms that they are or, at the option of the Company, are to be, liable to be redeemed. |
| Reduction of Capital and purchase of own Shares | 50. | 50 (A) The Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve fund and any share  |

premium account in any manner authorised by law. The Company may also by Ordinary Resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.

- 50 (B) The Company may, if permitted by any Statute for the time being in force, purchase its own shares (including any redeemable shares).

### PART 3

#### GENERAL MEETINGS

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| Annual General Meeting  | 51. | Annual General Meetings shall be held at such time and place as may be determined by the Directors.  |
| Distinction between Ordinary and Extraordinary General Meetings | 52. | All General Meetings of the Company other than Annual General Meetings shall be called Extraordinary General Meetings.   |
| When extraordinary General Meeting to be called                 | 53. | The Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company, and Extraordinary General Meetings shall also be convened on such requisition or in default may be convened by such requisitionists as provided by the Statutes. Any meeting convened under this Article by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.   |
| Notice of Meetings  | 54. | An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution shall be called by not less than 21 days' notice in writing, and all other Extraordinary General Meetings of the Company shall be called by not less than 14 days' notice in writing. 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 hour of meeting, and in case of special business the general nature of such business. The notice shall be given to the Members, other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company, to the Directors and to the Auditors. A notice calling an Annual General Meeting shall specify the meeting as such and the notice convening a meeting to pass a Special Resolution or an Extraordinary Resolution as the case may be shall specify the intention to propose the Resolution as such. |
| Meetings at Short Notice  | 55. | A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the immediately preceding Article, be deemed to have been duly called if it is so agreed by such Members as are prescribed in that behalf by the Statutes.   |
| Proxies   | 56. | In every notice calling a meeting of the Company or any class of the Members of the Company 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, on a poll, vote instead of him, and that a proxy need not also be a Member.  |
| Omission to send Notice   | 57. | The accidental omission to send a notice to or the non-receipt of any notice by any Member or any Director or the Auditors shall not invalidate the proceedings at any General Meeting.  |
| Business of Annual General Meeting                              | 58. | The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and reports of the Directors   |

and of the Auditors, and the documents required by law to be annexed to the Balance Sheet, to elect Directors and Officers in the place of those retiring by rotation or otherwise or ceasing to hold office pursuant to Article 86 and to fix their remuneration if required, to declare dividends, to appoint the Auditors (when Special Notice of the Resolution for such appointment is not required by the Statutes) and to fix, or determine the manner of the fixing of, their remuneration, and to transact any business brought before the meeting by the Directors' report and any other business which under these Articles ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.

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| Special Notice                   | 59. | Where by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than 28 days (or such shorter period as the Statutes permit) before the meeting at which it is moved, and the Company shall give to its Members, subject as in these Articles provided, notice of any such resolution as provided by the Statutes.  |
| Quorum                           | 60. | Subject to the provisions of Article 62 in respect of adjourned meetings, for all purposes the quorum for a General Meeting shall be not less than two Members present in person or by proxy.   |
| Quorum to be present             | 61. | No business shall be transacted at any General Meeting unless the quorum requisite shall be present when the meeting proceeds to business. The appointment of a Chairman in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.   |
| Proceeding if quorum not present | 62. | If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than 14 days nor more than 28 days thence) and place as the Chairman shall appoint. At any such adjourned meeting the Member or Members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for the want of a quorum and the notice shall state that the Member or Members present as aforesaid shall form a quorum. |
| Chairman                         | 63. | The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting of the Company, if there be no such Chairman, or if at any meeting he be not present within 15 minutes after the time appointed for holding the meeting, or be unwilling to act, the Directors present shall select one of their number to be Chairman, and that failing, the Members present and entitled to vote shall choose some one of their number to be Chairman.   |
|                                  | 64. | The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place, and without such consent he may adjourn any meeting at which a proposal of importance is made for the consideration whereof in his judgment (which shall not be challenged) a larger attendance of Members is desirable. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.   |

