

Company No. 448624

The Companies Acts 1929 and 1947

and

The Companies Acts 1948 to 1981

and

The Companies Act 1985

and

The Companies Act 1989

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

GASKELL, p.l.c.

Incorporated the 26th day of January 1948



ADDLESHAW BOOTH & CO



Company No. 448624

The Companies Acts 1929 and 1947

and

The Companies Acts 1948 to 1981

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

GASKELL, p.l.c.

- 1 The Name of the Company is "GASKELL, p.l.c."¹
- 2 The Company is to be a public company.
- 3 The Registered Office of the Company will be situate in England and Wales.
- 4 The Objects for which the Company is established are:
 - (a) To carry on all or any of the trades or businesses of Felt Manufacturers and Merchants, manufacturers, merchants, printers, and dyers of woollen and other cloth, velvets, tapestry, carpet, floor cloths and floor coverings of every description, dealers in bituminised damp courses, roofing felts and similar products, whether for roofing or otherwise, spinners, manufacturers, bleachers, dyers, printers, producers, importers, exporters, brokers, merchants and wholesale and retail dealers of and in wool, cotton, flax, hemp, jute, silk, paper, paper pulp, wood and other fibrous substances and any goods that can be made wholly or partly therefrom or from any of them, and of and in all plant, machinery, apparatus, ingredients, articles and things

¹ The name of the Company was, on the 31st March 1952 changed from "GASKELL & CO. (FLOORCOVERING) LIMITED" to "GASKELL & CO. (BACUP) LIMITED" and on the 10th March 1980 further changed to "GASKELL BROADLOOM LIMITED". The Company was re-registered as a Public Limited Company on the 10th March 1982. The name of the Company was, on the 1st June 1989 changed from "GASKELL BROADLOOM, p.l.c." to "GASKELL, p.l.c."

which are or can be used in connection with any of the above businesses or any operations connected therewith.

- (b) To manufacture into marketable commodities, sell and deal in all residual and by-products from any manufacture in which the Company may be engaged.
- (c) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with any of the above specified businesses or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, or which it may be advisable to undertake with a view to developing, rendering valuable or turning to account any property or rights belonging to the Company or in which the Company may be interested.
- (d) To acquire and take over the whole or any part of the business, property and liabilities of any person or persons, firm or corporation, carrying on any business which this Company is authorised to carry on, or possessed of any property or rights suitable for the purposes of this Company.
- (e) To take or otherwise acquire and hold shares, stock, debentures or other securities of or interests in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- (f) To purchase, take on lease or in exchange, hire, or otherwise acquire, any real or personal property, patents, licences, rights or privileges which the Company may think necessary or convenient for the purposes of its business, and to construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Company.
- (g) To pay for any property or rights acquired by the Company, either in cash or fully or partly paid shares, or by the issue of securities, or partly in one mode and partly in another, and generally on such terms as may be determined.
- (h) To borrow or raise or secure the payment of money by mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the Company shall think fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the Company's property or assets, present and future, including its uncalled capital, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (i) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.

- (j) To establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and holding any salaried employment or office in the Company or such other company, or any persons in whose welfare the Company or any such other company as aforesaid is or has been at any time interested, and the wives, widows, families and dependents of any such persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
- (k) To lend money on any terms that may be thought fit and to give any guarantees that may be deemed expedient.
- (l) To invest any moneys of the Company not required for the purposes of its business in such investments or securities as may be thought expedient.
- (m) To enter into any partnership or arrangement in the nature of a partnership, co-operation or union of interests, with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying on or conduct of any business or enterprise which this Company is authorised to carry on or conduct or from which this Company would or might derive any benefit, whether direct or indirect.
- (n) To establish or promote, or join in the establishment or promotion of, any other company whose objects shall include the taking over of any of the assets and liabilities of the Company or the promotion of which shall be calculated to advance its interests, and to acquire and hold any shares or securities of any such company.
- (o) To amalgamate with any other company or companies.
- (p) To sell or dispose of the undertaking, property and assets of the Company or any part thereof in such manner and for such consideration as the Company may think fit, and in particular for shares (fully or partly paid up), debentures, debenture stock or securities of any other company, whether promoted by this Company for the purpose or not, and to improve, manage,

develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.

