

290010

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GRANADA GROUP PUBLIC LIMITED COMPANY

*(Adopted by a Special Resolution passed on 6 March 1989 and
amended by Special Resolutions passed on 3 March 1992, 24 January 1996,
29 January 1997 and 10 May 2004)*

TABLE A

1. The regulations in Table A in the First Schedule to the Companies Act, 1929 (being the regulations in force at the date of incorporation of the Company) do not apply to the Company except in so far as the same are repeated or contained in these Articles.

INTERPRETATION

2. In these Articles unless the subject or context otherwise requires the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

WORDS

MEANINGS

"the Act"

The Companies Act 1985.

"the Statutes"

The Act, and every other act for the time being in force concerning joint stock companies and affecting the Company (including, without limitation, the Regulations).

"these Articles"

These articles of association as altered from time to time.

"the Auditors"

The auditors for the time being of the Company.

"the Office"

The registered office of the Company.

"the Register"

The register of members of the Company.

"the Seal"

The Common Seal of the Company and includes any official seal kept by the Company by virtue of section 39 or 40 of the Act.



"the United Kingdom"	Great Britain and Northern Ireland.
"Month"	Calendar month.
"clear days"	The period excluding the day on which a notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
"Paid Up"	Includes credited as paid up.
"Dividend"	Includes bonus.
"in writing"	Written, printed or lithographed, or visibly expressed in all or any of these or any other modes of representing or reproducing words.
"Commission"	The Independent Television Commission or such other successor body as may be appointed from time to time to exercise all or any of the powers of such body under the Broadcasting Act.
"voting share"	Any share giving the right to vote at general meetings of, or to secure the appointment or removal of any Director of, the company in which it is held.
"Broadcasting Act"	The Broadcasting Act 1990 as amended, modified, supplemented or re-enacted from time to time and including any supplementary legislation, Orders, or Statutory Instruments enacted pursuant thereto.
"the London Stock Exchange"	London Stock Exchange Limited.
"certificated share"	A share which is not an uncertificated share and references to a share held in certificated form shall be construed accordingly.

“the Regulations”

The Uncertificated Securities Regulations 1995 (SI 1995 No. 3272) (including any modification thereof or any regulations in substitution therefor made under Section 207 of the Companies Act 1989 for the time being in force).

“the relevant system”

The computer-based system and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters, in accordance with the Regulations.

“uncertificated shares”

A share to which Article 11 applies and references to a share held in uncertificated form shall be construed accordingly.

In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto; (b) the word “Board” in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

A reference to any section or provision of any of the Statutes shall, if not inconsistent with the subject or context, include any corresponding or substituted section or provision of any Statutes amending, consolidating or replacing such Statutes or any of them.

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

Words importing the masculine gender only shall include the feminine gender.

Words importing persons shall include corporations.

Subject as aforesaid, any words or expression defined in the Statutes shall bear the same meanings in these Articles.

BUSINESS

3. Any branch or kind of business which by the Memorandum of Association of the Company, or these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time or times as they shall think fit, and further, may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.
4. The Office shall be at such place as the Directors shall from time to time appoint.

CAPITAL

5. The share capital of the Company, upon the adoption of these Articles, is £325,000,000 divided into 1,217,120,494 Ordinary Shares of 25p each ("Ordinary Shares") 174,733,411 Convertible Preference Shares of 10p each ("Convertible Preference Shares") and 32,465,354 New Convertible Preference Shares of 10p each ("New Convertible Preference Shares"). Save as otherwise provided in these Articles, every member of the Company shall have one vote for each Ordinary Share held by him.

(A) The special rights, restrictions and provisions applicable to the Convertible Preference Shares are as follows:-

(1) Income

The holders of the Convertible Preference Shares shall be entitled to be paid out of the profits available for dividend and resolved to be distributed in respect of each financial year or other accounting period of the Company a fixed cumulative preferential dividend ("preferential dividend") at the rate of 7.5 pence per share per annum (excluding the amount of any associated tax credit) thereon in priority to any payment to the holders of any other class of shares. The preferential dividend shall be payable half-yearly in equal amounts on 31st January and 31st July (each a "fixed dividend date") (or, in the event of any such date being a Saturday or Sunday or a day which is a public holiday in England, on the next day which is not such a day) in each year in respect of the half-year ending on the fixed dividend dates, save that the first such dividend in respect of each Convertible Preference Share issued pursuant to the offer made on behalf of the Company for the Ordinary Shares of 25p each of Electronic Rentals Group p.l.c. on 7th December 1987 (as amended, extended or revised) (the "Offer") shall be made on a pro rata basis on 31st July 1988 in respect of the period from the day falling 21 days after the Offer becomes or is declared unconditional in all respects to 31st July 1988 and in respect of each Convertible Preference Share issued otherwise than pursuant to the Offer, shall

be made on a pro rata basis on the fixed dividend date next succeeding the date of allotment thereof in respect of the period from the day next following the date of allotment to such dividend date. Payments of the preferential dividend shall be made to holders on the Register at any date selected by the Directors up to 42 days prior to the relevant fixed dividend date.

The holders of the Convertible Preference Shares shall not be entitled to any further right of participation in the profits of the Company.

(2) Capital

- (a) On a return of capital on a winding-up commenced on or before the last Conversion Date (as defined in paragraph (3)(b) of this Article 5), the assets of the Company available for distribution to its members shall be applied:-
 - (i) first, in paying to the holders of the Convertible Preference Shares a sum equal to all arrears and accruals (if any) of the preferential dividend whether or not such dividend has been earned or declared, calculated down to the date of the commencement of the winding-up;
 - (ii) secondly, in paying to the holders of the Convertible Preference Shares the sum of £1.00 per share;
 - (iii) thirdly, in repaying the capital paid up or credited as paid up on the Ordinary Shares; and
 - (iv) fourthly, in distributing rateably amongst the holders of the Convertible Preference Shares and the Ordinary Shares according to the amounts paid up on their respective holdings of shares in the Company, for the purpose of this sub-paragraph (2)(a)(iv) each Convertible Preference Share being treated, subject to the provisions of sub-paragraph (3)(t)(viii) of this Article 5, as if converted at the Conversion Rate (as defined in paragraph (3)(a) of this Article 5) into fully paid Ordinary Shares immediately prior to the commencement of the winding-up.
- (b) On a return of capital on a winding-up commenced after the last Conversion Date (as so defined) the assets of the Company available for distribution to its members shall be applied:-
 - (i) first, in paying to the holders of the Convertible Preference Shares a sum equal to all arrears and accruals

(if any) of the preferential dividend whether or not such dividend has been earned or declared, calculated down to the date of the commencement of the winding-up;

- (ii) secondly, in paying to the holders of the Convertible Preference Shares the sum of £1.00 per share;
- (iii) thirdly, in repaying the capital paid up or credited as paid up on the Ordinary Shares;
- (iv) fourthly, in distributing rateably amongst the holders of the Ordinary Shares according to the amounts paid up on their respective holdings of such shares in the Company up to a maximum amount of £5,000 per share; and
- (v) fifthly, in distributing rateably amongst the holders of the Convertible Preference Shares and the Ordinary Shares according to the nominal value of their respective holdings of such shares in the Company, for the purpose of this sub-paragraph (2)(b)(v) the nominal value of each Convertible Preference Share being treated as equal to one-thousandth of the nominal value of an Ordinary Share.

The holders of the Convertible Preference Shares shall not be entitled to any further right of participation in the capital of the Company.

(3) Conversion

- (a) Each holder of Convertible Preference Shares shall be entitled at the times and in the manner set out in (and subject to the provisions of) this Article 5 to convert all or any of his Convertible Preference Shares into fully paid Ordinary Shares on the basis of $33 \frac{1}{3}$ Ordinary Shares for every 100 Convertible Preference Shares so converted and so in proportion for any greater or lesser number of Convertible Preference Shares (such rate as adjusted from time to time as provided in paragraphs (3)(q), (r) or (s) of this Article 5 being herein called the "Conversion Rate").
- (b) For the purposes of this Article 5, a "Conversion Date" shall be 30th April in the year 1990 and in each of the following years up to and including the year 2003 unless in any of such years the audited consolidated accounts of the Company and its subsidiaries for its last preceding accounting period shall not have been audited and sent to the holders of the Convertible Preference Shares by 2nd April in such year, in which case the Conversion Date for that year shall be the date

falling 28 days after the date on which such accounts are so despatched, provided always that if any Conversion Date would otherwise fall on a Saturday or Sunday or a day which is a public holiday in England such Conversion Date shall be the date of the next day which is not such a day, and a "Conversion Period" shall be the period of 28 days ending on a Conversion Date.

- (c) For the purposes of this paragraph (A)(3), a "Conversion Notice" means, in relation to any Convertible Preference Shares that, on the relevant Conversion Date, are certificated shares, a Certificated Conversion Notice (as defined in sub-paragraph (A)(3)(d)) or, in relation to any Convertible Preference Shares that, on the relevant Conversion Date, are uncertificated shares, or Uncertificated Conversion Notice (as defined in sub-paragraph (A)(3)(e)).
- (d) In relation to any Convertible Preference Shares that, on the relevant Conversion Date, are certificated shares, the right to convert shall be exercisable on that Conversion Date by completing the notice of conversion endorsed on the share certificate relating to the Convertible Preference Shares to be converted or a notice in such other form as may from time to time be prescribed by the Directors of the Company in lieu thereof (a "Certificated Conversion Notice") and lodging the same with the Registrars for the time being of the Company at any time during the Conversion Period together with such other evidence (if any) as the Directors may reasonably require to prove the title and claim of the person exercising such right to convert.
- (e) In relation to any Convertible Preference Shares that are uncertificated shares on any Conversion Date, the right to convert shall be exercised (and treated by the Company as exercised) on that Conversion Date if an Uncertificated Conversion Notice is received as referred to below at any time during the Conversion Period ending on that Conversion Date. For these purposes, an "Uncertificated Conversion Notice" shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company or by such person as it may require in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned). The Directors may in addition determine when any such properly authenticated dematerialised instruction and/or other instruction or notification is to be treated as received by the Company or by such person as it may require for these

purposes (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the effect of the properly authenticated dematerialised instruction and/or other instruction or notification referred to above may be such as to divest the holder of the Convertible Preference Shares concerned of the power to transfer such Convertible Preference Shares to another person.

- (f) A Conversion Notice once lodged may not be withdrawn without the consent in writing of the Company. The Company shall not less than 28 days nor more than eight weeks prior to each Conversion Date give to the holders of the Convertible Preference Shares notice in writing reminding them of their right to convert, stating the applicable Conversion Rate and, in relation to any Convertible Preference Shares that are uncertificated shares, stating the form of Uncertificated Conversion Notice prescribed by the Directors in relation to the Conversion Date concerned. Such notice shall give the name and address of the Registrars for the time being of the Company and shall also, if the Directors have prescribed some form of Certificated Conversion Notice different from that endorsed on the certificates relating to the Convertible Preference Shares, be accompanied by a copy of the Certificated Conversion Notice so prescribed.
- (g) Conversion of such Convertible Preference Shares as are due to be converted as aforesaid on any Conversion Date (such shares being called in this Article 5 the "Relevant Shares") shall be effected in such manner as the Directors may determine and as the law may allow and in particular, but without prejudice to the generality of the foregoing, may be effected in accordance with the provisions of paragraphs (3)(h) and (j) below.
- (h) The Directors may determine to effect conversion by redeeming the Relevant Shares on any Conversion Date at 10 pence per share either out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Ordinary Shares provided the Directors shall first have obtained all requisite authorities for the purpose of enabling them to allot the Ordinary Shares which fall to be allotted pursuant to this sub-paragraph (3)(h) and/or grant rights to subscribe therefor. A Relevant Share (if the Directors elect to redeem out of the profits of the Company which would otherwise be available for dividend) shall confer on the holder thereof the right to subscribe for the appropriate number of Ordinary Shares at the applicable Conversion Rate

at such premium as shall represent the amount (if any) by which the redemption moneys exceed the nominal amount of the Ordinary Shares to which the holder is so entitled; in any such case the Conversion Notice given by or relating to a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption moneys payable to him in subscribing for such Ordinary Shares at such premium if any as aforesaid. A Relevant Share (if the Directors elect to redeem out of a fresh issue) shall confer on the holder thereof the right to subscribe and shall authorise the Secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on the holder's behalf for the appropriate number of Ordinary Shares (which authority shall include the right to borrow money) at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the Ordinary Shares to which the holder is so entitled; in any such case, the Conversion Notice given by a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption moneys payable to him in payment to him or his said agent.

- (i) In relation to any Relevant Shares that are to be redeemed in accordance with sub-paragraph (g) or (h) or (j) of this Article and that, on the Conversion Date concerned, are in uncertificated form, the Directors shall be entitled in their absolute discretion to determine the procedures for the redemption of such Relevant Shares (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the procedures for the redemption of any such Relevant Shares may involve or include the sending by the Company or by any person on its behalf of an issuer-instruction to the Operator of the relevant system concerned requesting or requiring the deletion of any computer-based entries in the relevant system concerned that relate to the holding of the Relevant Shares concerned, and/or the Company may, if the Directors so determine (by notice in writing to the holder concerned) require the holder of the Relevant Shares concerned to change the form of the Relevant Shares from uncertificated to certificated shares prior to the Conversion Date concerned.
- (j) The Directors may determine to effect conversion by means of consolidation and sub-division. In such case the requisite consolidation and sub-division shall be effected pursuant to the authority given by the passing of the resolution to create the Convertible Preference Shares by consolidating into one

share all the Relevant Shares at any Conversion Date held by any holder or joint holders (treating holdings of the same holder or joint holders of certificated shares and uncertificated shares as separate holdings, unless the Directors otherwise determine) and sub-dividing such consolidated share into shares of 25p each (or such nominal amount as may be appropriate as a result of any other consolidation or sub-division of Ordinary Shares) of which $33 \frac{1}{3}$ shares for each £10 nominal amount of the consolidated share (or such other number of shares as may be appropriate as a result of any adjustment pursuant to the provisions of paragraphs (3)(q), (r) or (s) of this Article 5) shall be Ordinary Shares (and so in proportion for any other nominal amount of the consolidated share) fractional entitlements being disregarded and the balance of such shares (including any fraction) shall be Non-voting Deferred Shares having the rights set out in this sub-paragraph (3)(j).