- When notice of adjourned meeting to be given 65. Whenever a meeting is adjourned for 28 days or more, seven clear days' notice in writing at the least specifying the place, the day and hour of the adjourned meeting shall be given to the Members subject as and in manner herein mentioned, to the Directors and to the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Subject to Article 62 and save as aforesaid it shall not be necessary to give any notice of an adjournment.
- How questions to be decided at meetings 66. At any General Meeting, a resolution put to the vote of the meeting shall be decided by a show of hands unless (before, or upon the declaration of the result of, the show of hands) a poll be duly demanded, in accordance with the provisions of these Articles, and unless a poll be so demanded a declaration by the Chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- Casting vote 67. In the case of an equality of votes the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the votes to which he may be entitled as a Member.
- Who may demand a poll 68. A poll may be demanded upon any question by the Chairman or by not less than five Members present in person or by proxy and entitled to vote or by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting or by a Member or Members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- Poll demanded by proxy 69. A valid instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of the immediately preceding Article, a demand by a proxy for a Member or other person entitled to vote shall be deemed to be a demand by that Member or other person. Appointment of a proxy shall not confer any right to speak except with the permission of the Chairman of the Meeting.
- How poll to be taken 70. Subject to the provisions of the next succeeding Article hereof, if a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment (but not more than 30 days after the date of the meeting or adjourned meeting at which the poll was demanded), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. No notice need be given of a poll not taken immediately.
- In what cases poll taken without adjournment 71. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
- Business may proceed notwithstanding demand of a poll 72. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

## VOTING

- Votes of members 73. Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, every Member present in person shall upon a show of hands have one vote and every Member present in person or by proxy shall upon a poll have one vote for every share held by him. A Member who is a patient within the meaning of the Mental Health Act 1959 may vote, whether on a show of hands or on a poll, by his receiver or *curator bonis* and such receiver or *curator bonis* may, on a poll, vote by proxy. A Member, being a corporation, may appoint a representative pursuant to Section 139 (1) of the Act.
- Joint Owners 74. If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the Member whose name stands first on the Register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.
- When Members not to vote 75. No Member shall, unless the Directors otherwise determine, be entitled to be present or to vote, either in person or by proxy, at any General Meeting or upon any poll, or to exercise any privilege as a Member in respect of any shares held by him if either:
- (i) any Calls or other moneys due and payable in respect of those shares remain unpaid, or
  - (ii) he or any person appearing to be interested in those shares has been duly served with a notice under Section 74 of the 1981 Act and he or any such person (a) is in default in supplying to the Company the information thereby requested within 42 days after service of such notice or such longer period as may be specified in such notice for compliance therewith and (b) has not remedied such default within a further period of 14 days after service of a further notice requiring him so to do.
- Voting personally or by proxy 76. On a poll votes may be given personally or by proxy and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. The instrument appointing a proxy shall be in writing in the usual form, or such other form as shall be approved by the Directors, under the hand of the appointor or his duly constituted attorney; or if such appointor is a corporation, under its Common Seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A proxy need not be a Member of the Company. A Member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at the Meeting or any adjournment thereof.
- As to deposit of proxy 77. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed, or a notarially certified copy thereof, shall be deposited at the Office or at such other place within the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default such instrument shall not be treated as valid.

- As to validity of proxy 78. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates. No instrument of proxy shall be valid after the expiry of 12 months from the date of its execution.
- When voters by proxy valid though authority revoked 79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the instrument of proxy or the authority under which it was executed or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, or incapacity, revocation or transfer shall have been received at the Office or such other place as is specified for depositing the instrument of proxy before the time for holding the meeting or adjourned meeting or the holding of a poll subsequently thereto at which such vote is given.