- (q) To distribute any of the Company's property among the members in specie.
- (r) To cause the Company to be registered or recognised in any foreign country or place.
- (s) To do all or any of the above things in any part of the world, and either as principals, agents, trustees or otherwise, and either alone or in conjunction with others, and by or through agents, sub-contractors, trustees or otherwise.
- (t) To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate, and whether domiciled in the United Kingdom or elsewhere, and further the intention is that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be an independent main object and be in nowise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

Provided always that nothing herein contained shall empower the Company to carry on any class of business of insurance or re-insurance within the meaning of the Assurance Companies Acts, 1909 to 1946 or of any Act amending, extending or re-enacting the same.

- 5 The liability of the Members is limited.
- 6 The share capital of the Company is £1,875,000 divided into 250,000 5% Cumulative Preference Shares of £1 each and 32,500,000 Ordinary Shares of 5 pence each.²

² The 6,000,000 Ordinary Shares of 20 pence each were sub-divided into 24,000,000 Ordinary Shares of 5 pence each by an *Ordinary Resolution passed on 1st October 1998*.
The authorised share capital of the Company was increased from £1,450,000 to £1,875,000 by the passing of an *Ordinary Resolution on 20th September 1999* creating an additional 8,500,000 Ordinary Shares of 5p each.

We, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
DOUGLAS GASKELL "Highcroft" Haslingden Old Road Rawtenstall Felt Manufacturer	One
ERIC JACKSON GASKELL "Saunder Brow" Newchurch-in-Rossendale Felt Manufacturer	One

Dated this 19th day of January 1948

Witness to the above Signatures

HENRY L SMITH
Burnley
Solicitor

Company No. 448624

The Companies Acts 1929 and 1947

and

The Companies Acts 1948 to 1981

and

The Companies Act 1985

and

The Companies Act 1989

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GASKELL, p.l.c.

**(As altered by Special Resolutions passed on the
3rd February 1948, 17th April 1967, 22nd October 1973,
20th May 1976, 24th May 1985 and 28th April 1995)**

TABLE "A"

- 1 The regulations in Table "A" in the First Schedule to the Companies Act 1929 shall not apply to the Company and these Articles shall be the only Articles of the Company.

INTERPRETATION

- 2 In these Articles 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, if not inconsistent with the subject or context:

Words	Meanings
The Act	The Companies Act 1929.
The Statutes	The Companies Act 1929 and every other Act for the time being in force concerning companies and affecting the Company.
These Articles	These Articles of Association as originally framed or as altered from time to time by Special Resolution.
Directors	The Directors for the time being of the Company.
Office	The Registered Office for the time being of the Company.
Seal	The Common Seal of the Company.
The United Kingdom	Great Britain and Northern Ireland.
Month	Calendar month.
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.

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 expressions defined in the Statutes shall, except where the subject or context forbids, 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 capital of the Company is £1,875,000 divided into 250,000 5 per cent Cumulative Preference Shares of £1 each and 32,500,000 Ordinary Shares of 5 pence each. The said respective classes of shares confer the rights as to dividend and capital hereinafter set out:

- (a) The profits of the Company which it shall be determined to distribute by way of dividend in respect of any financial year or other financial period of the Company shall be applied first in payment of a fixed cumulative preferential dividend at the rate of 5 per cent per annum on the amounts paid up on the Preference Shares and subject thereto the balance of the said profits shall be distributed among the holders of the Ordinary Shares according to the amounts paid up on the Ordinary Shares held by them respectively.
- (b) In the event of the winding up of the Company, the surplus assets distributable among the member shall be applied first in repayment of the capital paid up on the Preference Shares, together with a sum equivalent to any arrears of the fixed cumulative preferential dividend thereon calculated down to the date of repayment of capital and to be payable irrespective of whether the same has been earned or declared or not, and any balance of such surplus assets shall be distributed among the holders of the Ordinary Shares according to the amounts paid upon the Ordinary Shares held by them respectively.³

SHARES

- 6 ⁴

3 By a Special Resolution passed on 1st October 1998, the first sentence of this Article was deleted and was replaced with the sentence. "The capital of the Company is £1,450,000 divided into 250,000 5 per cent Cumulative Preference Shares of £1 each and 24,000,000 Ordinary Shares of 5 pence each".