In the case of a conversion effected by means of consolidation and sub-division as provided in this sub-paragraph (3)(j) the Non-voting Deferred Shares arising as a result thereof which will be certificated shares (unless the Directors otherwise determine), shall on a return of capital on winding-up or otherwise entitle the holder only to repayment of the amounts paid up on such shares after repayment of the capital paid up on the Ordinary Shares and the payment of £5,000 on each Ordinary Share and shall not entitle the holder to the payment of any dividend nor to receive notice of or attend or vote at any General Meeting of the Company, and such conversion shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Non-voting Deferred Shares a transfer thereof (and/or an agreement to transfer the same) to such person as the Company may determine as custodian thereof and/or purchase the same (in accordance with the provisions of the Act) in any such case for not more than 1 pence for all the Non-voting Deferred Shares without obtaining the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificate for such Non-voting Deferred Shares. The Company may at its option at any time after the creation of any Non-voting Deferred Shares redeem all of the Non-voting Deferred Shares then in issue, at a price not exceeding 1 pence for all the Non-voting Deferred Shares redeemed at any one time upon giving the registered holders of such shares not less than 28 days' previous notice in writing of its intention so to do, fixing a time and place for the redemption.

Upon redemption of any Non-voting Deferred Shares pursuant to this sub-paragraph (3)(j) the Directors may pursuant to the authority given by the passing of the resolution to create the Convertible Preference Shares consolidate and/or sub-divide and/or convert the authorised non-voting deferred share capital existing as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Non-voting Deferred Shares.

- (k) Any fractions of Ordinary Shares arising on conversion shall not be allotted to the holders of the Relevant Shares otherwise entitled thereto but (if any such arrangement can be made) such fractions shall be aggregated and sold on behalf of such holders at the best price reasonably obtainable and the net proceeds of sale distributed pro rata among such holders who otherwise would have been entitled within 28 days after the Conversion Date concerned unless in respect of any holding of the Relevant Shares the amount to be distributed would be less than £2.50 in which case such amount shall not be so distributed but shall be retained for the benefit of the Company. For the purpose of implementing the provisions of this paragraph (3)(k) the Directors may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to any such fractions and generally may make all arrangements which appear to them necessary or appropriate for the settlement and disposal of fractional entitlements.
- (l) On conversion, the preferential dividend shall cease to accrue with effect from the fixed dividend payment date last preceding the applicable Conversion Date. The Ordinary Shares resulting from the conversion shall carry the right to receive all dividends and other distributions declared, made or paid on the ordinary share capital of the Company in respect of the financial year of the Company then current but not in respect of any financial year of the Company ended prior to the applicable Conversion Date and shall otherwise rank pari passu in all respects with the Ordinary Shares then in issue and fully paid.
- (m) Unless the Directors otherwise determine, or unless the Regulations and/or the rules of the relevant system concerned otherwise require, the Ordinary Shares arising on conversion of any Convertible Preference Shares shall be or shall be issued (as appropriate) as uncertificated shares (where the

Convertible Preference Shares converted were uncertificated shares on the Conversion Date concerned) or as certificated shares (where the Convertible Preference Shares converted were certificated shares on the Conversion Date concerned).

- (n) Within 28 days after the Conversion Date, the Company shall forward to each holder of the Relevant Shares, at his own risk, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares arising on conversion that are certificated shares and a new certificate for any unconverted Convertible Preference Shares which are certificated shares comprised in any certificate(s) surrendered by him. In the meantime transfers of certificated shares shall be certified against the Register.
- (o) If immediately after any Conversion Date 75 per cent. or more of the Convertible Preference Shares at any time issued shall have been converted, the Company shall be entitled not later than 28 days after such Conversion Date (or any subsequent Conversion Date) to give to the holders of the Convertible Preference Shares which have not been converted not less than 28 days' notice in writing to convert and on the date of expiry of such notice the holders of the Convertible Preference Shares shall be treated as having exercised the right to convert in respect thereof and the provisions relating to conversion shall apply mutatis mutandis as if the date of the expiry of the notice were a Conversion Date and such Convertible Preference Shares were Relevant Shares due to be converted on that Conversion Date.
- (p) The Company shall use reasonable endeavours to procure that the Ordinary Shares arising on conversion are admitted to the Official List of the London Stock Exchange at the earliest practicable date following conversion.
- (q) If, while any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Company shall make any issue of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to the holders of Ordinary Shares, then, subject to the provisions of paragraph (3)(t) of this Article 5, the number of Ordinary Shares to result from any subsequent conversion of Convertible Preference Shares shall be increased pro rata and if any doubt shall arise as to the amount of the increase in the number of Ordinary Shares the certificate of the Auditors of the Company shall be conclusive and binding on all concerned. No adjustment shall be made in the event of an issue of shares by way of capitalisation of profits or reserves in lieu of cash dividends.

- (r) If, while any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Ordinary Shares shall be consolidated or sub-divided then the number of Ordinary Shares to result from any subsequent conversion of the Convertible Preference Shares shall be reduced or increased pro rata accordingly and if any doubt shall arise as to the number thereof the certificate of the Auditors of the Company shall be conclusive and binding on all concerned.
- (s) If, while any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Company shall make any capital distribution to the holders of Ordinary Shares, then, subject to the provisions of paragraph (3)(t) of this Article 5, the number of Ordinary Shares to result from any subsequent conversion of the Convertible Preference Shares shall be increased by an amount determined to be appropriate by the Auditors of the Company whose certificate shall be conclusive and binding on all concerned. For the purposes of this paragraph (3)(s) "capital distribution" means any dividend or other distribution of capital profits (whether realised or not) or capital reserves, or profits or reserves arising after the date of the passing of the resolution creating the Convertible Preference Shares from a distribution of capital profits (whether realised or not) or capital reserves by a subsidiary, except by means of a capitalisation issue not contravening sub-paragraph (6)(i) of this Article 5 or any repayment of capital or purchase of the Company's own shares (other than a redemption or purchase of redeemable shares in accordance with the terms of issue thereof); for the purposes of this paragraph (3)(s), insofar as the relevant audited accounts do not distinguish between capital and revenue profits or reserves, the Company shall be entitled to rely upon a written estimate by the Auditors of the Company as to the extent to which any part of any profit or reserve should be regarded as of a capital nature and, in any case where the Company shall purchase any Ordinary Shares, the amount of the capital distribution per Ordinary Share shall be that amount which is the gross amount paid on such purchase divided by the number of Ordinary Shares remaining in issue following such purchase.
- (t) If, while any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Company shall make any issue of Ordinary Shares by way of capitalisation of profits or reserves as referred to in paragraph (3)(q) or any capital distribution as referred to in paragraph (3)(s) of this Article 5, and as a result thereof the aggregate nominal amount of the Ordinary Shares into which any Convertible Preference

Shares may be converted would, apart from the provisions of this paragraph (3)(t), exceed the aggregate nominal amount of such Convertible Preference Shares then no adjustment to the Conversion Rate shall be made pursuant to paragraphs (3)(q) or (3)(s) of this Article 5 but the following provisions of this paragraph (3)(t) shall apply:-

- (i) As from the date of such issue or distribution the Company shall establish or make an additional credit to and thereafter (subject as provided in this paragraph (3)(t)) maintain in accordance with the provisions of this paragraph (3)(t) a reserve (the "Conversion Rights Reserve") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional Ordinary Shares required to be issued and allotted credited as fully paid up pursuant to sub-paragraph (3)(t)(iii) below (otherwise than by way of conversion of the Relevant Shares) on the conversion in full of all the Convertible Preference Shares outstanding and shall apply the Conversion Rights Reserve in paying up such additional Ordinary Shares in full as and when the same fall to be allotted.
- (ii) The Conversion Rights Reserve shall not be used for any purpose other than that specified above until all other reserves of the Company (other than any share premium account and capital redemption reserve fund) have been used and will then only be used to make good losses of the Company if and so far as is required by law.
- (iii) Upon the conversion of any of the Convertible Preference Shares, the Relevant Shares shall be converted at the Conversion Rate and, in addition, there shall be allotted in respect of such Relevant Shares to the holder thereof credited as fully paid such additional aggregate nominal amount of Ordinary Shares as shall be equal to the difference between:-
 - (a) the aggregate nominal amount of the Ordinary Shares which fall to be allotted on conversion of the Relevant Shares at the Conversion Rate; and
 - (b) the nominal amount of Ordinary Shares into which such Relevant Shares would have been converted, having regard to the provisions of paragraphs (3)(q) or (3)(s) of this Article 5, had it been possible for the Conversion Rate to be adjusted so that the aggregate nominal amount of Ordinary

Shares into which Convertible Preference Shares may be converted would exceed the aggregate nominal amount of such Convertible Preference Shares,

and immediately upon such conversion so much of the sum standing to the credit of the Conversion Rights Reserve as is required to pay up in full such additional nominal amount of Ordinary Shares shall be capitalised and applied in paying up in full such additional nominal amount of Ordinary Shares, which shall forthwith be allotted credited as fully paid to the holder of the Relevant Shares. If upon the conversion of any Convertible Preference Shares the amount standing to the credit of the Conversion Rights Reserve is not sufficient to pay up in full such additional nominal amount of Ordinary Shares as aforesaid to which the holder of the Relevant Shares is entitled, the Directors of the Company shall apply any profits or reserves then, or thereafter becoming, available (including, to the extent permitted by law, share premium account and capital redemption reserve fund) for the purpose until such additional nominal amount of Ordinary Shares is paid up and allotted as aforesaid and until such time no dividend or other distribution shall be declared, paid or made on the Ordinary Shares.

- (iv) On the day following the last Conversion Date, the amount (if any) standing to the credit of the Conversion Rights Reserve shall cease to be subject to the restrictions set out in sub-paragraph (3)(i)(ii). Save as otherwise provided herein, the holders of Convertible Preference Shares shall have no right to the sums standing to the credit of the Conversion Rights Reserve.
- (v) A certificate or report by the Auditors of the Company as to whether or not the Conversion Rights Reserve is required to be established and maintained and if so as to the amount thereof so required to be established and maintained, as to the amount of any additional credit to be made to the Conversion Rights Reserve, as to the purposes for which the Conversion Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of Ordinary Shares required to be allotted to a holder of Relevant Shares credited as fully paid and as to any other matter concerning the Conversion Rights Reserve shall (in the absence of

manifest error) be conclusive and binding on all concerned.

(vi) Ordinary Shares allotted pursuant to the provisions of this paragraph (3)(t) shall rank *pari passu* in all respects with the other Ordinary Shares arising on conversion of the Convertible Preference Shares.

(vii) Any fractional entitlements to Ordinary Shares arising under this paragraph (3)(t) shall first be aggregated with any fractional entitlements arising on conversion and any remaining fraction shall be dealt with in accordance with paragraph (3)(k) of this Article 5.

(viii) If any Conversion Rights Reserve is established then, for the purposes of sub-paragraph (2)(a)(iv) of this Article 5, each Convertible Preference Share shall be treated as if converted into fully paid Ordinary Shares at the Conversion Rate together with the number of additional Ordinary Shares to which the holder of such share is or may become entitled pursuant to this paragraph (3)(t), in each case immediately prior to the commencement of the winding-up.

(ix) The Company shall give notice to all holders of Convertible Preference Shares of the number of additional Ordinary Shares to which holders may become entitled pursuant to the provisions of this paragraph (3)(t) within 14 days of the establishment of, or the credit of any additional sum to, any Conversion Rights Reserve.

(x) The provisions of Article 138 of these Articles shall be construed subject to the provisions of this paragraph (3)(t) and, in particular, the amount standing to the credit of the Conversion Rights Reserve shall not be available for capitalisation or distribution amongst the holders of Ordinary Shares or otherwise except as provided by this paragraph (3)(t).

(u) For the purposes of this paragraph (A)(3), whether any Convertible Preference Share are certificated shares or uncertificated shares on any Conversion Date shall be determined by reference to the register of members as at 12.01 am on the relevant Conversion Date or such other time on the relevant Conversion Date as the Directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.

(4) Redemption and Purchase

- (a) The provisions of this sub-paragraph (a) shall apply in relation to any Convertible Preference Shares that are to be redeemed and that, on the date fixed for redemption (the "Redemption Date") are certificated shares. The Company shall have the right, subject to the Act, to redeem at any time and from time to time during the period commencing on 1st July 2003 and ending on 31st January 2009 the whole or any part of the Convertible Preference Shares for the time being issued and outstanding by giving to the holders of the particular Convertible Preference Shares to be redeemed not less than 28 days' prior notice in writing of the Redemption Date.
- (b) The provisions of this sub-paragraph (b) shall apply in relation to any Convertible Preference Shares that are to be redeemed and that, on the Redemption Date, are uncertificated shares. The Company shall give to the holders of any Convertible Preference Shares to be redeemed not less than 28 days' prior written notice of the Redemption Date. The Directors shall be entitled in their absolute discretion to determine the procedures for the redemption of such Convertible Preference Shares (subject always to the facilities and requirements of the relevant system concerned). Upon being satisfied that such procedures have been effected, the Company shall pay to the holder of the Convertible Preference Shares concerned the amount due in respect of redemption of such Convertible Preference Shares.
- (c) Without prejudice to the generality of sub-paragraph (b) above, but subject as set out in that paragraph:-
 - (aa) the procedures for the redemption of any Convertible Preference Shares may involve or include the sending by the Company or by any person on its behalf of an issuer-instruction to the Operator of the relevant system concerned requesting or requiring the deletion of any computer-based entries in the relevant system concerned that relate to the holding of the Convertible Preference Shares concerned; and/or
 - (bb) the Company may, if the Directors so determine (by notice in writing to the holder concerned, which notice may be included in the notice of redemption concerned) require the holder of the Convertible Preference Shares concerned to change the form of the Convertible Preference Shares from uncertificated to certificated shares prior to the Redemption Date (in which case sub-

paragraph (a) above shall then apply as regards the procedure for redemption).