#### VARIATION OF RIGHTS

- Consent to variation 80. Subject to the provisions of the Statutes, if at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may be varied (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of any such provision either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class shall not (unless otherwise expressly provided by these Articles or the rights attached to such last mentioned shares as a class) be deemed to be a variation of the rights of such shares.
- Proceeding at meetings of classes of Members 81. Any meeting for the purpose of the last preceding Article shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company, provided that no Member, not being a Director, shall be entitled to notice thereof or to attend thereat unless he be a holder of shares of the class the rights or privileges attached to which are intended to be varied or abrogated by the resolution, and that no vote shall be given except in respect of a share of that class, and that the quorum at any such meeting shall be two persons at least present holding or representing by proxy at least one-third in nominal value of the issued shares of the class, and at an adjourned meeting one person holding shares of the class in question or his proxy and that a poll may be demanded in writing by any Member present in person or by proxy and entitled to vote at the meeting.

#### PART 4

##### DIRECTORS AND OTHER OFFICERS

##### DIRECTORS

- Number of Directors 82. Unless and until otherwise determined by the Company in General Meeting pursuant to Article 113 the number of Directors shall not be more than 20 nor less than two. The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors be less than the prescribed minimum the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a General Meeting of the Company for the

purpose of making such appointment. If there be no Director or Directors able or willing to act then any two Shareholders may summon a General Meeting for the purpose of appointing Directors. Any additional Director so appointed shall (subject to the provisions of the Statutes and these Articles) hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

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| Remuneration of Directors   | 83. | Each of the Directors (other than Directors who are also whole-time employees of the Company) shall be paid out of the funds of the Company by way of remuneration for his services a sum at such annual rate, not exceeding £7,500 per annum as the Directors may from time to time determine with an additional sum for the Chairman at such rate per annum as the Directors may from time to time determine. The Directors shall also receive by way of additional remuneration such further sum (if any) as the Company in General Meeting may from time to time determine. Such additional remuneration shall be divided among them in such proportions and manner as the Directors may determine and in default of determination equally.         |
| Travelling and hotel expenses and special Remuneration  | 84. | The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending Meetings of the Board or of Committees of the Board or General Meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.  |
| Qualification. Directors entitled to attend at General Meetings and Separate General Meetings | 85. | A Director shall not require a shareholding qualification. A Director shall be entitled to receive notice of and attend and speak at all General Meetings of the Company and at all Separate General Meetings of the holders of any class of shares in the capital of the Company.  |
| Directors to have power to fill casual vacancies  | 86. | Without prejudice to the power of the Company pursuant to these Articles the Directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Subject to the provisions of the Statutes and of these Articles, any Director so appointed shall hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting, and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting. |

#### ALTERNATE DIRECTORS

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| Appointment and Revocation | 87. | Any Director may by writing under his hand appoint (i) any other Director, or (ii) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the |
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powers, rights, duties and authorities of the Director appointing him: Provided always that no appointment of a person other than a Director shall be operative unless and until the approval of the Board of Directors by a majority consisting of two-thirds of the whole Board shall have been given. A Director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid where requisite appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine, provided always that if any Director retires but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. The appointment of an alternate Director shall cease and determine on the happening of any event which, if he was a Director, would render him legally disqualified from acting as a Director or if he has a receiving order made against him or if he compounds with his creditors generally or if he becomes of unsound mind. An alternate Director need not hold a share qualification and shall not be counted in reckoning the maximum number of Directors allowed by the Articles of Association for the time being. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.

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| Alternate to be responsible for his own acts etc. | 88. | Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him. |
| Remuneration of Alternate                         |     |   |

#### MANAGING AND EXECUTIVE DIRECTORS

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| Appointment                                 | 89. | Subject to the provisions of the Statutes the Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company or to hold such other Executive Office in relation to the management of the business of the Company as they may decide either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any service contract between him and the Company and without prejudice to any claim for damages he may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.  |
| Managing Director not to retire by rotation | 90. | A Managing Director or Joint Managing Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors, but he shall (subject to the provisions of Article 106(i) hereof and without prejudice to any claim for damages any such Managing Director or Joint Managing Director may have for breach of any service contract between him and the Company) be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company, and if he ceases to hold the office of Director from any cause he shall ipso facto immediately (but without prejudice as aforesaid) cease to be Managing Director or Joint Managing Director. |