The authorised share capital of the Company was increased from £1,450,000 to £1,875,000 by the passing of an Ordinary Resolution on 20th September 1999 creating an additional 8,500,000 Ordinary Shares of 5p each.

4 This Article was deleted by Special Resolution passed on the 24th May 1985 and not replaced.

- 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: Provided that such commission shall not exceed 10 per cent of the price at which such shares are issued, or an amount equivalent to such percentage; and the requirements of Sections 43, 44 and 108 of the Act shall be observed. Any such commission may be satisfied in fully paid shares of the Company, in which case Section 42 of the Act shall be duly complied with.
- 8 The shares shall be under the control of the Directors, who 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, except in accordance with Section 47 of the Act.
- 9 Subject to the provisions of the Statutes the Company may:
- (a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the member;
 - (b) purchase its own shares (including any redeemable shares) provided that:
 - (i) in the case of the purchase of redeemable shares:
 - (A) purchases will be limited to a maximum price which in the case of purchases through the market or by tender will not exceed the average of the middle market quotations taken from The Stock Exchange Official List for the 10 business days before the purchase is made or in the case of a purchase through the market at the market price provided that it is not more than 5 per cent above such average; and
 - (B) if purchases are by tender tenders will be available to all members alike;
 - (ii) no purchase by the Company of its own shares will take place unless it has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of any convertible securities.
- 10 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 shares.
- 11 No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or required to recognise any equitable, contingent, future or partial interest in any share or (except only as by these Articles otherwise expressly provided or as by Statute required or pursuant to an order of

Court) any right whatsoever in respect of any share, other than an absolute right to the entirety thereof in the registered holder.

- 12 Every member shall without payment be entitled to receive within two months after allotment or lodgement transfer (or within such other period as the conditions of issue shall provide) one certificate for all the shares of each class registered in his name. Each certificate shall be issued under the seal or bearing an imprint or representation of the seal or such other form of authentication as the directors may determine and shall specify the number, class and distinction numbers (if any) of the shares to which it relates and the amount of respective amount paid up on them. In the case of joint holders the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such a certificate to any one of them should be sufficient delivery to all. Every certificate should bear the autographic signatures of one or more directors and the secretary or assistant or some other person appointed by the directors.
- 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 without charge (other than exceptional out of pocket expenses) and where the Member has sold part of his holding he will be entitled to a certificate for the balance without 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 any Member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, whether solely 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. The Directors may at any time declare any share to be exempt, wholly or partially, from the provisions of this Article.
- 16 For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto at such time or times and in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable, and until a notice in writing stating the amount due and demanding payment thereof 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 person (if any) entitled by transmission to the shares, and

default in payment shall have been made by him or them for seven days after such notice.

- 17 The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due to the Company, and the residue (if any) shall be paid to the Member or the person (if any) entitled by transmission to the shares; provided always that the Company shall be entitled to the like lien upon such residue in respect of any moneys due to the Company but not presently payable as 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 of Members 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.