- (d) In the case of partial redemption under paragraph (4)(a) or (b) the Company shall for the purpose of ascertaining the particular Convertible Preference Shares to be redeemed cause a drawing to be made at the Office or at such other place as the Directors may decide in the presence of a representative of the Auditors of the Company.
- (e) Any notice given under paragraph (4)(a) or (b) shall specify the particular Convertible Preference Shares to be redeemed, the applicable Redemption Date and in respect of certificated shares the place at which the certificates for such Convertible Preference Shares are to be presented for redemption and upon such Redemption Date in respect of certificated shares the Company shall redeem the particular Convertible Preference Shares to be redeemed on that date and each of the holders of the Convertible Preference Shares concerned shall be bound to deliver to the Company at such place the certificates for such of the Convertible Preference Shares concerned as are held by him (or any indemnity in lieu thereof in a form satisfactory to the Company). Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any Convertible Preference Shares not to be redeemed on the relevant Redemption Date, a fresh certificate for such Convertible Preference Shares shall be issued free of charge to the holder delivering such certificate to the Company.
- (f) There shall be paid on each Convertible Preference Share to be redeemed under paragraph (4)(a) or (b) the sum of £1.00 together with a sum equal to all arrears and accruals of the preferential dividend thereon to be calculated down to and including the Redemption Date and to be payable irrespective of whether or not such dividend has been declared or earned or become due and payable.
- (g) As from the relevant Redemption Date of Convertible Preference Shares redeemed under paragraph (4)(a) or (b) the preferential dividend shall cease to accrue on the Convertible Preference Shares due for redemption except on any such Convertible Preference Shares in respect of which, upon either due presentation of the certificate relating thereto, or, if the Convertible Preference Share was an uncertificated share on the Relevant Redemption Date, the procedures for redemption as referred to under paragraph 4(b) having been effected,

payment of the money due at such redemption shall be refused.

- (h) The Company shall, subject to the Act, redeem on 31st January 2009 all of the Convertible Preference Shares (if any) in issue on that date and the amount payable on redemption thereof shall be the sum specified in paragraph (4)(f).
- (i) The receipt of the registered holder for the time being of any Convertible Preference Shares or in the case of joint holders the receipt of any of them for the moneys payable on redemption thereof or application of the same as provided on any conversion thereof shall constitute an absolute discharge to the Company in respect thereof.
- (j) Subject to the provisions of the Act, the Company may at any time purchase Convertible Preference Shares (i) in the market, or (ii) by tender (available alike to all holders of Convertible Preference Shares), or (iii) by private treaty, in each case at a price (exclusive of all costs of purchase) which, if the Convertible Preference Shares are then listed on the London Stock Exchange, shall not exceed the average of the middle market quotations thereof based on the London Stock Exchange Daily Official List during the period of ten business days immediately prior to the date of such purchase, or, in the case of a purchase on the London Stock Exchange, at the market price thereof provided that such market price is not more than five per cent. above such average, but not otherwise, and upon such other terms and conditions as the Company may think fit. The Company may exercise its rights and powers of purchase as regards the Convertible Preference Shares and any Further Convertible Preference Shares (as defined in paragraph (8)) which may be issued pursuant to paragraph (8) (not being a series which is identical to and forms a single series with the Convertible Preference Shares) at its sole discretion and without obligation to maintain the ratio between the nominal amounts for the time being outstanding of any series.
- (k) Upon the redemption of any Convertible Preference Shares (whether pursuant to paragraph (4)(a), 4(b) or on conversion pursuant to sub-paragraph (3)(h)) the Directors may pursuant to the authority given by the passing of the resolution to create the Convertible Preference Shares consolidate and/or subdivide and/or convert the authorised preference share capital existing as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of

such class then in issue or into unclassified shares of the same nominal amount as the Convertible Preference Shares.

(5) Voting and General Meetings

- (a) The holders of the Convertible Preference Shares shall, by virtue of, or in respect of, their holdings of Convertible Preference Shares, have the right to receive notice of every General Meeting of the Company, but shall not have the right to attend, speak or vote at any General Meeting of the Company unless either (i) at the date of such meeting, the preferential dividend on such shares is in arrears for six months or more after any date fixed for payment thereof, in which case such holders shall have the right to attend, speak and vote on any resolution at such General Meeting, or (ii) a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Convertible Preference Shares, in which case such holders shall have the right to attend the General Meeting and shall be entitled to speak and vote only on such resolution.
- (b) Whenever the holders of the Convertible Preference Shares are entitled to vote at a General Meeting of the Company upon any resolution proposed at such General Meeting, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) is present by representative shall have one vote and on a poll every holder thereof who is present in person or by proxy shall have one vote in respect of each fully paid Convertible Preference Share registered in the name of such holder.
- (c) For the purposes of these Articles, the Convertible Preference Shares are deemed not to be voting shares except at any time during which the holders thereof are entitled to vote in respect of them at any General Meeting of the Company by reason of the preferential dividend being in arrears for six months or more after any date fixed for payment thereof.

(6) Other Provisions

So long as any Convertible Preference Shares remain capable of being converted into Ordinary Shares then, save with such consent or sanction on the part of the holders of the Convertible Preference Shares as is required for a variation of the rights attached to such shares:-

- (a) no shares shall be allotted pursuant to a capitalisation of profits or reserves including any share premium account and capital redemption reserve except Ordinary Shares, credited as fully

paid, and upon any such allotment the Conversion Rate shall, subject to paragraph (3)(t) of this Article 5, be adjusted as appropriate under paragraph (3)(q) of this Article 5;

- (b) if any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of subparagraph (6)(c) below apply) is made to holders of the ordinary share capital of the Company, the Company shall make or, so far as it is able, procure that there is made a like offer at the same time to each holder of Convertible Preference Shares as if his conversion rights had been exercisable and exercised in full on the record date for such offer or invitation;
- (c) if prior to the last Conversion Date an offer is made to the holders of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a General Meeting of the Company has or will become vested in the offeror and/or such companies or persons aforesaid, the Company shall give written notice to all holders of Convertible Preference Shares of such vesting within 14 days of its becoming so aware and each holder shall be entitled within the period of 42 days from the date of such notice to convert some or all of his Convertible Preference Shares into fully paid Ordinary Shares on the basis set out above except that the Conversion Period shall be the said period of 42 days and the Conversion Date shall be the last day of such period (or in the event of such day being a Saturday or a Sunday or a public holiday in England, on the next day which is not such a day) and (if the Conversion Date is on or before 30th April 1993) the Conversion Rate shall be, for every 100 Convertible Preference Shares so converted:-
 - (i) 36.364 Ordinary Shares if the Conversion Date is on or before 30th April 1989;
 - (ii) 35.714 Ordinary Shares if the Conversion Date is thereafter but on or before 30th April 1990;
 - (iii) 35.088 Ordinary Shares if the Conversion Date is thereafter but on or before 30th April 1991;
 - (iv) 34.483 Ordinary Shares if the Conversion Date is thereafter but on or before 30th April 1992; and

- (v) 33.398 Ordinary Shares if the Conversion Date is thereafter but on or before 30th April 1993,

in each case adjusted as provided in paragraphs (3)(q) and (3)(s) of this Article 5 and the provisions of paragraph (3)(t) shall also apply on conversion of any Convertible Preference Shares pursuant to this sub-paragraph (6)(c).

Subject as aforesaid, the provisions as to conversion in paragraph (3) of this Article 5 shall apply mutatis mutandis to such conversion. At the expiration of the said period of 42 days, any outstanding Convertible Preference Shares in respect of which a duly completed Conversion Notice shall not have been received as set out above, shall cease to be capable of conversion pursuant to the provisions of this sub-paragraph (6)(c) but not otherwise;

- (d) no equity share capital (as defined in section 744 of the Act) shall be issued which is not in all respects uniform with the Ordinary Shares in issue on the date of adoption of the resolution creating the Convertible Preference Shares, save:-
- (i) for equity share capital which is uniform except as to the date from which such capital shall rank for dividend;
 - (ii) for equity share capital issued pursuant to an employees' share scheme (as defined in section 743 of the Act) approved by the Company in General Meeting;
 - (iii) for equity share capital which has attached thereto rights as to dividend, capital and voting which in no respect are more favourable than those attached to the Ordinary Shares in issue at the date of the adoption of the resolution creating the Convertible Preference Shares;
 - (iv) for equity share capital issued pursuant to an offer or invitation which is extended to the holders of Convertible Preference Shares pursuant to sub-paragraph (6)(b);
 - (v) for the Convertible Preference Shares; and
 - (vi) for Further Convertible Preference Shares (as defined in paragraph (8)) which are only comprised in the Company's equity share capital because as respects capital such Further Convertible Preference Shares carry a right to participate beyond a specified amount in a distribution being a right, (i) in the case of a distribution while such shares remain capable of conversion by the holders thereof, to participate as if the same had been

converted on whatever basis of conversion applies to such shares (whether with or without priority as to repayment of the capital paid up or credited as paid up and with or without any amount so repaid being brought into account by the holders thereof) and (ii) in the case of a distribution after such shares have ceased to be capable of conversion by the holders thereof, to participate on a basis which is not more favourable than that specified in paragraph (2)(b) of this Article 5 in relation to the Convertible Preference Shares;

- (e) the Company shall not (except as authorised by section 146(2) or by section 159 of the Act in respect of redeemable shares) reduce its share capital or any uncalled liability in respect thereof or (except as authorised by sections 130(2), 160(2) and 170(4) of the Act) any share premium account or capital redemption reserve;
- (f) the Company, if authorised to purchase its own Ordinary Shares, will not do so except in accordance with the requirements from time to time of the London Stock Exchange;
- (g) no resolution shall be passed whereby the rights attaching to the Ordinary Shares shall be modified, varied or abrogated but, for the avoidance of doubt, it is hereby declared that any resolution for the disapplication of section 89(1) of the Act (or any provisions replacing the same) shall be deemed not to abrogate, vary or modify such rights;
- (h) the Company shall not select a date to which its annual accounts are made up save for a date which is not more than 14 days before or after 30th September in each year; and
- (i) the Company shall not make any offer or invitation to the holders of Ordinary Shares or allot any shares in pursuance of a capitalisation issue or make any capital distribution (as defined in paragraph (3)(s) of this Article 5) during a Conversion Period by reference to a record date prior to such Conversion Period.

(7) Re-designation

On the day next following the last Conversion Date any Convertible Preference Shares then outstanding shall automatically be re-

designated as "7.5p (net) Redeemable Preference Shares of 10p each".

(8) Further Issues

Subject to the provisions of sub-paragraph (6)(d) of this Article 5, the Company may from time to time create and issue further convertible preference shares (in this Article 5 called "Further Convertible Preference Shares") ranking as regards participation in profits and assets of the Company *pari passu* with the Convertible Preference Shares and so that any such Further Convertible Preference Shares may either carry rights identical in all respects with the Convertible Preference Shares or with any other series of Further Convertible Preference Shares or rights differing therefrom in any respect including but without prejudice to the generality of the foregoing in that:-

- (i) the rate of dividend may differ;
- (ii) the Further Convertible Preference Shares may rank for dividend as from such date as may be provided by the terms of the issue thereof and the dates for payment of dividend may differ;
- (iii) a premium may be payable on a return of capital or there may be no such premium;
- (iv) the Further Convertible Preference Shares may be redeemable on such terms and conditions as may be prescribed by the terms of issue thereof and/or of these Articles; and
- (v) the Further Convertible Preference Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company after the Convertible Preference Shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

- (B) The Further Convertible Preference Shares have rights attached thereto in all respects identical with the rights attached to the Convertible Preference Shares save that the first dividend thereon shall be paid on a *pro rata* basis in respect of the period from such date as the Directors shall determine to the fixed dividend date next following that date. The date so determined may be a date prior to the fixed dividend date preceding the date of allotment of such shares in which event the first dividend shall be paid at the time of issue in respect of the period from the date so determined to such fixed dividend date. From and after the payment of the first dividend on any Further Convertible Preference Shares, or such other date or dates as the Directors may for this purpose determine in respect of any allotment

of Further Convertible Preference Shares, those Further Convertible Preference Shares shall form one uniform class with the Convertible Preference Shares. Different determinations may in the Directors' discretion be made in respect of each or any allotment of Further Convertible Preference Shares.

SHARES

6. Subject to, and in accordance with the provisions of the Statutes and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares of the Company shall be authorised by an extraordinary resolution passed at a separate General Meeting of the holders of each class of shares (if any) which, at the date on which the contract is authorised by the Company in General Meeting, entitle them either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the Company. All shares so purchased shall be cancelled immediately upon completion of the purchase and the amount of the Company's issued share capital (but not authorised share capital) shall be reduced by the nominal amount of the shares so purchased. The Directors may (pursuant to the authority given by the passing of the resolution to adopt these Articles) consolidate and/or sub-divide and/or convert the authorised but unissued share capital existing as a consequence of such purchases and cancellation into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of 25p each and pending any determination of the rights to be attached to any such shares, they shall be designated as unclassified shares of 25p each.
7. The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the capital of the Company, such commission not to exceed 10 per cent. of the price at which the shares are issued or an amount equivalent thereto or such other amount as may from time to time be prescribed by the Statutes. Any such commission may be paid in cash or in fully paid shares of the Company, or partly in one way and partly in the other, as may be arranged. The requirements of sections 88, 97 and 98 of the Act shall be observed so far as applicable.
8. Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise, the shares shall be at the disposal of the Directors, and they may allot, grant options over, or otherwise deal with or dispose of them to such persons at such times and generally on such terms and conditions as they think proper but so that no shares shall be issued at a discount.

9. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.
10. No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or recognise any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or (except only as by these Articles otherwise expressly provided or as by Statute required or under an order of Court) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.
11. (A) Unless otherwise determined by the Directors and permitted by the Regulations, no person shall be entitled to receive a certificate in respect of any share for so long as transfers of that share may be made otherwise than by a written instrument by virtue of the Regulations. The Directors shall have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing and transfer of uncertificated shares (subject always to the Regulations and the facilities and requirements of the relevant system concerned).
- (B) Conversion of certificated shares into uncertificated shares and vice versa, may be made in such manner as the Directors may, in their absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the relevant system concerned).
- (C) The Company shall enter on the register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the register in each case as is required by the Regulations and the relevant system concerned. Unless the Directors otherwise determine, holdings of the same holder or joint holders in certificated shares and uncertificated shares shall be treated as separate holdings.
- (D) A class of shares shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Regulations which apply only in respect of certificated shares or uncertificated shares.
- (E) The provisions of Article 12 shall not apply to uncertificated shares.
12. (1) Every member, upon becoming the holder of any shares (except a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall (except as otherwise provided by the Statutes or pursuant to Article 12(2)) be entitled, without payment, to receive within two months after allotment or lodgement of transfer (or within

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The directors may at their absolute discretion determine that any capital contribution received by the Company be credited to a non-distributable reserve of the Company. The Company shall be prohibited from distributing any such reserve.

such other period as the conditions of issue shall provide) one certificate for all the certificated shares of each class held by him (and, upon transferring a part of his holding of certificated shares of any class, to a new certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every new certificate after the first of such reasonable sum as the Directors may from time to time determine. Every certificate shall be sealed with the Seal or executed in accordance with Article 101 and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for certificated shares held jointly by several persons and delivery of a certificate to one joint holder shall be sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

- (2) The Directors may, having regard to the terms of issue, the Statutes and the regulations of the London Stock Exchange, by resolution decide, either generally or in any particular case or cases, to dispense with the issue of certificates for shares or debentures or representing any other form of security. The Directors shall have the power to implement such arrangements as they consider necessary or desirable for evidencing prima facie title to shares, debentures or any other form of security.
- 13. If any such certificate shall be worn out, defaced, destroyed or lost, it may be renewed on such evidence being produced as the Directors shall require, and in case of wearing out or defacement on delivery up of the old certificate, and in case of destruction or loss on execution of such indemnity (if any) and in either case on payment of any exceptional out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and to such indemnity as the Directors think fit but otherwise free of charge.
- 14. No shareholder shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a member, until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

LIEN ON SHARES

- 15. The Company shall have a first and paramount lien and charge on all the shares not fully paid up registered in the name of a member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, either alone or jointly with any other person, whether a member or not, and whether such moneys are presently payable or not. The Company's lien (if any) on a share shall extend to all dividends payable thereon, but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation.

16. For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made until such time as the moneys are presently payable, and until a notice in writing stating the amount due and demanding payment, and giving notice of intention to sell in default, shall have been served in such manner as the Directors shall think fit on such member or the persons (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for fourteen days after such notice.
17. The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due, and the residue (if any) shall be paid to the member or the persons (if any) entitled by transmission to the shares; provided always that the Company shall be entitled to a lien upon such residue in respect of any moneys due to the Company but not presently payable like to that which it had upon the shares immediately before the sale thereof.
18. Upon any such sale as aforesaid, the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the register as holder of the shares and the purchaser shall not be bound to see to the regularity or validity of, or be affected by any irregularity or invalidity in, the proceedings, or be bound to see to the application of the purchase money, and after his name has been entered in the register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

CALLS ON SHARES

19. The Directors may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make such calls upon the shareholders in respect of all moneys unpaid on their shares (whether in respect of nominal value or premium) as they think fit, provided that fourteen days' notice at least is given of each call, and each shareholder shall be liable to pay the amount of every call so made upon him to the persons and at the time and places appointed by the Directors. A call may be made payable by instalments. A call shall be deemed to have been made as soon as the resolution of the Directors authorising such call shall have been passed. A call may, before receipt by the Company of any sum due thereunder be revoked in whole or in part and payment of a call may be postponed in whole or in part. A person upon whom a call was made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
21. If before or on the day appointed for payment thereof a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at the rate of 10 per cent. per annum from the day

appointed for payment thereof to the time of actual payment, but the Directors shall have power to remit such interest or any part thereof.

22. Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date and any instalment of a call shall, for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other the relevant provisions of the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.
23. The Directors may from time to time 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 in the time of payment of such calls.
24. The Directors may, if they think fit, receive from any shareholder willing to advance the same all or any part of the moneys due upon his shares beyond the sums actually called up thereon, and upon all or any of the moneys so advanced the Directors may (until the same would, but for such advance, become presently payable) pay or allow such interest (not exceeding, without the consent of a General Meeting, 10 per cent. per annum) as may be agreed upon between them and such shareholder, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up. No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

TRANSFER OF SHARES

- 25.(1) Subject to the restrictions of these Articles (and the provisions of Article 25(2)) any member may transfer all or any of his shares, but every transfer must be in writing, in the usual common form or in such other form as the Directors may approve, must be in respect of one class of share only and must be lodged, duly stamped, at the Office or at such other place as the Directors may appoint, accompanied (where certificates in respect of such class of shares are issued by the Company) by the certificate of the certificated shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor. In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or a recognised investment exchange, the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.
- (2) All transfers of uncertificated shares shall be made in accordance with and be subject to the Regulations and the facilities and requirements of the relevant system concerned and, subject thereto, in accordance with any arrangements made by the Directors pursuant to Article 11(A). The Directors may, having regard to the terms of issue, the Statutes and the regulations of the London

Stock Exchange, by resolution decide, either generally or in any particular case or cases, to dispense with the requirement that every transfer must be in writing. The Directors shall have the power to implement such arrangements as they consider necessary or desirable for evidencing the transfer by any member of all or any of his shares.

26. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee, and in relation to all transfers of both certificated and uncertificated shares the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. In respect of certificated shares, shares of different classes shall not be comprised in the same instrument of transfer.
27. The Directors may, in their discretion and without assigning any reason therefore, refuse to register the transfer of any share (not being a fully paid-up share) to any person whom they shall not approve as transferee and any transfer of a share on which the Company has a lien, provided that such refusal does not prevent dealings in the shares from taking place on an open and proper basis. The Directors may also refuse to register any transfer if it is their opinion that such transfer would or might (a) prejudice the right of the Company or any subsidiary thereof to hold any licence granted or to be granted to the Company or any such subsidiary from time to time to provide any "television programme service" (as such expression is defined in section 2(4) of the Broadcasting Act) or (b) give rise to or cause, directly or indirectly, a variation to be made to any such licence by the Commission. The Directors may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted by the Regulations and the requirements of the relevant system concerned.

RELEVANT PERSON FOR THE PURPOSES OF THE BROADCASTING ACT 1990

28. (1) In this Article words and expressions shall have the meanings ascribed thereto in the Broadcasting Act and unless the context otherwise requires:-
 - (a) "licence" shall mean a licence to provide Channel 3 or Channel 5 (as appropriate) services under the Broadcasting Act;
 - (b) "person" shall include any natural person or legal entity and any body corporate or unincorporate;
 - (c) "Relevant Interest" means any interest (which either alone or when taken with any other interest or interests) in shares in the Company (including any interest attributed by the Directors pursuant to sub-paragraph (d) below) as a result of which (i) the Company or any subsidiary thereof would become a disqualified person in relation to any licence held by it (or awarded, but not yet granted, to it) by virtue of Part II of Schedule 2 to the Broadcasting Act, (ii) there would be any breach of, or failure to

comply with, any requirements or conditions imposed by or under section 5 and/or Parts III, IV and V of Schedule 2 to the Broadcasting Act in relation to any licence of the Company or any subsidiary thereof to which those requirements apply by the Company or any subsidiary thereof or any other person, (iii) the Commission may refuse to grant or may revoke a licence to the Company or any subsidiary thereof under the Broadcasting Act or (iv) the Company or any subsidiary thereof would otherwise be materially adversely affected in relation to any licence held by (or awarded, but not yet granted, to) it;

- (d) "Relevant Person" means any person who (i) has a Relevant Interest unless in any such case the Commission has given its consent in writing to the Company, or any subsidiary thereof, to the existence or continuance of the circumstance or circumstances which caused (or would have caused if such consent had not been given) the person to be or become a Relevant Person and (aa) such consent has not been withdrawn and (bb) there has not been any change in any circumstance which would be relevant to the Commission in considering whether to withdraw its consent or (ii) is determined by the Directors, following consultation with the Commission, to have an interest in shares in the Company which may cause the Commission to vary, revoke, determine or refuse to award, grant, renew or extend a licence to or of the Company or any subsidiary thereof. Without prejudice to the generality of the foregoing, for the purpose of determining whether any person is a Relevant Person the Directors may attribute to such person and aggregate with the interests in issued shares of such person (i) any interests which would be taken into account in deciding whether a notification to the Company would be required under Part VI of the Act on the assumption that the interests referred to in section 209(1) of the Act are not disregarded, (ii) any shares which are in the opinion of the Directors the subject of an agreement or arrangement (whether legally enforceable or not) whereby such shares are to be voted in accordance with that person's instructions (whether given by him directly or through any other person) and (iii) any interest of any associate of such person or any person controlled by or connected with such person;
- (e) "Relevant Shares" means shares in the issued capital of the Company comprised in the interest of a Relevant Person; and
- (f) "Required Disposal" shall mean a disposal or disposals in accordance with the provisions of this Article of such number of Relevant Shares as will have the result that a Relevant Person will cease to be a Relevant Person and will not cause any other person (being the transferee or a person interested for the

purposes of this Article in shares held by the transferee) to become, or continue to be, a Relevant Person.

- (2) The Directors may at any time serve a notice upon any member of the Company requiring him to furnish them with any information (to the extent that information is required in relation to a person other than such member, as far as such information lies within the knowledge of such member), supported by a declaration and by such other evidence (if any) as the Directors may require, for the purpose of determining whether such member or any person who has an interest in shares held by such member is a Relevant Person. If such information and evidence is not furnished within a reasonable time (not being less than 14 days) or the information and evidence provided is in the opinion of the Directors unsatisfactory for the purpose of so determining, the Directors may serve upon such member a further notice calling upon him, within 14 days after the service of such further notice, to furnish the Directors with such information and/or evidence or further information and/or evidence as shall in their opinion enable them so to determine.
- (3) If any person is determined by the Directors to be a Relevant Person the Company may serve written notice on the holder or holders of the Relevant Shares to the effect that such holder, or a person who is interested in the shares held by such holder, has been determined to be a Relevant Person and may call for a Required Disposal to be made and for reasonable evidence of such a disposal to be supplied to the Company within 21 days of the date of the notice or such other period as the Directors consider reasonable and which they may extend. The Directors may withdraw any such notice if it appears to them that there is no Relevant Person in relation to the shares concerned.
- (4) If a notice served under sub-paragraph (3) of this Article has not been complied with to the satisfaction of the Directors, the person or persons on whom such notice shall have been served shall be deemed to have constituted the Directors their agents and the Directors may, so far as they are able, make a Required Disposal at the best price reasonably obtainable and shall give written notice of such disposal to the person or persons on whom such notice was served. A Required Disposal by the Directors shall be completed within 30 days after the expiry of the period stated in such notice (or, if such period has been extended, the expiry of such extended period) provided that the Directors shall not be obliged to make such a Required Disposal during any period (a "restricted period") when dealings by the Directors in the Company's shares are not permitted, or are in any way restricted, either by law or by regulations of the London Stock Exchange but any Required Disposal shall be completed within 30 days after the expiry of such restricted period. If on a Required Disposal being made by the Directors, Relevant Shares are held by more than one registered holder (treating joint holders of any Relevant Shares as a single holder) the Directors shall be entitled to sell such of the Relevant Shares as they shall in their absolute discretion determine. The Directors shall not be required to give any reasons for any action taken or determination made by them in accordance with this sub-paragraph.

- (5) For the purpose of effecting any Required Disposal, the Directors may authorise in writing any officer or employee of the Company to execute, complete and deliver any necessary transfer in the name and on behalf of any registered holder and may enter the name of the purchaser in the Register and issue a new certificate to the purchaser. The net proceeds of such disposal shall be received by the Company, whose receipt shall be a good discharge for the purchase money, and shall be paid (without any interest being payable thereon) to any former registered holder upon surrender by him of any certificate in respect of the shares sold and formerly held by him. After the name of the purchaser (or his nominee) has been entered in the Register, the validity of the proceedings shall not be questioned by any person.
- (6) A registered holder of a Relevant Share who has been made the subject of a Required Disposal by a notice served under sub-paragraph (3) of this Article, or a member of the Company who has failed to comply with, or furnished information and evidence determined by the Directors to be unsatisfactory pursuant to, a notice served under sub-paragraph (2) of this Article, shall not, unless the Directors otherwise determine, be entitled to receive notice of or attend or vote at any General Meeting of the Company or meeting of the holders of any class of shares until the Directors are satisfied that either:-
- (a) the notice calling for a Required Disposal served under sub-paragraph (3) of this Article has been complied with or, if such notice has not been complied with to the satisfaction of the Directors, a Required Disposal has been made by the Directors under sub-paragraph (4) of this Article, or
 - (b) in the case of a member of the Company who has failed to comply with, or has furnished information and evidence determined by the Directors to be unsatisfactory pursuant to, a notice served under sub-paragraph (2) of this Article, such member has furnished information and evidence satisfactory to the Directors and is not a Relevant Person.
29. If the Directors refuse to register a transfer of any share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
30. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
31. The register of transfers may be closed at such times and for such periods as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty days in any year.

TRANSMISSION OF SHARES

32. In the case of the death of a registered member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein

contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.