- Remuneration 91. The salary or remuneration of any Managing Director or such Executive Director of the Company shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, or may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as the Directors determine.
- Powers 92. The Directors may from time to time entrust to and confer upon a Managing Director or such Executive Director for the time being such of the powers exercisable under these Articles by the Directors, other than power to make calls or forfeit shares, as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### POWERS AND DUTIES OF DIRECTORS

- Directors to have entire superintendence and control of business of Company 93. The business of the Company shall be managed by the Directors who in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them may exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to such directions (being not inconsistent with any regulations of these Articles or the provisions of the Statutes) as may be given by the Company in General Meeting. Provided that no direction given by the Company in General Meeting shall invalidate any prior act of the Directors, which would have been valid if such direction had not been given, and the provisions contained in these Articles as to any power of the Directors shall not be deemed to abridge the general powers hereby given.
94. The Directors may exercise all the powers of the Company to 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 establish, maintain, support, subscribe to and contribute to all kinds of Schemes, Trusts and Funds 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).
- Directors' interests 95. 95 (A) A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any such remuneration shall be in addition to any remuneration provided for by any other Article. No Director shall be disqualified by his office from

entering into any contract, arrangement, transaction or proposal with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise. Subject to the provisions of the Statutes and save as therein provided no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established but the nature of his interest shall be disclosed by him in accordance with the provisions of the Statutes.

- 95 (B) Save as herein provided, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- 95 (C) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (iv) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
  - (v) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a

superannuation fund or retirement benefits scheme under which he may benefit and which either relates to both employees and Directors of the Company or has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; and

- (vi) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time Executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees.

95 (D) A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

95 (E) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under paragraph (c)(iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

95 (F) 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 have not been fairly disclosed.

95 (G) Subject to the provisions of the Statutes the Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

Exercise of  
voting powers

96. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers or servants of such company or voting or providing for the payment of remuneration to such officers or servants).

97. A Director of the Company may continue or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

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| Dominion Register                | 98. | The Directors may exercise the powers conferred upon the Company by Sections 119 to 123 (both inclusive) of the Act with regard to the keeping of a branch register, and the Directors may (subject to the provisions of those Sections) make and vary such regulations as they may think fit respecting the keeping of any such register.  |
| Information re "close companies" | 99. | The Directors may at any time require any corporate Member to furnish any information, supported (if the Directors so require) by a statutory declaration, which they may consider necessary for the purpose of determining whether or not such Member is one to which Section 94 of and Schedule 16 to the Finance Act 1972 (or any statutory modification or re-enactment thereof for the time being in force) applies. |

#### **LOCAL MANAGEMENT**

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| Local Management   | 100.  | The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit, and the provisions contained in the three next following subclauses shall be without prejudice to the general powers conferred by this Article:  |
| Local Board        | (i)   | The Directors from time to time, and at any time, may establish any Local Board or agencies for managing any of the affairs of the Company in any such specified locality, and may appoint any persons to be Members of such Local Board, or any managers or agents, and may fix their remuneration. And the Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Directors, other than the power of making Calls, and may authorise the Members for the time being of any such Local Board, or any of them, to fill up the vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation. |
| Delegation         |       |   |
| Powers of Attorney | (ii)  | The Directors may at any time and from time to time by power of attorney under the seal of the Company, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents), and for such period and subject to such conditions as the Directors may from time to time think fit; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors may think fit.   |
| Sub-delegation     | (iii) | Any such delegates or attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.  |

#### **BORROWING POWERS**

- Power to raise money
101. The Directors 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 to issue debentures and other securities.
102. [ ]
103. [ ]
104. [ ]
105. [ ]