CALL 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 Members in respect of all moneys unpaid on their shares as they think fit, provided that fourteen days' notice at least is given of each call, and each Member shall be liable to pay the amount of every call so made upon him to the persons and at the times 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.
- 20 The joint holders of a share shall be jointly and severally liable to pay all calls and instalments in respect thereof.
- 21 If before or on the day appointed for payment thereof a call or instalment 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 such rate not exceeding 10 per cent per annum as the Directors shall fix from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.
- 22 Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date whether on account of the amount of the share or by way of premium 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 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 Member willing to advance the same all or 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 between them and such Member, 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 Subject to the restrictions of these Articles, any Member may transfer all or any of his shares, but every transfer must be in writing and in the usual common form or in such other form as the Directors may approve, whether under seal or under hand only, and must be left at the Office, accompanied by the certificate of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor. With the consent of the Directors allotments of shares may be renounced in favour of a nominee of the original allottee.
- 26 The instrument of transfer of a share shall be executed by or on behalf of the transferor and the transferee, provided that the Directors may dispense with the execution of the instrument of transfer by or on behalf of the transferee in any case or cases in which they think fit in their discretion to do so. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.
- 27 The Company shall provide a Register of Transfers which shall be under the control of the Directors, and in which shall be entered the particulars of every transfer or transmission of every share.
- 28 The Directors may, in their discretion and without assigning any reason therefor, refuse to register the transfer of any share (not being a fully paid share) to any person whom they shall not approve as transferee. The Directors may also refuse to register any transfer of a share on which the Company has a lien or any transfer of any share for the time being subject to any of the restrictions set out in the Rules of the Gaskell Share Incentive Scheme unless the transfer is permitted by the Rules of the said Scheme.

29 If the Directors refuse to register a transfer of any shares, 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, as required by Section 66 of the Act.

30 ⁵

31 The registration of transfers may be suspended and the Register of Members closed during the fourteen days immediately preceding every Annual General Meeting of the Company, and at such other times (if any) and for such period as the Directors may from time to time determine, provided that the Register shall not be closed for more than thirty days in any year.

32 In the case of the death of a 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.

TRANSMISSION OF SHARES

33 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon producing such evidence of title as may from time to time be properly required by the Directors, and subject as hereinafter provided, have the right either to be registered himself as the 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, 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, he shall testify his election by executing to 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 be entitled to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he

⁵ This Article was deleted by Special Resolution passed on the 24th May 1985 and not replaced.

shall not be entitled in respect of it to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to exercise any of the rights or privileges of a Member, unless and until he shall become a Member in respect of the share.

FORFEITURE OF SHARES

- 37 If any shareholder fails to pay the whole or any part of any call or instalment of a 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 instalment, or any part thereof, remains unpaid, serve a notice on him or the person entitled to the share by transmission requiring him to pay such call or instalment, 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 earlier than the expiration of seven days from the date of the notice) on or before which such call or instalment of 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. A forfeiture of shares shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- 40 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 of Members 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.
- 41 Notwithstanding any such forfeiture as aforesaid, the Directors may at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share, and upon any further or other terms they may think fit.
- 42 Every share which shall be forfeited 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.

- 43 A person 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 share at the time of forfeiture without any deduction or allowance for the value of the shares at the time of the forfeiture.
- 44 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 person 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.
- 45 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 date upon which 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 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 of the share 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

- 46 The Company may, from time to time, by 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.
- 47 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. But the Directors may, if they think fit, from time to time fix the minimum amount of stock transferrable; provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- 48 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 aliquot part of stock as would not, if existing in shares, have conferred such privilege or advantage.
- 49 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" respectively.

INCREASE OF CAPITAL

- 50 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 paid up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any), or to be subject to such conditions and restrictions (if any) in regard to dividend, return of capital, voting or otherwise as the Company in General Meeting resolving upon such increase shall direct, or, failing such direction, as the Directors may determine.
- 51 Except as otherwise provided by or pursuant to these Articles, or by the conditions of issue any new share capital shall be considered as part of the ordinary share capital, and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as the original share capital.

ALTERATIONS OF CAPITAL

- 52 The Company may from time to time in General Meeting:
- (a) consolidate and divide its share capital into shares of larger amount than its existing shares; or
 - (b) cancel any shares not taken or agreed to be taken by any person; or
 - (c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have

53 The Company may from time to time by Special Resolution reduce its share capital and any capital redemption reserve fund in any manner authorised and with and subject to any incident prescribed or allowed by the Statutes.

54 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.