33. Any person becoming entitled to a share in consequence of the death or bankruptcy of any member or otherwise by operation of law may upon producing such evidence of title as the Directors shall require, and (in the case of uncertificated shares) subject to compliance with such other procedures (consistent with the facilities and requirements of the relevant system concerned) as the Directors may determine, subject as hereinafter provided, either be registered himself as holder of the share, or elect to have some person nominated by him registered as the transferee thereof.
34. If the person so becoming entitled shall elect to be registered himself and, (in the case of uncertificated shares) subject to compliance with such other procedures (consistent with the facilities and requirements of the relevant system concerned) as the Directors may determine, he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects. For all purposes of these Articles relating to the registration of transfers of shares, such notice shall be deemed to be a transfer, and the Directors shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred and the notice were a transfer executed by the person from whom the title by transmission is derived.
35. If the person so becoming entitled shall elect to have his nominee registered and (in the case of uncertificated shares) subject to compliance with such other procedures (consistent with the facilities and requirements of the relevant system concerned) as the Directors may determine he shall testify his election by executing in favour of his nominee a transfer of such share. The Directors shall have, in respect of transfers so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.
36. A person entitled to a share by transmission shall (subject as provided below) be entitled to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he shall have become a member in respect of the share. The Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 60 days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

FORFEITURE OF SHARES

37. If any shareholder fails to pay the whole or any part of any call on or before the day appointed for the payment thereof, the Directors may at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on

him requiring him to pay such call, or such part thereof as remains unpaid, together with any accrued interest and any expenses incurred by the Company by reason of such non-payment.

38. The notice shall name a further day (not being less than 7 days from the date of the notice) on or before which such call or such part thereof as aforesaid, and all such interest and expenses as aforesaid, are to be paid. It shall also name the place where payment is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.
39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect.
40. A forfeiture of shares under the preceding Articles shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
41. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register opposite to the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
42. Notwithstanding any such forfeiture as aforesaid, the Directors may at any time before the forfeited share has been otherwise disposed of permit the share so forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon any further or other terms they may think fit.
43. Every share which shall be forfeited shall thereupon become the property of the Company, and, subject to the provisions of the Statutes, may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and whether with or without all or any part of the amount previously paid on the share being credited as paid. The Directors may, if necessary, authorise some person to transfer a forfeited share to any such other person as aforesaid.
44. A shareholder whose shares have been forfeited shall, notwithstanding, be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, with interest thereon to the date of payment at such rate, not exceeding 10 per cent. per annum as the Directors shall think fit, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in

respect of the shares at the time of forfeiture without any deduction or allowance for the value of the shares at the time of forfeiture.

45. The Directors may accept the surrender of any share which the Company is in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited.
46. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past members.
47. A statutory declaration in writing that the declarant is a Director of the Company, and that a share has been duly forfeited in pursuance of these Articles, and stating the time when it was forfeited, shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts therein stated, and such declaration, together with, in respect of certificated shares a certificate of proprietorship of the share under the Seal delivered to a purchaser or allottee thereof, shall (subject to the execution of any necessary transfer) constitute a good title to the share, and the new holder thereof shall be discharged from all calls made prior to such purchase or allotment, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any omission, irregularity or invalidity in or relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

CONVERSION OF SHARES INTO STOCK

48. The Company may, from time to time, by ordinary resolution of a General Meeting, convert all or any of its Paid Up shares into stock and may from time to time, in like manner, re-convert any such stock into Paid Up shares of any denomination.
49. When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein, or any part of such interests, in such manner as the Company in General Meeting shall direct, but in default of any such direction in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will admit. The Directors may, if they think fit, from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, provided that the minimum shall not exceed the nominal amount of the shares from which the stock arose, and may prescribe that stock is to be divided and transferable in units of corresponding amount.

50. The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to 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 if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such proportionate part of stock as would not, if existing in shares, have conferred such privilege or advantage.
51. All such provisions of these Articles as are applicable to Paid Up shares shall apply to stock, and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder".

INCREASE OF CAPITAL

52. The Company may from time to time, in General Meeting, whether all the shares for the time being authorised shall have been issued, or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the General Meeting resolving upon the creation thereof shall direct. Subject and without prejudice to any rights for the time being attached to the shares of any special class, any shares in such increased capital may have attached thereto such special rights or privileges as the General Meeting resolving upon the creation thereof shall direct, or, failing such direction, as the Directors shall by resolution determine, and in particular any such shares may be issued with a preferential, deferred or qualified right to dividends or in the distribution of assets and with a special or without any right of voting.
53. All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, forfeiture, transfer, transmission and otherwise, and, unless otherwise provided by these Articles, by the resolution creating the new shares or by the conditions of issue, the new shares shall be unclassified shares.
54. Subject to the provisions of the Statutes, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles.

ALTERATIONS OF CAPITAL

55. The Company may from time to time by ordinary resolution in General Meeting:
- (A) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, or

- (B) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, or
 - (C) by sub-division of its existing shares, or any of them, divide its capital, or any part thereof, into shares of smaller amount than is fixed by its Memorandum of Association, and so that as between the holders of the resulting shares one or more of such shares may by the resolution by which the sub-division is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares.
56. The Company may from time to time by Special Resolution reduce its share capital and any capital redemption reserve funds or share premium account in any manner authorised and with and subject to any incident prescribed or allowed by the Statutes.
57. Anything done in pursuance of either of the last two preceding Articles shall be done in manner provided and subject to any conditions imposed by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient, with power for the Directors, on any consolidation of shares, to deal with fractions of shares in any manner they may think fit. For the purposes of this Article, any shares representing fractional entitlements to which any member would, but for this Article, become entitled may be issued as certificated or uncertificated shares.

MODIFICATION OF SPECIAL RIGHTS

58. Subject to the provisions of the Statutes the special rights attached to any class of shares may, either with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of such holders, be varied, abrogated or directly affected. To every such separate General Meeting all the provisions of these presents relating to General Meetings, or to the proceedings thereat, shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class, and that the holders of shares of the class shall on a poll have one vote for each share of the class held by them respectively, and that if at any adjourned meeting of such holders a quorum as above defined is not present, those of such holders who are present shall be a quorum.
59. The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be varied, abrogated or directly affected by the creation or issue of further shares ranking *pari passu* therewith, notwithstanding that such shares may be created or issued

with the right to a premium upon the winding-up of the Company or subject to the right of the Company to redeem the same with or without a premium.

GENERAL MEETINGS

60. A General Meeting of the Company shall be held once in every calendar year (not being more than 15 months from the date of the last meeting) at such time and place as may be determined by the Company in General Meeting, or failing such determination by the Directors.
61. The General Meetings referred to in the last preceding Article shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.
62. The Directors may call an Extraordinary General Meeting whenever they think fit, 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.
63. 21 clear days' notice in writing at the least of every meeting convened for the purpose of passing a Special Resolution and of every Annual General Meeting and 14 clear days' notice in writing at the least of every other General Meeting, specifying the place, the day and the hour of meeting, and in the case of special business the general nature of such business, shall be given in manner hereinafter mentioned to such persons (including the Auditors) as are under the provision hereinafter contained or under the Act entitled to receive notices from the Company Provided always that with such consents as are prescribed by sections 369(3), 369(4) and 378(3) of the Act a meeting may be convened upon a shorter notice and in such manner as the consenting members may approve; but the accidental omission to give such notice or to send a form of proxy with a notice where required by these Articles to or the non-receipt of such notice or form of proxy by any person entitled to receive the same shall not invalidate any resolution passed or proceeding had at any such meeting. Every notice of an Annual General Meeting shall describe the meeting as an Annual General Meeting and every notice of a General Meeting or of a class meeting shall comply with any requirements of the Statutes as regards the notification to members of their rights as to the appointment of proxies.
64. (1) The Directors may resolve to enable persons entitled to attend a General Meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world and the members present in person or by proxy at satellite meeting places shall be counted in the quorum for and entitled to vote at the General Meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the Chairman of the General Meeting is satisfied that adequate facilities are available throughout the General Meeting to ensure that members attending at all the meeting places are able to (i) participate in the business for which the meeting has been convened, (ii) hear and see all persons who speak (whether by the use of microphones, loudspeakers,

audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place and (iii) be heard and seen by all other persons so present in the same way. The Chairman of the General Meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

- (2) If it appears to the Chairman of the General Meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in paragraph (1), then the Chairman may, without the consent of the meeting, interrupt or adjourn the General Meeting for such time and/or to such other place as he may in his absolute discretion determine. All business conducted at that General Meeting up to the time of such adjournment shall be valid.
- (3) The Directors may make arrangements for persons entitled to attend a General Meeting to be able to view and/or hear the proceedings of any General Meeting and/or to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise), by attending a venue anywhere in the world not being a satellite meeting place and those attending any such venue shall not be regarded as present and shall not be entitled to vote at the meeting at or from that venue and the inability for any reason of any member present in person or by proxy at such a venue to view and/or hear all or any of the proceedings of the meeting and/or to speak at the meeting shall not in any way affect the validity of such proceedings.
- (4) The Directors may from time to time make such arrangements for controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some other means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a member who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.
- (5) Where the provisions of this Article 64 are relevant to a General Meeting, the notice shall specify which venues are designated as satellite meeting places for the purposes of paragraph (1) above and which venues are available for those persons entitled to attend such General Meeting as described in paragraph (3) above.
- (6) For the purposes of this Article 64, the right of a member to participate in the business of any General Meeting shall include, without limitation, the right to speak; vote on any show of hands; vote on any poll; be represented by a proxy; and have access to all documents which are

required by the Statutes and these regulations to be made available at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

65. All business shall be deemed special that is transacted at an Extraordinary General Meeting. All business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the balance sheet and profit and loss account, the group accounts (if any), and the reports of the Directors and Auditors and other documents required to accompany or be annexed to the balance sheet, the election of Directors in place of those retiring, and the appointment and fixing of the remuneration of the Auditors.
66. The Directors and, at any General Meeting, the Chairman may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security and orderly conduct of a General Meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Directors are and, at any General Meeting, the Chairman is entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.
67. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Three members personally present shall be a quorum for all purposes.
68. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, or if during a meeting such quorum ceases to be present the meeting, if convened by or on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the members present shall be a quorum.
- 69.(1) The Chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, as the meeting shall determine. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the members shall not be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
- (2) Any such adjournment may be for such time as the Chairman may, in his absolute discretion determine, and the Chairman shall have power to specify some other place for holding the meeting, notwithstanding that by reason of

such adjournment some members may be unable to be present at the adjourned meeting. Any such member may nevertheless execute a form of proxy for the adjourned meeting which, if delivered by him to the Chairman or the Secretary, shall be valid even though it is given at less notice than would otherwise be required by these Articles.

70. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the Chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon. In the case of a resolution duly proposed as a special or extraordinary resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
71. The Chairman (if any) of the Board of Directors shall preside at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the same, or shall be present but unwilling to act as Chairman, the members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting.
- 72.(1) At any General Meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman of the meeting or by at least three members for the time being entitled to vote at the meeting, or by a member or members representing one-tenth or more 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, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book 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. The demand for a poll may be withdrawn. A demand so withdrawn shall not be taken to have invalidated the results of a show of hands declared before the demand was made. The instrument appointing a proxy to vote at a meeting shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of this Article a demand by a person as proxy for a member shall be the same as a demand by the member. Such instrument appointing a proxy shall not confer any further right to speak at a meeting, except with the permission of the Chairman.
- (2) If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and it is in

the opinion of the Chairman of the meeting of sufficient magnitude to vitiate the result of the voting.

- (3) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered, and every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.
 - (4) On a poll votes may be given either personally or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 73. Subject as provided in Article 74, if a poll be demanded in manner aforesaid, it shall be taken at such time within 14 days and place and in such manner as the Chairman shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 clear days' notice shall be given specifying the time and place at which the poll is to be taken.
 - 74. No poll shall be demanded on the election of a Chairman of a meeting or on any question of adjournment.
 - 75. In the case of an equality of votes, either on a show of hands or at a poll, the Chairman of the meeting shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member.
 - 76. 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.
 - 77. Where for any purpose an ordinary resolution of the Company is required, a Special or Extraordinary Resolution shall also be effective and where for any purpose an Extraordinary Resolution is required a Special Resolution shall also be effective.

VOTES OF MEMBERS

- 78. Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any shares in the capital of the Company, on a show of hands every member personally present shall have one vote only, and in case of a poll every member shall have one vote for every share held by him.
- 79. If a member be incapable by reason of mental disorder of managing and administering his property and affairs he may vote, whether on a show of hands or at a poll, by his receiver or other person authorised to act on his behalf and such last-mentioned persons may give their votes either personally or on a poll

by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

80. If two or more persons are jointly entitled to a share, then, in voting upon any question, the vote of a senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register.
81. Save as herein expressly provided, no member other than a member duly registered who shall have paid everything for the time being due from him and payable to the Company in respect of his shares shall be entitled to vote on any question either personally or by proxy at any General Meeting or at any separate meeting of the holders of any class of shares in the Company.
- 82.(1) If at any time the Directors are satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 212 of the Act (a "section 212 notice") and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular then the Directors may, in their absolute discretion at any time thereafter by notice (a "direction notice") to such member (which shall be conclusive against such member and its validity shall not be questioned by any person) direct that:
 - (a) in respect of the shares in relation to which the default occurred (the "default shares" which expression shall include any further shares which are allotted or issued in respect of such shares) the member shall not be entitled to vote at a General Meeting of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company;
 - (b) where the default shares represent or comprise at least 0.25 per cent. in nominal value of the issued shares of any class of shares in the capital of the Company, then the direction notice may additionally direct in respect of the default shares of any such class that:
 - (i) except on a winding up of the Company, no payment shall be made of any sums due from the Company on or in respect of the default shares, whether in respect of capital or dividend or otherwise, and the Company shall not be liable nor meet any liability to pay interest thereon when such money is finally paid to the member;
 - (ii) no other distribution shall be made on the default shares;

(iii) no transfer of any of the default shares held by such member shall be registered unless:

(aa) the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the Directors may in their absolute discretion require to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or

(bb) the transfer is an approved transfer.