#### DISQUALIFICATION OF DIRECTORS

- Office of Director to be vacated
106. The office of a Director shall be vacated:
- If he resigns (i) If not being a Managing Director or Executive Director holding office as such for a fixed period he delivers to the Board or to the Secretary a notice in writing of his resignation of his office of Director;
- Ceases to be a Director (ii) If he ceases to be a Director by virtue of any provision of the Statutes or becomes prohibited by law from being a Director;
- Becomes bankrupt (iii) If he becomes bankrupt, or compounds with his creditors generally;
- Suffers mental disorder (iv) If an Order is made by any Court of competent jurisdiction on the ground of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs; or
- (v) If not having leave of absence from the Directors he or his alternate (if any) fail to attend the meetings of the Directors for six successive months unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient and the Directors resolve that his office be vacated.
- 106 A At any time or from time to time the Majority Holder may, by memorandum in writing executed by or on behalf of him or it and left at or sent to the office, appoint any person to be a director or remove from office any director who shall vacate office accordingly. Any such removal shall be without prejudice to any claim such director may have for damages from breach of any contract of service between him and the Company. For the purposes of this article 104A, "Majority Holder" means any person who holds for the time being more than half in normal value of the issued shares in the Company carrying the right to attend and vote at general meetings.

#### RETIREMENT, ELECTION AND APPOINTMENT OF DIRECTORS

- Rotation and retirement of Directors
107. Subject to the provisions of Article 90 in respect of a Managing Director or Joint Managing Director at each Annual General Meeting, one-third of the Directors who are subject to retirement by rotation, 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. A Director retiring at a meeting shall retain office until the dissolution of such meeting.

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| Which Directors to retire  | 108. | The Directors to retire shall be the one-third or other nearest number who have been longest in office shall retire. As between two or more who have been in office an equal length of time, the Director to retire shall in default of agreement between them be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election.  |
| Meeting to fill up vacancies   | 109. | The Company at any General Meeting at which any Directors retire in manner aforesaid, may subject to any resolution reducing the number of Directors, fill up the vacated offices by electing a like number of persons to be Directors and may fill up any other vacancies.  |
| Retiring Director to remain in office until successor appointed        | 110. | If at any General Meeting at which an election of Directors ought to take place the places of the retiring Directors are not filled up, then, subject to any resolution reducing the number of Directors, the retiring Directors, or such of them as have not had their places filled up, shall, if willing, continue in office until the dissolution of the Annual General Meeting in the next year, unless, as regards any particular Director, a resolution for his re-election shall have been put to the meeting and lost.                                  |
| Appointment of Directors to be voted upon individually                 | 111. | A resolution for the appointment of two or more persons as Directors by a single resolution shall be void unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it.  |
| Notice to propose new Directors  | 112. | No person except a retiring Director shall be elected a Director (unless recommended by the Directors for election) unless notice in writing shall be sent to the Secretary not more than 28 days and not less than seven days before the day of the meeting at which the election is to take place, signed by a Member duly qualified to attend and vote at each meeting stating the name and address of the person who offers himself or is proposed as a candidate, together with a notice in writing signed by such person of his willingness to be elected. |
| Power of General Meeting to increase or reduce the number of Directors | 113. | The Company in General Meeting may from time to time as special business increase or reduce the number of Directors and may also determine in what rotation such increased or reduced number is to go out of office and without prejudice to the provisions of these Articles, may in General Meeting appoint any person to be a Director either to fill a casual vacancy or as an additional Director.  |
| Power to remove Director by Extraordinary Resolution                   | 114. | Without prejudice to the provisions of the Statutes, the Company may by Extraordinary Resolution remove any Director before the expiration of his term of office,  |
| Power to appoint Director in place of one removed                      | 115. | The Company may by Ordinary Resolution appoint another person in place of the Director removed pursuant to the provisions of the Statutes or by Extraordinary Resolution, and the person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed, but this provision shall not prevent him from being eligible for re-election.  |
| Retirement of Directors under age limit                                | 116. | The provisions of Section 185 of the Act shall apply in relation to the appointment of a person who has attained the age of 70.  |