55 Upon any consolidation of fully paid shares into shares of larger amount the Directors may settle any difficulty which may arise with regard thereto and in particular may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name or names of one or more Members being consolidated with shares registered in the name or names of another Member or Members the Directors may make such arrangements for the allotment, acceptance and/or sale of fractional certificates or for the sale of the consolidated share and may sell the consolidated share or the fractions represented by such fractional certificates either upon the market or otherwise to such person or persons at such time or times and at such price or prices as they may think fit and shall distribute the net proceeds of sale among such Members rateably in accordance with their rights and interests in the consolidated share or the fractions represented by such fractional certificates and for the purposes of giving effect to any such sale the Directors may appoint some person to transfer the shares or fractions sold to the purchaser or purchasers thereof and such appointment and any transfer executed in pursuance thereof shall be effective.

56 Subject to the provisions of Section 61 of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares forming part of the capital for the time being of the Company may be modified, varied or abrogated in any manner with the sanction of an Extraordinary Resolution passed at a separate meeting of the Members of the class. To any such separate meeting all the provisions of these Articles as to General Meetings shall mutatis mutandis apply, except that the necessary quorum shall be Members of the class holding or representing by proxy one-third of the capital paid up on the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those Members of the class who are present shall be a quorum), and that every holder of shares of the class in question shall be entitled on a poll to one vote for every such share held by him. The rights, privileges or conditions for the time being attached or belonging to any class of shares shall not.

- 63 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall not be less than two Members present in person or by proxy.
- 64 If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present, the meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place (unless the same shall be a public holiday, when it shall stand adjourned to the next working day after such public holiday 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 meeting shall be dissolved.
- 65 The Chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place, as the meeting shall determine. Whenever a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, no Member shall 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.
- 66 The Chairman (if any) of the Board of Directors, or in his absence some other Director nominated by the Directors, shall preside at every General Meeting, but if at any meeting neither the Chairman nor such other Director be present within fifteen minutes after the time appointed for holding the same, or if neither of them be willing 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, shall choose some Member present to be Chairman of the meeting.
- 67 At any General Meeting 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 or in writing by a Member or Members present in person or by proxy and entitled to vote in respect of one-tenth or more in nominal value of the capital conferring the right to vote at the meeting, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has on a show of hands 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 thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 68 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman shall direct. A poll shall be

taken in such manner (including the use of ballot or voting papers) as the Chairman shall direct. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

- 69 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a further or casting vote.
- 70 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.

VOTES OF MEMBERS

- 71 Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member present in person shall have one vote on a show of hands and upon a poll every Member present in person or by proxy shall have twenty votes for every Preference Share and one vote for every Ordinary Share of which he is the holder Provided that the holders of the Preference Shares shall not be entitled to receive any notice of or to attend or vote, either in person or by proxy, at any General Meeting of the Company by virtue or in respect of their holdings of Preference Shares unless:
- (a) the fixed cumulative preferential dividend thereon is, at the date of the notice convening the meeting, in arrear for six months and remains unpaid: or
 - (b) a resolution is to be proposed at the meeting modifying, varying or abrogating any of the special rights or privileges attached to such shares or for the winding-up of the Company. For the purposes aforesaid the fixed cumulative preferential dividend on the Preference Shares shall be deemed to be payable by equal half-yearly instalments on the 30th day of June and the 31st day of December in each year.⁶
- 72 If any Member be a lunatic, idiot or non compos mentis, he may vote by his receiver, committee, curator bonis or other legal curator, and such last-mentioned persons may give their votes either personally or by proxy.
- 73 If two or more persons are jointly entitled to a share, then, in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the

⁶ By a Special Resolution passed on 1st October 1998, the words "every Member present in person or by proxy shall have five votes for every Preference Share" were deleted and replaced with the words "every Member present in person or by proxy shall have twenty votes for every Preference Share".

share, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

- 74 Save as herein expressly provided, no person other than a Member duly registered, and 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 be present or to vote on any question either personally or by proxy or to be reckoned in a quorum at any General Meeting.
- 75 On a poll, votes may be given either personally or by proxy. On a poll, a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 76 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 that corporation could exercise if it were an individual shareholder, including power, when personally present, to vote on a show of hands.
- 77 Duly stamped proxy forms shall be sent to shareholders in all cases where proposals other than of a purely routine nature are to be considered, and such proxy forms shall be so worded that a shareholder may vote either for or against the proposals in question.
- 78 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 under its common seal, if any, and if none, then under the hand of some officer or attorney duly authorised in that behalf. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy, or transfer of the share in respect of which it is given, unless previous 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.
- 79 The instrument appointing a proxy and the power of attorney, if any, under which it is signed, or a notarially certified copy thereof, shall be deposited at the Office at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote: otherwise the person so named shall not be entitled to vote in respect thereof.
- 80 The instrument appointing a proxy shall be in the usual common form or in such other form as the Directors, with the approval of The Stock Exchange, London, may prescribe.

DIRECTORS

- 81 Unless otherwise determined by a General Meeting, the number of Directors shall be not less than three nor more than nine. The first Directors shall be appointed by the subscribers to the Memorandum of Association.
- 82 The Directors may from time to time and at any time appoint any other person to be a Director either to fill a casual vacancy or by way of addition to the Board provided that the total number of Directors shall not exceed the prescribed maximum. A Director so appointed, or appointed under the next succeeding Article, shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall then be eligible for re-election. He shall not at such meeting be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire.
- 83 The continuing Directors may at any time act, notwithstanding any vacancy in their body: provided always that in case the Directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these Articles, the remaining Director or Directors shall forthwith appoint an additional Director or Directors to make up such minimum, or shall convene a General Meeting of the Company for the purpose of making such appointment.
- 84 ⁷
- 85 The remuneration of the Directors shall be at the rate of £300 per annum for each Director and such remuneration shall accrue de die in diem. The Directors shall also be entitled to such further sum (if any) as shall from time to time be voted to them by the Company in General Meeting, and any such further sum (unless otherwise determined by the Resolution by which it is voted) shall be divided amongst the Directors as they shall agree, or, failing agreement, equally.
- 86 The Directors shall also be entitled to be repaid all travelling, hotel and other expenses incurred by them respectively in and about the performance of their duties as Directors, including their expenses of travelling to and from Board or Committee or General Meetings.
- 87 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 Director 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 commission or participation in profits, or by any or all of those modes or otherwise as may be arranged.

7 This Article was deleted by a Special Resolution passed on the 24th May, 1985 and not replaced.

- 88 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;
 - (b) if he is found lunatic or becomes of unsound mind;
 - (c) if he ceases to be a Director under the provisions of the Statutes as to the acquiring and holding by Directors of their qualification;
 - (d) if he and his substitute (if any) absent themselves from the meetings of the Directors during a continuous period of six months without special leave of absence from the Directors, and the Directors pass a resolution that he has by reason of such absence vacated office;
 - (e) if he is prohibited from being a Director by an Order made under any provision of the Statutes;
 - (f) if he (not being an Executive Director holding office as such for a fixed term) resigns his office by notice in writing to the Company;
 - (g) if he be requested to resign by a notice in writing signed by all the other Directors.
- 89 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 arrange.

EXECUTIVE DIRECTORS

- 90
- (a) The Directors may from time to time appoint one or more of their body to be the holder of any executive office on such terms and (subject as herein mentioned) for such period as they think fit.
 - (b) A Director so appointed to the office of Managing or Joint Managing Director shall not, while holding that office, be subject to retirement by rotation or taken into account in determining the rotation in which Directors retire or the number of Directors to retire.
 - (c) A Director so appointed to any other executive office shall be subject to retirement by rotation, and shall be taken into account in determining the rotation in which Directors retire and the number of Directors to retire.
 - (d) A Director holding any such executive office as aforesaid shall receive such remuneration (whether by way of salary, commission or participation in

profits, or partly in one way and partly in another) as the Directors may determine.

- (e) The Directors may entrust to and confer upon a Director holding any such executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any such powers.