The Company shall send to each other person appearing to be interested in any of the default shares a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.

(2) Any direction notice shall cease to have effect in respect of default shares on the expiry of a period of 7 days after the earlier of:

(a) receipt by the Company of notice in relation to any shares which are transferred by such member that such a transfer was an approved transfer; or

(b) the Directors being satisfied that such member and any other person appearing to be interested in shares held by such member, has given to the Company the information required by the relevant section 212 notice.

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

(4) For the purposes of this Article 82:

(a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said section 212 which either (aa) names such person as being so interested or (bb) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

(b) the prescribed period is 28 days from the date of service of the said section 212 notice unless the default shares represent or comprise at least 0.25 per cent. in nominal value of the issued shares of any class of shares in the capital of the Company, when the prescribed period in respect of the default shares of any such class is 14 days from such date of service;

(c) a transfer of shares is an approved transfer if but only if:

- (i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer (as defined in section 428 of the Act; or
- (ii) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares the subject of the transfer to a party unconnected with the member and with other persons appearing to be interested in such shares; or
- (iii) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

(5) Nothing contained in this Article shall limit the power of the Company under section 216 of the Act.

83. Votes may be given either personally or by proxy. On a show of hands a member present only by proxy shall have no vote, but a proxy for a corporation may vote on a show of hands. A proxy need not be a member.
84. Any corporation which is a member of this Company may, by resolution of its Directors or other governing body, authorise any person to act as its representative at any meeting of this Company or of any class of members thereof; and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder, including power, when personally present, to vote on a show of hands. A Director, the Secretary or other person authorised for the purpose by the Secretary may require such person to produce a certified copy of the resolution of authorisation or other authority before permitting him to exercise his powers.
85. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or, if such appointor is a corporation, either under its common seal or under the hand of some officer or attorney duly authorised in that behalf, and shall be in any usual form or in any other form which the Directors may approve. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion. An instrument of proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
86. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or authority,

shall be left at such place or places as may be specified for that purpose in the notice convening the meeting (or, if no place is so specified, at the Office) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or in the case of a poll not less than 24 hours before the time appointed for the making of the poll, and in default the instrument of proxy shall not be treated as valid.

87. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
88. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which it was executed, or the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting. No instrument of proxy shall be valid after the expiration of 12 months from the date stated in it as the date of its execution. When two or more valid instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share.

DIRECTORS

89. Until otherwise determined by ordinary resolution of the Company, the number of Directors shall not be less than two nor more than twenty.
90. Unless and until otherwise determined by the Company in General Meeting, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy or any other age, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being appointed, elected or re-elected (as the case may be) as a Director notwithstanding that at the time of such appointment, election or re-election he has attained the age of seventy, and no special notice need be given of any resolution for the appointment, election or re-election or approving the appointment, election or re-election as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be appointed, elected or re-elected as such.
91. The Directors may from time to time appoint any other person to be a Director either to fill a casual vacancy or by way of addition to the Board, but so that any

limit to the number of Directors shall not be thereby exceeded. Any Director appointed under this Article 91 shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall be eligible for election as a Director at that meeting. He shall not at such meeting be taken into account in determining the rotation or retirement of Directors or the number of Directors to retire.

92. The continuing Directors at any time may act, notwithstanding any vacancy in their body; provided always that in case the Directors shall at any time be or be reduced in number to less than the minimum number fixed by or in accordance with these Articles, it shall be lawful for them to act as Directors for the purpose of filling up vacancies in their body or calling a General Meeting of the Company, but not for any other purpose.
93. Except as otherwise authorised by the Act, the election or re-election of any person proposed as a Director shall be effected by a separate resolution.
94. A Director shall not be required to hold any shares in the capital of the Company. A Director who is not a member shall nevertheless be entitled to receive notice of and attend and speak at all General Meetings of the Company and all separate meetings of the holders of any class of shares in the capital of the Company.
95. The remuneration of the Directors for their services as Directors shall be at such rate as may from time to time be determined by the Directors provided that the aggregate of all fees so paid to Directors (excluding amounts payable under any other provision of these Articles) shall not exceed £200,000 per annum or such larger amount as the Company by ordinary resolution may determine. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses properly incurred by them in or about the business of the Company, including their expenses of travelling to and from Board or committee meetings.
96. The Directors may grant special remuneration to any member of the Board who, being called upon, shall be willing to render any special or extra services to the Company, or to go or reside abroad in connection with the conduct of any of the affairs of the Company. Such special remuneration may be made payable to such Directors in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary, or by a percentage of profits, or by any or all of those modes.
97. Subject to the provisions of sections 312 and 313 of the Act and without prejudice to any other powers conferred upon them by the Memorandum and Articles of the Company, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. No Director or former Director shall be accountable to the Company or the members for any

benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

EXECUTIVE DIRECTORS

98. The Directors may from time to time appoint one or more of their body to be the Chief Executive or a Managing Director or Joint Managing Director, for such period, at such remuneration and upon such terms as to the duties to be performed, the powers to be exercised and all other matters as they think fit, but so that no Executive Director shall be invested with any power to make calls, forfeit shares or issue debentures or with any powers or entrusted with any duties which the Directors themselves could not have exercised or performed. The remuneration of an Executive Director may be by way of salary or commission or participation in profits, or by any or all of those modes, and it may be made a term of his appointment that he be paid a pension or gratuity on retirement from his office.

ALTERNATE DIRECTORS

- 99.(1) Any Director may at any time appoint any person approved by the Board as an alternate Director of the Company to act for him and may at any time remove any alternate Director so appointed by him from office. An alternate Director so appointed shall not be entitled to receive any remuneration from the Company, but shall otherwise be subject to the provisions of these presents with regard to Directors. An alternate Director shall be entitled to receive notices of all meetings of the Board, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor (except as regarding power to appoint an alternate) as a Director in the absence of such appointor. An alternate Director shall, ipso facto, cease to be an alternate Director if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation but is re-elected by 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. All appointments and revocations of appointments of alternate Directors shall be effected in writing under the hand of the Director making or revoking such appointment. Any person approved by the Board may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at any meeting of the Directors or any committee of the Directors to one vote for every Director whom he represents (and who is not present) in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present. Save as otherwise expressly provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and, accordingly, except where the context otherwise requires, references to a Director shall be deemed to include a reference to an alternate Director. An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

- (2) An alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director but shall not in respect of his services as an alternate Director be entitled to receive any remuneration from the Company. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

SECRETARY

100. The Secretary shall be appointed by the Directors for such time at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The provisions of sections 283 and 284 of the Act shall apply and be observed. The Directors may from time to time by resolution appoint an assistant or deputy Secretary to exercise the functions of the Secretary.

THE SEAL

- 101.(1) The Directors shall provide for the safe custody of the Seal which shall not be affixed to any instrument except by the authority of a resolution of the Directors or of a committee of the Directors. Except where otherwise provided by these Articles, and unless and until the Directors shall otherwise determine, every instrument to which the Seal shall be affixed shall be signed by at least one Director and countersigned by the Secretary or a second Director or some other person appointed in that behalf by the Directors, 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 Seal has been properly affixed. Every share certificate shall be issued under Seal or in such other manner as the Directors, having regard to the terms of issue, the Statutes and the regulations of the London Stock Exchange, may authorise. The Directors may by resolution decide, either generally or in any particular case or cases, that any signatures on any certificates for shares or debentures or representing any other form of security need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.
- (2) Where the Statutes so permit, any instrument or document signed by one Director and the Secretary or by two Directors and expressed (using any form of words) to be executed by the Company shall have the same effect as if executed under the Seal.
- (3) An instrument or document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of it having been executed by the Company.
102. Subject to the provisions of the Statutes, the Company may keep an overseas or local or other register in any place, and the Directors may make, amend and revoke any such regulations as it may think fit respecting the keeping of the register.

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

POWERS OF DIRECTORS

104. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company (including the powers expressly mentioned in clause 4 of the Memorandum of Association of the Company), and do on behalf of the Company all such acts as may be exercised and 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 any provisions of these Articles, to the provisions of the Statutes, and to such resolution being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no resolution made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such resolution had not been passed.
105. The Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad and may for this purpose (without prejudice to the generality of their powers) appoint local Boards, attorneys and agents, and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The Company may exercise all the powers of section 39 of the Act and the official Seal shall be affixed by the authority and in the presence of, and the instruments sealed therewith shall be signed by, such persons as the Directors shall from time to time by writing under the Seal appoint. The Company may also exercise the powers of section 362 and Schedule 14 of the Act with reference to the keeping of overseas branch registers. The obligations and conditions imposed by those provisions and any provisions ancillary thereto shall be duly observed.

BORROWING

- 106.(1) Subject as hereinafter provided, and to the Statutes the Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets both present and future (including uncalled capital) and to issue debentures, debenture stock and other securities, whether

outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

- (2) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries and subsidiary undertakings (if any) so as to secure (as regards subsidiaries and subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any fixed or minimum premium payable on final redemption) for the time being remaining undischarged of all moneys borrowed by the Group (which expression in this Article means the Company, its subsidiaries and subsidiary undertakings for the time being) (exclusive of moneys borrowed by the Company from and for the time being owing to any subsidiary or subsidiary undertaking of the Company or by any such subsidiary or subsidiary undertaking from and for the time being owed to the Company or any other such subsidiary or subsidiary undertaking) shall not without the previous sanction of an ordinary resolution of the Company in General Meeting exceed:

(a) an amount equal to two times the aggregate of:-

- (i) the amount for the time being paid up (or credited as or deemed to be paid up) on the issued share capital of the Company and on any share capital of the Company which has been unconditionally allotted but not issued; and
- (ii) the amounts standing to the credit of the capital and revenue reserves of the Company and its subsidiaries and subsidiary undertakings (if any) (including without limitation any share premium account, capital redemption reserve or revaluation reserve) but excluding therefrom any reserves for taxation or amounts attributable to the interests of minority members in subsidiaries and subsidiary undertakings and including the amount standing to the credit or deducting the amount standing to the debit of the profit and loss account,

all as shown in the latest Balance Sheet, but after:

- (aa) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up (or credited as or deemed to be paid up) share capital or any such reserves subsequent to the date of the relevant Balance Sheet and so that for this purpose (1) if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such

underwriting was conditional, on the date when it became unconditional) and (2) subject as aforesaid, share capital (including any premium) shall be deemed to have been paid up as soon as it has been unconditionally agreed to be subscribed or taken up (within six months of the date of agreement) by any person;

- (bb) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company, its subsidiaries or subsidiary undertakings (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company, subsidiary or subsidiary undertaking (as the case may be) to the extent that such distribution is not provided for in such Balance Sheet;
- (cc) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries or subsidiary undertakings since the date of such Balance Sheet;
- (dd) making all such adjustments, if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary or subsidiary undertaking, as would be appropriate if such transaction had been carried into effect; and
- (ee) making such further adjustments as the Auditors shall consider appropriate

plus

- (b) an amount equal to goodwill arising on acquisitions which has been or in the future is written off under the provisions of Statement of Accounting Practice Number 22 or equivalent provisions under a future United Kingdom Accounting Standard.

(3) For the purposes hereof:-

- (a) Moneys borrowed shall be deemed to include:-
 - (i) the principal amount for the time being owing in respect of any debentures (within the meaning of Section 744 of the Act) whether issued in whole or in part for cash or a consideration other than cash together with any fixed or minimum premium payable on final redemption;
 - (ii) the nominal amount of any share capital issued and the principal amount of any money borrowed the repayment

whereof is guaranteed or secured by or is the subject of an indemnity given by the Company, any subsidiary or any subsidiary undertaking (together in each case with any fixed or minimum premium payable on final redemption or repayment) except so far as either (a) such share capital or the debt owing in respect of such borrowed money is for the time being beneficially owned by the Company or by a subsidiary or subsidiary undertaking, or (b) such borrowed money is otherwise taken into account as money borrowed by the Company or a subsidiary or subsidiary undertaking;

- (iii) the principal amount of acceptances by any bank accepting house under any acceptance credit opened on behalf of and in favour of the Company or any of its subsidiaries or subsidiary undertakings, not being acceptances of trade bills for the purchase of goods in the ordinary course of business; and
 - (iv) the nominal amount of any issued share capital of a subsidiary or subsidiary undertaking (not being equity share capital) owned otherwise than by the Company or a subsidiary or subsidiary undertaking together with any fixed or minimum premium payable on final redemption.
- (b) Moneys borrowed or raised by the Company or a subsidiary or subsidiary undertaking which would otherwise fall to be taken into account for the purposes of the limit set out in sub-paragraph (a) of this paragraph and intended to be applied within six months of first being so borrowed or raised in repaying other moneys borrowed falling to be taken into account for the purposes of such limit shall pending such application or the expiry of such period whichever shall be the earlier be deemed not to be moneys borrowed;
- (c) Moneys borrowed by a subsidiary or subsidiary undertaking which is not a wholly-owned subsidiary or subsidiary undertaking (respectively a "partly owned subsidiary" or "partly owned subsidiary undertaking") shall be deemed to be reduced by an amount equal to the minority proportion (namely the proportion of the issued equity share capital of the partly owned subsidiary or the partly owned subsidiary undertaking which is not beneficially owned directly or indirectly by the Company or another subsidiary or subsidiary undertaking) of such moneys borrowed: moneys borrowed by the Company or a subsidiary or a subsidiary undertaking from a partly owned subsidiary or partly owned subsidiary undertaking which would fall to be excluded as being moneys borrowed owing by the Company or a subsidiary or subsidiary undertaking shall nevertheless be included to the extent of an amount equal to such minority proportion of such moneys borrowed;
- (d) A sum equal to the amount of moneys borrowed of a company which becomes a subsidiary or subsidiary undertaking and which are

outstanding at the date when such company becomes a subsidiary or subsidiary undertaking shall, for a period of six months from the date of such event, be deemed not to be moneys borrowed for the purposes of the limit set out in paragraph (2) of this Article;

- (e) Any company which it is proposed shall become or cease to be a subsidiary or subsidiary undertaking contemporaneously with any relevant transaction shall be treated as if it had already become or ceased to be a subsidiary or subsidiary undertaking;
- (f) When the aggregate amount of moneys required to be taken into account for the purposes of this paragraph on any particular day is being ascertained, any such moneys denominated or repayable (or repayable at the option of any person other than the Company or a subsidiary or subsidiary undertaking) in a currency other than sterling (and in respect of which the borrower thereof has not entered into arrangements effectively to convert the liability in respect thereof into a liability to pay a specified amount in sterling) shall be translated for the purpose of calculating the sterling equivalent at the rate of exchange for each such currency used for the purpose of such Balance Sheet;
- (g) There shall be credited against the amount of any moneys borrowed any amounts beneficially owned by the Company or any of its subsidiaries or subsidiary undertakings which are deposited with any bank or other person (whether on current account or otherwise) not being the Company or one of its subsidiaries or subsidiary undertakings and which are repayable to the Company or any of its subsidiaries or subsidiary undertakings on demand or within a year and a day of any demand, subject, in the case of money deposited by a subsidiary or subsidiary undertaking which is not a wholly-owned subsidiary or subsidiary undertaking, to the exclusion of a proportion thereof equal to the minority proportion (as defined in sub-paragraph (c) above);
- (h) No moneys borrowed shall be included in the same calculation more than once; and
- (i) "Balance Sheet" shall mean the audited balance sheet of the Company unless at the date of the then latest such balance sheet there shall have been made up and audited a consolidated balance sheet of the Company and its subsidiaries and subsidiary undertakings (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Act) and in the latter event "Balance Sheet" shall mean the audited consolidated balance sheet of the Company and such subsidiaries and subsidiary undertakings, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries and subsidiary undertakings.