#### PROCEEDINGS OF DIRECTORS AND COMMITTEES

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| Meetings of Directors                      | 117. | The Directors may meet together for the dispatch of business adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall constitute a quorum. A meeting of the Directors, shall subject to notice thereof having been given in accordance with these articles, for all purposes be deemed to be held when a Director is or Directors are in communication by telephone or television (or any other form of audio visual linking) with another Director or Directors and all of the Directors in communication agree to treat the meeting as so held, if the number of Directors constitutes a quorum of the Board in accordance with these articles. A resolution is passed by the Directors at such a meeting as specified in this article 117 shall be as valid as it would have been if passed at an actual meeting duly convened and held. 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. One Director may, and the Secretary shall at the request of a Director, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not within the United Kingdom. |
| Notice of Board Meetings                   | 118. | Notice of Board Meetings shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board Meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, whether or not out of the United Kingdom.  |
| Chairman of Board                          | 119. | The Directors may elect a Chairman or Joint Chairman and one or more Deputy Chairmen of their meetings (which may also be an Executive Office in relation to the management or the business of the Company) and determine the period for which he is or they are to hold office, but if no such Chairman or Deputy Chairman is elected, or if at any meeting neither the Chairman nor a Deputy Chairman is present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.  |
| Board may act if quorum present            | 120. | A duly convened meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.   |
| Resolution in writing                      | 121. | A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as effective for all purposes as a resolution of those Directors passed at a meeting duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Provided that such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him.  |
| Directors may appoint Committees           | 122. | The Directors may delegate any of their powers to Committees consisting of such Member or Members of their body as they think fit.  |
| Committees subject to control of Directors | 123. | All Committees shall in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which may be prescribed by the Directors, and subject thereto may regulate their proceedings in the same manner as the Directors may do.  |



Minutes of  
Proceedings

124. The Directors shall cause minutes to be made of the following matters, namely:
- (i) of all appointments of officers, and Committees made by the Directors, and of their salary or remuneration;
  - (ii) of the names of Directors present at every meeting of the Board or of Committees of Directors, and all business transacted at such meetings; and
  - (iii) of all orders, resolutions and proceedings of all meetings of the Company of the holders of any class of shares in the Company and of the Directors and Committees of Directors.

Any such minute as aforesaid, if purporting to be signed by the Chairman of the meeting at which the proceedings were had, or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

Defective  
appointment of  
Directors not to  
invalidate their  
acts

125. All acts done by a meeting of the Directors, or of a Committee, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office be as valid as if every such person had been duly appointed, and were duly qualified and had continued to be a Director.

Secretary

#### **SECRETARY**

126. The Secretary shall be appointed by the Directors.

### **PART 5**

#### **RESERVES, DIVIDENDS AND MISCELLANEOUS**

##### **RESERVES**

Reserves out of  
Profits

127. Subject to the Statutes the Directors may before recommending any dividends whether preferential or otherwise carry to reserve out of the profits of the Company such sums as they think proper. All sums standing to reserve may be applied from time to time in the discretion of the Directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the Company or for such other purposes as the Directors may think conducive to the objects of the Company or any of them and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

##### **DIVIDENDS AND OTHER PAYMENTS**

128. Subject as hereinafter provided the Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits, but no larger dividend shall be declared than is recommended by the Directors.
- Dividends not to bear interest 129. No dividend or other moneys payable by the Company shall bear interest as against the Company.
- Dividends how payable 130. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, 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 purpose of this Article as paid up on the share. Subject as aforesaid all dividends shall be apportioned and paid proportionately 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 carries any particular rights as to dividends such share shall rank for dividend accordingly.
- Dividends to joint holders 131. In case several persons are registered as joint holders of any share any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share.
- Interim dividends  
Dividends payable 132. The Directors may from time to time declare and pay an interim dividend to the Members.
133. No dividend or interim dividend shall be payable except in accordance with the provisions of the Statutes.
- Unclaimed dividends 134. All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.
- To whom dividends belong 135. Every dividend shall belong and be paid (subject to the Company's lien) to those Members who shall be on the Register at the date fixed by the Directors for the purpose of determining the persons entitled to such dividend (whether the date of payment or some other date) notwithstanding any subsequent transfer or transmission of shares.
- Calls or debts may be deducted from dividends 136. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all such sums as may be due from him to the Company on account of Calls or otherwise in relation to shares of the Company.
- Method of payment 137. The Company may pay any dividend interest or other sum payable in cash or by direct debit, bank transfer, cheque, dividend warrant, or money order and may render the same by post to the Members or persons entitled thereto, and in case of joint holders to the Member whose name stands first in the Register, or to such person and address as the holder or joint holders may direct, and the Company shall not be responsible for any loss of any such cheque, warrant, or order. Every such cheque, warrant, or order shall be made payable to the order of the person to whom it is sent, or to such person