POWERS OF DIRECTORS

- 91 The business of the Company shall be managed by the Directors, who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers 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 regulations of these Articles, to the provisions of the Statutes, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
- 92 With prejudice to the generality of the foregoing provisions:
 - (a) 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 32 of the Act, and the foreign 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 103 of the Act with reference to the keeping of Dominion Registers, and shall observe the obligations and conditions imposed by those Sections.
 - (b) A Director of this Company may be or become a director or other officer of, or otherwise interested in, any company promoted by this Company or in which this Company may be interested as shareholder or otherwise, and no such Director shall be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company. The Directors may also exercise the voting power conferred by the shares in any other company held or owned by this Company in such manner in all respects as they think fit, including the exercise in favour of

any resolution appointing them or any of their number, directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company. Any Director of this Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or be about to become a director or officer of such other company and as such or in any other manner is or may be interested in the exercise of such voting rights in manner aforesaid.

- (c) The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary company, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and holding or who held any salaried employment or office in the Company or such other company, or any persons in whose welfare the Company or any such other company as aforesaid is or has been interested, and the wives, widows, families and dependents of any such persons and may make payments for or towards the insurance of any such persons as aforesaid and may do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. Any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument. A Director may vote as a Director upon any resolution or matter referred to in this Article notwithstanding that he is personally interested in such resolution or matter.
- 93 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time determine.
- 94 (a) Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (b) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) with a view to securing (so far as regards subsidiaries as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys

borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company and also such consent or sanction on the part of the holders of the existing Cumulative Preference Shares as is required for a variation of the special rights attached to such shares exceed an amount equal to the adjusted share capital and consolidated reserves.

(c) For the purposes of the said limit there shall be taken into account as borrowed moneys of the Group (to the extent that the same would not otherwise fall to be taken into account):

- (i) the principal amount outstanding in respect of any debentures of any member of the Group which are not beneficially owned within the Group notwithstanding that the same may be issued in whole or in part for a consideration other than cash;
- (ii) the outstanding amount of any acceptance credits by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
- (iii) the nominal amount of any share capital and the principal amount of any debentures or other borrowed moneys of any person outside the Group the redemption or repayment whereof is guaranteed or secured by any member of the Group;
- (iv) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account,

but moneys borrowed for the purpose of repaying or redeeming (with or without premium) the whole or any part of any borrowed money falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period unless and to the extent so applied themselves be taken into account.

(d) Moneys borrowed by a partly-owned subsidiary (so far as not owing to another member of the Group) shall be taken into account only to the extent of a proportion thereof equal to the minority proportion but moneys borrowed and owing by a member of the Group to a partly-owned subsidiary shall be taken into account (as if owing to a person outside the Group) to the extent of a proportion thereof equal to the minority proportion and for such purposes "minority proportion" shall mean the proportion of the issued equity share capital of the partly-owned subsidiary which is not attributable to the interest of the Company.

(e) In this Article the expression "adjusted share capital and consolidated reserves" means the aggregate of:

- (i) the amount paid up on the issued share capital of the Company; and
- (ii) the amounts standing to the credit of the reserves (including any share premium account, capital redemption reserve fund and credit balance on profit and loss account and any unappropriated balance of investment grants) of the Group,

all as shown by a consolidation of the then latest audited balance sheets of the members of the Group but:

- (A) deducting therefrom any amounts attributable to intangible assets including goodwill and the amount of any debit balance on profit and loss account;
- (B) excluding therefrom any amounts set aside for taxation and amounts attributable to minority interests in subsidiaries;
- (C) deducting therefrom any amount distributed or proposed to be distributed to persons other than members of the Group out of profits accrued prior to the date of and not provided for in the relevant balance sheet; and
- (D) making such adjustments as may be appropriate to reflect any variation in the amount of such paid up share capital or the amounts standing to the credit of such reserves other than profit and loss account since the date of any relevant balance sheet or which would result from any transaction for the purpose of which the adjusted capital and reserves is being computed or any transaction to be carried out contemporaneously therewith and so that for this purpose if any issue or proposed issue of shares for cash has been underwritten then such shares shall be deemed to have been issued and that part of any subscription moneys to which the underwriting commitment extends shall be deemed to have been paid up at the date on which the issue of the shares was underwritten.