- (4) A certificate or report by the Auditors as to the amount referred to in paragraph (2) above or the amount of moneys borrowed or secured or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article.
 - (5) No person dealing with the Company or any of its subsidiaries or subsidiary undertakings shall by reason of the foregoing provisions be concerned to see or inquire whether this limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the limit hereby imposed had been or would thereby be exceeded.
107. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such a manner as the Board shall from time to time by resolution determine.

DISQUALIFICATION OF DIRECTORS

108. The office of a Director shall be vacated:-

- (a) If a receiving order is made against him, or he makes any arrangement or composition with his creditors generally.
- (b) If he becomes incapable by reason of mental disorder within the meaning of the Mental Health Act 1983, of discharging his duties as a Director.
- (c) If he absents himself from the meetings of the Directors during a continuous period of six calendar months without special leave of absence from the Directors, and his alternate Director (if any) shall not during such period have attended in his stead, and the Directors pass a resolution that he has by reason of such absence vacated office.
- (d) If he ceases to be or is prohibited from being a Director by virtue of any provisions of the Statutes or these Articles or he becomes prohibited by law from being a Director.
- (e) If by notice in writing to the Company he resigns his office or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 91.
- (f) If he is removed from office by a resolution duly passed pursuant to sections 303 and 304 of the Act.
- (g) If he is requested to resign in writing by not less than three-quarters of the other Directors. In calculating the number of Directors who are required to make such a request to the Director, (i) there shall be excluded any alternate Director appointed by him acting in his capacity

as such; and (ii) a Director and any alternate Director appointed by him and acting in his capacity as such shall constitute a single Director for this purpose, so that the signature of either shall be sufficient.

109. A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director and on such terms as to remuneration and otherwise as the Directors shall approve. Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 110.(1) No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, or from being interested whether directly or indirectly in any contract or arrangement entered into by or on behalf of the Company. No such contract or arrangement in which any Director shall be so interested shall be avoided, nor shall any Director so contracting, or being so interested, be liable to account to the Company for any profit realised by him from such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director so interested in any contract or arrangement shall declare the nature of his interest in accordance with the provisions of the Act. An interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- (2) Save as herein provided, a Director shall not vote in respect of any contract, transaction or arrangement 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*.
- (3) 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:-
- (a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) the giving of any guarantee, 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;
 - (c) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;

- (d) his interest arises in relation to the subscription or purchase by him of shares, debentures or other securities of the Company pursuant to an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of it;
- (e) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (f) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor 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 any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- (g) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme which has been approved, or is subject to and conditional upon approval, by the Board of Inland Revenue for taxation purposes;
- (h) the resolution relates to any contract or arrangement for the benefit of employees of the Company or any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to whom the contract or arrangement relates; or
- (i) any proposal concerning any insurance which the Company is empowered to purchase or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company provided that for the purposes of this paragraph insurance shall mean only insurance against liability incurred by a Director in respect of any such act or omission by him as is referred to in Article 156(2) or any other insurance which the Company is empowered to purchase or maintain for or for the benefit of any groups of persons consisting of or including Directors of the Company.

For the purpose of determining whether a proposal concerns a company in which a Director is interested, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion of remainder if and so long as some other person is entitled to receive the income thereof, and of any shares comprised in an authorised unit trust in which the Director is only interested as a unit holder. For the purposes of this Article, an interest of a person who is, for any purpose of the Statutes (excluding any statutory modification thereof not in force when this Article becomes binding on the Company),

connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

- (4) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or 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 the proviso to paragraph (3)(f) 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.
 - (5) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned has not been fairly disclosed. If any such question arises in respect of the Chairman of the meeting, it shall be decided by resolution of the Board (on which the Chairman shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the Chairman have not been fairly disclosed.
111. Any Director may continue to be or become a director, managing director, manager or other officer or member of any other company in which this Company may be interested, and (unless otherwise agreed) no such director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such other company. Notwithstanding anything contained in the last preceding Article, the Directors may exercise the voting powers 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, managing directors, managers or other officers of such company), and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a director, managing director, manager or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

ROTATION OF DIRECTORS

112. At the Annual General Meeting in each year, one-third of the Directors for the time being or if their number is not a multiple of three then the number nearest to but not exceeding one-third shall retire from office.

113. The Directors to retire at every Annual General Meeting shall be the Directors who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall in the absence of agreement be selected from among them by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board of Directors at the date of the notice convening the Annual General Meeting and no Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Board of Directors after the date of the notice but before the close of the meeting. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.
114. The Company may, at the meeting at which any Director retires in manner aforesaid, fill up the vacated office by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected unless at such meeting it is resolved not to fill up the vacated office or a resolution for the re-election of the retiring Director has been rejected.
115. No person not being a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for the office of Director at any General Meeting unless, within the prescribed time before the day appointed for the meeting, there shall have been given to the Secretary notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing, signed by the person to be proposed, of his willingness to be elected.
116. The prescribed time above mentioned shall be such that, between the date when the notice is served, or deemed to be served, and the day appointed for the meeting, there shall be not less than 7 nor more than 28 clear intervening days.
117. The Company may from time to time by ordinary resolution in General Meeting increase or reduce the number of Directors, and may make the appointments necessary for effecting any such increase, and may determine in what rotation such increased or reduced number shall go out of office.
118. In addition and without prejudice to the provisions of sections 303 and 304 of the Act, the Company may by Extraordinary Resolution remove any Director before the expiration of his period of office, and may, if thought fit, by Ordinary Resolution appoint another person in his stead; any person so appointed shall retain his office so long only as the Director in whose place he is appointed would have held the same if he had not been removed, but shall be eligible for re-election.

PROCEEDINGS OF DIRECTORS

119. The Directors or any committee of Directors may meet together for the despatch 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 shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. Any Director may waive notice of a meeting and any such waiver may be retrospective. Any Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting of the Directors if no Director objects.

120. A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors by notice served upon the several members of the Board. But a Director who is absent from the United Kingdom shall not be entitled to notice of any meeting of Directors.
121. The Directors or any committee of the Directors may from time to time elect a Chairman, who shall preside at their meetings, but if no such Chairman be elected, or if at any meeting the Chairman be not present within 15 minutes after the time appointed for holding the same, a substitute for that meeting shall be appointed by such meeting from among the Directors present.
122. The Directors may delegate any of their powers, other than the power to make calls, to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed upon them by the Board. The Directors may co-opt onto any such committee persons other than Directors, who may enjoy voting rights in committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are Directors. Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers delegated and may be made subject to such conditions as the Board may specify, and may be revoked or altered.
123. All acts bona fide done by any meeting of Directors, or by a committee of Directors or by any person acting as a Director or as a member of a committee of Directors shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Director. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted. Any such resolution in writing may consist of several documents in like form each signed by one or more of such Directors. The signature of any alternate Director appointed by a Director shall be sufficient in place of the signature of the Director but it shall not be necessary for an alternate Director to sign such a resolution on his own behalf.

124. The Directors may, by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in the Directors) and on such conditions as the Directors determine, including authority for the agent or agents to delegate all or any of his or their powers, authorities and discretions, and may revoke or vary such delegation.
125. The Directors may appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles.
126. The Directors shall cause proper minutes to be made in books to be provided for the purpose of all appointments of officers made by the Directors, of the proceedings of all meetings of Directors and committees of Directors, and of the attendances thereat, and of the proceedings of all meetings of the Company and all business transacted, resolutions passed and orders made at such meetings, and any such minutes of any such meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting of the Company or Directors or committee, as the case may be, shall be sufficient evidence without any further proof of the facts therein stated.
127. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Directors or of a committee of the Directors (not being less than the number of Directors required to form a quorum) shall be as valid and effectual as if it had been passed at a meeting of the Directors or (as the case may be) a committee of the Directors duly convened and held and for this purpose:
- (a) a resolution may consist of several documents to the same effect each signed by one or more Directors;
 - (b) a resolution signed by an alternate Director need not also be signed by his appointor; and
 - (c) a resolution signed by a Director who has appointed an alternate Director need not also be signed by the alternate Director in that capacity.
128. Without prejudice to the first sentence of Article 119, a meeting of the Board or of a committee of the Board may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place

where the largest group of those participating in the conference is assembled, or, if there is no such group, where the Chairman of the meeting then is.

DIVIDENDS AND RESERVE FUND

129. Subject to any rights or privileges for the time being attached to any shares in the capital of the Company having preferential deferred or other special rights in regard to dividends, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts Paid Up thereon respectively otherwise than in advance of calls. All dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date or in respect of a particular period, such share shall rank for dividend accordingly.
130. The Directors may, with the sanction of a General Meeting, from time to time declare dividends, but no such dividend shall (except as by the Statutes expressly authorised) be payable otherwise than out of the distributable profits of the Company. No higher dividend shall be paid than is recommended by the Directors, and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive. The Directors may, if they think fit, and if in their opinion the position of the Company justifies such payment, without any sanction as aforesaid, from time to time declare and pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but no interim dividend shall be declared or paid on shares carrying deferred or non-preferred rights if, at the time of declaration or payment, any preferential dividend is in arrear. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the declaration or lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
131. With the sanction of a General Meeting, dividends may be paid wholly or part in specie, and may be satisfied in whole or in part by the distribution amongst the members in accordance with their rights of fully paid shares, stock or debentures of any other company, or of any other property suitable for distribution as aforesaid. The Directors shall have full liberty to make all such valuations, adjustments and arrangements, and to issue all such certificates or documents of title as may in their opinion be necessary or expedient with a view to facilitating the equitable distribution amongst the members of any dividends or portions of dividends to be satisfied as aforesaid or to giving them the benefit of their proper shares and interest in the property, and no valuation, adjustment or arrangement so made shall be questioned by any member.
132. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper to a reserve fund or

reserve account, which shall at the discretion of the Directors be applicable for meeting contingencies, or for repairing, improving or maintaining any works connected with the business of the Company, or for any other purposes for which the profits of the Company may lawfully be applied, or shall, with the sanction of the Company in General Meeting, be as to the whole or in part applicable for equalising dividends, or for distribution by way of special dividend or bonus, and the Directors may divide the reserve fund into separate funds for special purposes, and may either employ the sums from time to time carried to the credit of such fund or funds in the business of the Company or invest the same in such investments (other than the shares of the Company) as they may select. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company.