as the holder or joint holders may in writing direct, and the payment of the cheques, warrant or order shall be a good discharge to the Company.

Payment of  
dividends in  
specie

138. Any General Meeting declaring a dividend may direct payment 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 Directors shall give effect to any such direction provided that no such distribution shall be made unless recommended by the Directors.
139. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments may be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

#### CAPITALISATION OF PROFITS

Capitalisation  
of profits, etc.

140. The Directors may with the authority of an Ordinary Resolution of the Company:
- (i) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or, any sum standing to the credit of the Company's share premium account or capital redemption reserve funds;
  - (ii) appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of Ordinary Shares (whether or not fully paid) held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other; provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members credited as fully paid; and provided that in the case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves and would not be reduced below that aggregate by the payment thereof as shown in the latest audited accounts of the Company or such other accounts as may be relevant;
  - (iii) resolve that any shares allotted under this Article to any Member in respect of a holding by him of any partly paid

Ordinary Shares shall, so long as such Ordinary Shares remain partly paid rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;

- (iv) make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit for the case of shares or debentures becoming distributable under this Article in fractions;
- (v) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalisation (any agreement made under such authority being thereupon effective and binding on all such Members); and
- (vi) generally do all acts and things required to give effect to such resolution as aforesaid.

#### RECORD DATES

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| Record Dates | 141. Notwithstanding any other provision of these Articles the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared. |
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#### ACCOUNTS

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| Inspection of accounts and books and Register of Members | 142. The Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the accounting records of the Company, or any of them, shall be open to the inspection of the Members, and no Member shall have any right of inspecting any accounting record or other document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting. The Register shall be open for inspection by any Member or other person entitled to inspect the same, and any person other than a Member inspecting the same shall pay a fee of 5p.   |
| Copy to be sent to Members                               | 143. A printed copy of every profit and loss account and balance sheet, including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in General Meeting, together with copies of the Directors' and of the Auditors' reports shall (in accordance with and subject as provided by the Statutes) not less than 21 clear days before the date of the meeting be sent to every Member (whether he is or is not entitled to receive notices of General Meetings of the Company) and every holder of debentures of the Company (whether he is or is not so entitled) and the Auditors and all other persons, being persons so entitled, and the requisite number of copies of these documents shall at the same time be forwarded to the appropriate department of The Stock Exchange. |

#### SEALS

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| Provision for<br>Seals          | 144. | The Directors shall provide a Common Seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in lieu thereof.  |
| Securities Seal                 | 145. | The Directors may exercise the powers conferred on the Company by The Stock Exchange (Completion of Bargains) Act 1976 or any statutory modification or re-enactment thereof with regard to having a Securities Seal solely for sealing documents creating or evidencing securities of the Company.   |
|                                 | 146. | Any such documents to which such Securities Seal is affixed need not be signed by any person,   |
| Safe Custody<br>How affixed     | 147. | The Directors shall provide for the safe custody of every seal of the Company. The Common Seal shall never be affixed to any document except by authority of a resolution of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions. Subject as in this Article provided two Directors or one Director and the Secretary or some other person authorised by a resolution of the Directors shall sign autographically every instrument to which the Common Seal shall be affixed and in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Common Seal has been properly affixed. Any certificate for shares, stock or debenture or loan stock (except where the Trust Deed constituting any debenture stock or loan stock provides to the contrary) or representing any other form of security of the Company to which an official seal of the Company is required to be affixed need not be signed by any person. |
| Official Seal for<br>use abroad | 148. | The Company may exercise the powers conferred by Section 35 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.   |

#### **BILLS, NOTES, CHEQUES AND RECEIPTS**

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| Signature of<br>negotiable<br>instruments | 149. | The Director may draw, make, accept, or endorse, or authorise any other person or persons to draw, make, accept, or endorse any cheques, bills of exchange, promissory notes or other negotiable instruments, provided that every cheque, bill of exchange, promissory note or other negotiable instrument drawn, made or accepted shall be signed by such person or persons as the Directors may appoint for the purpose. |
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#### **NOTICES**

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| Service of<br>notice on<br>Members | 150. | A notice may be served by the Company upon any Member, either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address, or at any other address in the United Kingdom which the Member shall have in writing given to the Company as his address for service, if at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is, in the opinion of the Directors, unable effectively to convene a General Meeting by notice sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers with appropriate circulation one of which shall be a London daily newspaper 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 |
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if, at least seven days prior to the Meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

151. Members whose registered address shall not be in the United Kingdom, and who shall not have given to the Company an address for service of notices in the United Kingdom, shall not be entitled to receive any notices whatsoever, but the Directors may, if they think proper, serve any notice upon such Member in manner above mentioned.
- Evidence of service 152. A notice or other document addressed to a Member at his registered address or address for service in the United Kingdom shall, if served by post be deemed to have been served at the latest within 24 hours if prepaid as first class and within 48 hours if prepaid as second class, after the same shall have been posted, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed and put into a post office.
- Notice to joint holders 153. All notices directed to be given to the Members shall with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such share.
- Notice in case of death 154. Service of a notice at the registered address or the address for service in the United Kingdom of any person whose name remains registered as the holder or joint holder of any share, shall notwithstanding the death of such person and whether or not the Company have notice of his decease be deemed to be sufficient notice to his executors or administrators, and to the survivor or survivors of the joint holders, and to all other persons entitled to such share.

#### UNTRACED SHAREHOLDERS

- Untraced Share holders 155. 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:
- (i) 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 other the 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 from the Member or the person entitled by transmission; and
  - (ii) the Company has at the expiration of the said period of 12 years by advertisement in both a leading London newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located given notice of its intention to sell such share or stock; and
  - (iii) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission; and

- (iv) the Company has first given notice in writing to the Quotations Department of The Stock Exchange in London of its intention to sell such shares or stock.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share 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 the transmission to such share or stock.

The Company shall account to the Member or other person entitled to such share 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 moneys not accounted for to the Member or other person entitled to such share or stock shall be carried to a separate account and shall be a permanent debt of the Company.

Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

#### DESTRUCTION OF DOCUMENTS

Destruction of Documents

156. The Company may destroy:

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) 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;
- (iii) 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
- (iv) 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 sealed 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:

- (A) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;

- (A) 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 (a) above are not fulfilled; and
- (A) references in this Article to the destruction of any document include references to its disposal in any manner.

#### **DIVISION OF ASSETS IN SPECIE**

Division in  
specie

157. The Liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may with the authority of an Extraordinary Resolution, divide among the Members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between Members or classes of Members but so that if any such division shall be otherwise than in accordance with the existing rights of the Members, every Member shall have the same right of dissent and other ancillary rights as if such resolution were a Special Resolution passed in accordance with Section 287 of the Act.

#### **PROVISION FOR EMPLOYEES**

Provision for  
employees on  
cessation or  
transfer of  
business

158. The Company shall exercise the power conferred upon it by Section 74(l) of the 1980 Act only with the prior sanction of a Special Resolution.

#### **INDEMNITY**

Indemnity

159. Subject to the provisions of the Statutes, every Director or other Officer or Auditor for the time being of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.