133. The Directors may deduct from any dividend or other moneys payable in respect of any shares held by a member, either alone or jointly with any other member, all such sums of money (if any) as may be due and payable by him either alone or jointly with any other person to the Company on account of calls or otherwise. The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions of these Articles as to transmission of shares entitled to become a member, or which any person under those provisions is entitled to transfer, until such person (or their transferee) shall become a member in respect of such shares.
134. Any dividend or other moneys payable in respect of any share may be paid by cheque or warrant, or by other method payable to the order of the member entitled thereto, or (in the case of joint holders) of that member whose name stands first on the Register in respect of the joint holding, or to such person as the member entitled may in writing direct.
135. Every cheque or warrant, or other method or payment of any dividend or other moneys payable in respect of any share may be sent by post or equivalent means of delivery to the last registered address of the member entitled thereto or to such address as the member entitled may in writing direct or by such other method (including direct debit or bank transfer) as the Directors consider appropriate. Payment of the cheque, warrant or other financial instrument shall be a good discharge to the Company. Every such cheque, warrant, financial instrument or other form of payment shall be sent at the risk of the person entitled to the money represented thereby. The Company shall have no responsibility for any sums lost or delayed in the course of any such transfer.
136. Any dividend, instalment of dividend or interest in respect of any share may be paid by cheque or warrant payable to the order of the member entitled thereto, or (in the case of joint holders) of that member whose name stands first on the register in respect of the joint holding.
137. Every cheque or warrant in payment of any dividend, instalment of dividend or interest in respect of any share shall (unless otherwise directed) be sent by post to the last registered address of the member entitled thereto, and the receipt of the person whose name appears on the Register as the owner of any share, or, in

the case of joint holders, or any one of such holders, or of his or their agent duly appointed in writing, shall be a good discharge to the Company for all dividends or other payments made in respect of such share. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

138. No unpaid dividend or interest shall bear interest as against the Company.
139. Any dividend which has remained unclaimed for twelve years from the date of declaration shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company. The payment by the Board of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account and shall not constitute the Company a trustee thereof. The Company shall be entitled to cease sending dividend warrants and cheques by post (or to use any other method of payment) to a member if in respect of at least two consecutive occasions such instruments have been returned undelivered or left uncashed by that member (or that other method of payment has failed). The entitlement conferred on the Company by this Article in respect of any member shall cease if such member claims a dividend or cashes a dividend warrant or cheque.
140. The Directors may, with the sanction of an ordinary resolution of the Company, offer any holders of Ordinary Shares and/or Convertible Preference Shares and/or Further Convertible Preference Shares (any one or more of which are hereinafter referred to as "holders") the right to elect to receive shares credited as fully paid, in whole or in part, instead of cash in respect of such dividend or dividends (or some part to be determined by the Directors) as may be specified by the resolution. The following provisions shall apply:-
- (a) the said resolution may specify a particular dividend, or may specify all or any dividends declared or to be declared or paid in respect of a specified period or periods, or for payment not later than the beginning of the Annual General Meeting next following the passing of such resolution or such later Annual General Meeting as may be specified by the resolution;
 - (b) save where the Directors otherwise determine, the basis of allotment of shares shall be that the Relevant Value for each holder shall be as nearly as possible equal to (but not more than) the cash amount (exclusive of any imputed tax credit) that such holder would have received by way of the dividend foregone. For the purpose of this clause "Relevant Value" shall (save where the Directors otherwise determine) be calculated by reference to the average of the middle market quotations for the Company's shares on the London Stock Exchange as derived from the Daily Official List for the day when the shares are first quoted "ex" the relevant dividend and the four immediately following business days or calculated in such other manner as may be determined by or in accordance with the ordinary resolution, but shall never be less than par value; a certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;

- (c) the Board may notify the holders in writing of any right of election offered to them, and may send to holders at any time forms of election applicable to such right of election or to more than one such right of election, such forms specifying the procedure to be followed and the place at which, and the latest time or date by which, duly completed forms of election or notices from holders amending or terminating existing elections, must be lodged in order to be effective;
- (d) the dividend (or that part of the dividend for which a right of election has been given) shall never become payable in cash on shares for which the election has been duly effected ("Elected Shares") and additional shares shall instead be allotted to the holders of the Elected Shares (or where such holders are holding such shares on behalf of an employees' share scheme (as such term is defined in the Act), and at and in accordance with the direction of such holders, to the members of such employees' share scheme) on the basis of allotment determined as aforesaid. For such purpose the Board shall appropriate, as they see fit, out of such of the sums standing to the credit of any reserve or fund (including the profit and loss account), whether or not the same is available for distribution, as the Board may determine, a sum equal to the aggregate nominal amount of the additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Elected Shares (or members of such employees' share scheme) on such basis;
- (e) the additional shares so allotted shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue save only as regards participation in the dividend in place of which they were allotted;
- (f) no fraction of a share shall be allotted. The Board may make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any holder and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such holder of fully paid shares and/or provisions whereby cash payments may be made to holders in respect of their fractional entitlements;
- (g) the Board may do all acts and things considered necessary or expedient to give effect to the allotment and issue of any shares in accordance with the provisions of this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person to enter, on behalf of all the holders concerned, into an agreement with the Company providing for such allotment and incidental matters and any agreement so made under such authority shall be binding on all such holders;
- (h) the Board may on any occasion decide that rights of election shall not be made available to any category of shareholders or to any shareholders in

any territory where, in the absence of a registration statement or other special formalities or for any other reason, the circulation of an offer of rights of election to such shareholders or in such territory would or might be unlawful or where, in the opinion of the Board, compliance with local laws and/or regulations would be unduly onerous and in such case the provisions of this Article shall be subject to such decision;

- (i) the Board may in its discretion amend, suspend or terminate any offer which is in operation;
- (j) the power conferred under this Article and by any authority given by the holders shall not be exercised unless the Company shall then have:
 - (i) sufficient unissued shares in the capital of the Company authorised for issue; and
 - (ii) sufficient reserves or funds that may be capitalised after the basis of allotment is determined;

in each case to give effect to the terms of any such scheme; and

- (k) every duly effected election shall be binding on every successor in title to the Elected Shares (or any of them) of the holder(s) who has/have effected the same.

CAPITALISATION OF RESERVES, ETC.

141. The Company in General Meeting may (subject as provided in Article 5(A)(3)(t)) at any time and from time to time pass a resolution that any sum (whether or not the same is available for distribution) and (A) for the time being standing to the credit of any reserve fund or reserve account of the Company, including premiums received on the issue of any shares, debentures or debenture stock of the Company, or (B) being undivided net profits in the hands of the Company, be capitalised, and that such sum be appropriated as capital to and amongst the Ordinary Shareholders in the shares and proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the Ordinary Shares, and in such manner as the resolution may direct, and such resolution shall be effective; and the Directors shall in accordance with such resolution apply such sum in paying up in full any unissued shares in the capital of the Company or (save as regards any amount standing to the credit of a share premium account or capital redemption reserve fund) any debentures or debenture stock of the Company, on behalf of the Ordinary Shareholders aforesaid, and appropriate such shares, debentures or debenture stock to, and distribute the same credited as fully paid up amongst, such shareholders in the proportions aforesaid, in satisfaction of their shares and interests in the said capitalised sum, or (save as regards any such amount as aforesaid) shall apply the sum so resolved to be capitalised or any part thereof on behalf of the shareholders aforesaid in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any

issued Ordinary Shares held by such shareholders. Where any difficulty arises in respect of any such distribution the Directors may settle the same as they think expedient, and in particular they may issue shares or debentures representing fractional entitlements as certificated or uncertificated shares, fix the value for distribution of any fully paid-up shares, debentures or debenture stock, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any such shares, debentures or debenture stock in trustees upon such trusts for or for the benefit of the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Registrar of Companies for registration in accordance with section 88 of the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution and such appointment shall be effective and binding upon the members.

ACCOUNTS

142. The Directors shall cause proper books of account to be kept in accordance with the provisions of the Statutes. The books of accounts shall be kept at the Office, or subject to the provisions of the Statutes, at such other place or places as the Directors shall think fit, and shall always be open to the inspection of the Directors.
143. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or authorised by the Directors or by an ordinary resolution of the Company.
144. The Directors shall from time to time in accordance with the Statutes lay before the Company in General Meeting a profit and loss account for the period since the preceding account and made up in conformity with the requirements of the Statutes.
145. A balance sheet shall be made out in every year and laid before the Company in General Meeting. Such balance sheet shall contain all such particulars as are required by the Statutes, and shall be made up as at the date to which the profit and loss account is made up, and shall be accompanied by or have annexed or attached thereto a report of the Directors as to the state of the Company's affairs (which shall duly comply with the requirements of the Statutes), a report of the Auditors, such group accounts (if any), and such other documents as are required by the Statutes to accompany the same or to be annexed or attached thereto. The Auditors' report shall be read before the Company in General Meeting and shall be open to inspection by any member.

A copy of every balance sheet and profit and loss account (including any documents required by law to be annexed thereto) which is to be laid before the Company in General Meeting and of the Directors' and Auditors' reports shall, at least 21 days previously to the meeting, be delivered or sent by post to every member and to every debenture holder of the Company of whose address the Company is aware, and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders, provided that the requirements of this Article shall be deemed satisfied in relation to any member by sending to such member, where permitted by the Statutes and instead of such copies, a summary financial statement derived from the Company's annual accounts and the report of the Directors and prepared in the form and containing the information prescribed by the Statutes and any regulations made thereunder.

AUDIT

146. Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by one or more properly qualified Auditor or Auditors.
147. The Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

NOTICES

148. A notice or other document 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.
149. 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.
150. Any member described in the Register by an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but, save as aforesaid and as provided by the Act, only those members who are described in the Register by an address within the United Kingdom shall be entitled to receive notices from the Company.
151. Any summons, notice, order or other documents required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid registered letter addressed to the Company, or to such officer, at the Office.

- 152.(1) Any notice or other document if served by post shall be deemed to have been served on the day following that on which the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid registered letter as the case may be.
- (2) If at any time the Company is unable effectively to convene a General Meeting by notices sent through the post in the United Kingdom as a result of the suspension or curtailment of postal services, notice of such General Meeting may be sufficiently given by advertisement in the United Kingdom. In any such case the Company shall send confirmatory copies of the notice by post if at least 7 days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- (3) Any notice given by advertisement shall be advertised on the same date in at least two national daily newspapers in the United Kingdom (at least one of which shall be a London newspaper) and such notice shall be deemed to have been served at noon on the day when the advertisement appears.
- (4) Notices may be served upon the bearers of share warrants by advertising the same once in a leading London daily newspaper, and any notice so advertised shall be deemed to have been served upon such bearers.
- (5) If on two consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices and have been returned undelivered, such member shall cease to be entitled to receive notices or other documents from the Company until he shall have supplied to the Company in writing a new registered address or address within the United Kingdom for the service of notices.
- 153.(1) Any notice or other document served upon or sent to any member in accordance with these Articles shall, notwithstanding that he be then deceased or bankrupt, and whether the Company have notice of his death or bankruptcy or not, be deemed to be duly served or sent in respect of any shares held by him (either alone or jointly with others) until some other person is registered in his stead as the holder or joint holder of such shares, and such service or sending shall be a sufficient service or sending on or to his executors, administrators or assigns and all other persons (if any) interested in such shares.
- (2) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a share shall be bound by any direction notice issued under Article 82(1) to a person from whom he derives his title.

WINDING UP

154. If the Company shall be wound up the Liquidators (whether voluntary or official) may, with the sanction of an Extraordinary Resolution, divide among the members in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for or for the benefit of the members or any of them as the Liquidators with the like sanction shall think fit. Any such resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights, but each member shall in that event have a right of dissent and other ancillary rights in the same manner as if such resolution were a Special Resolution passed pursuant to sections 110 and 111 of the Insolvency Act 1986.
155. The power of sale of a Liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either then already constituted or about to be constituted for the purpose of carrying out the sale.

INDEMNITY

- 156.(1) Subject to the provisions of the Statutes, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities (including any such liability as is mentioned in section 310 of the Act) which he may sustain or incur in or about the execution of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by the said section.
- (2) Without prejudice to the provisions of Article 156(1), the Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or Auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any retirement benefits scheme or employee benefits trust in which employees of the Company or any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties

or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or retirement benefits scheme or employee benefits trust.

UNTRACED SHAREHOLDERS

157.(1) The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by virtue of transmission on death, bankruptcy, or otherwise by operation of law if and provided that:-

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (b) below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have been declared and all dividend warrants and cheques which have been sent in the manner authorised by the Articles in respect of the shares in question have remained uncashed; and
- (b) the Company shall as soon as practicable after expiry of the said period of 12 years have inserted advertisements both in a national daily newspaper and in a local newspaper circulating in the area of the last known address of such member or other person giving notice of its intention to sell the shares; and
- (c) during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall have received no indication either of the whereabouts or of the existence of such member or person; and
- (d) if the shares are listed on the London Stock Exchange, notice shall have been given to the Quotations Department of the London Stock Exchange of the Company's intention to make such sale prior to the publication of advertisements.

If during any 12 year period referred to in paragraph (a) above, further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Article (other than the requirement that they be in issue for 12 years) have been satisfied in regard to the further shares, the Company may also sell the further shares.

- (2) To give effect to any sale pursuant to Article 157(1), the board may:
 - (a) where the shares are held in certificated form, authorise any person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer; or

- (b) where the shares are held in uncertificated form, do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer.
- (3) An instrument of transfer executed by that person in accordance with Article 157(2)(a) shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. An exercise by the Company of its powers in accordance with Article 157(2)(b) shall be as effective as if exercised by the registered holder of or person entitled by transmission to the shares. The transferee shall not be bound to see to the application of the purchase money, and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.
- (4) The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Board from time to time thinks fit.

DESTRUCTION OF DOCUMENTS

158. The Company shall be entitled to destroy all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the Register, at any time after the expiration of six years from the date of registration thereof and all dividend mandates or variations or cancellations thereof and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof and all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded. It shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document herein before mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:-

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article 158; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

RECORD DATES FOR DIVIDENDS ETC.

159. 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 or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.
160. (i) For the purposes of this Article 160 and Article 161 below, the "Scheme" means the scheme of arrangement dated 12 June 2000 under section 425 of the Act between the Company and the holders of the Scheme Shares and the Scheme Preference Shares (and any modifications thereof). Terms defined in the Scheme shall have the same meanings when used in this Article 160 or in Article 161.
- (ii) Notwithstanding anything in Articles 159 and 160 if the Company allots and issues any Ordinary Shares on or after the date of the Granada Shareholders Court Meeting and prior to the Record Time such shares shall be allotted and issued subject to the terms of the Scheme and the holder or holders of such shares shall be bound by the Scheme accordingly."
161. (i) Any person other than Granada Compass plc or its nominee who becomes a member of the Company at any time or times after the Record Time (the "Vendor") shall at the time at which he becomes a member (the "Relevant Time") be bound to transfer to Granada Compass plc or its nominee or to any other person as Granada Compass plc may direct (the "Purchaser") free from all liens, charges and encumbrances of any nature whatsoever (subject to the provisions of Article 161(ii) below) and the Purchaser shall be bound to acquire all the ordinary shares in the Company held by the Vendor (the "Disposal Shares") for a consideration equal in kind and amount to that which the Vendor would have received pursuant to the Scheme if such Disposal Shares had been Scheme Shares.
- (ii) To give effect to any such transfer required by paragraph (i) above the Purchaser may appoint any person to execute a form of transfer on

behalf of the Vendor in favour of the Purchaser and to agree on behalf of such person, or its nominees, to become a member of Granada Compass and the Company may give a good receipt for the consideration for the Disposal Shares and may register the Purchaser as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the Vendor for the Disposal Shares.

- (iii) If the Scheme shall not have become effective on or before the date referred to in clause 6(b) of the Scheme, Articles 160 and 161 shall be of no effect.”