The certificate of the Auditors for the time being of the Company as to the amount of the adjusted capital and reserves at any time shall be conclusive.

- (E) No person dealing with the Company or any of its subsidiaries shall be concerned to see or inquire whether the said limit is observed and no debt incurred or security given

in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

- 95 (a) A Director who is in any way whether directly or indirectly interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the Statutes.
- (b) A Director shall not vote in respect of any contract or arrangement in which he is interested otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company and if he shall do so his vote shall not be counted nor shall he be counted in the quorum present at the meeting but (in the absence of some other material interest than is indicated below) *neither of these prohibitions shall apply to:*
- (i) any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company or any of its subsidiaries; or
 - (ii) to any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
 - (iii) any contract by a Director to underwrite shares or debentures of the Company; or
 - (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1 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);
 - (v) any proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time Executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees and which does not

accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme relates (including without prejudice to the generality of the foregoing the Gaskell Share Incentive Scheme);

and these prohibitions may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract arrangement or transactions by the Company in general meeting.

- (c) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration or otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure or any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
- (d) 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 (b)(iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (e) 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 provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
- (f) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

ROTATION OF DIRECTORS

- 96 Subject as in these Articles provided, 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 at the Annual General Meeting in every year.
- 97 The Directors to retire at the Annual General Meeting in every year 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. A retiring Director shall (subject to the provisions of the Statutes) be eligible for re-election and shall act as a Director throughout the meeting at which he retires.
- 98 Subject to any resolution for reducing the number of Directors, the Company shall, at the meeting at which any Directors retire in manner aforesaid, fill up the vacated office by electing a person thereto, and may, without notice in that behalf, fill up any other vacancy.
- 99 No person not being a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election to 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. 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 not be less than six nor more than twenty-one clear intervening days.
- 100 If at any meeting at which an election of Directors ought to take place, the place of any retiring Director is not filled up, such retiring Director shall, if willing to act, be deemed to have re-elected, unless at such meeting it shall be determined to reduce the number of Directors or a resolution for the re-election of such retiring Director shall have been put to the meeting and not carried.
- 101 The Company may from time to time in General Meeting increase or reduce the number of Directors, and determine in what rotation such increased or reduced number shall go out of office and may make any appointments necessary for effecting any such increase as aforesaid.
- 102 The Company may by Ordinary Resolution remove any Director before the expiration of his period of office (but so that such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company), and may, if thought fit, by Ordinary Resolution appoint another Director in his stead. Any person so appointed shall retain his office only until the next following Annual General Meeting of the Company, at the

close of which he shall retire but at which he shall be eligible for re-election. He shall not at such Meeting be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire.

PROCEEDINGS OF DIRECTORS

- 103 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. Unless otherwise determined two shall be a quorum. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote.
- 104 The Chairman may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom.
- 105 The Directors or any Committee of 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 five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.
- 106 The Directors may delegate any of their powers to committees consisting of such members not being less than two in number 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 it by the Directors.
- 107 All acts bona fide done by any meeting of Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them had ceased to be Directors or a Director, be as valid as if every such person had been duly appointed and had continued to be a Director.
- 108 The Directors shall cause proper minutes to be made of all General Meetings of the Company and also of all appointments of officers and of the proceedings of all meetings of Directors and Committees of Directors, and of the attendances thereat, and all business transacted at such meetings, and any such minutes of any meeting, if purported 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, shall be conclusive evidence without any further proof of the facts therein stated.

- 109 A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened, held and constituted.

ALTERNATE DIRECTORS

- 110 A Director may by writing under his hand appoint any other Director or appoint any person (who shall not require a qualification or be entitled to receive any remuneration from the Company in respect of his appointment as an alternate Director under this Article) to be his substitute, and every such substitute shall be entitled to receive notice of all meetings of the Directors and to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally shall have and exercise all the powers, rights, duties and authorities of the Director appointing him in the absence of such appointor. Provided always that no such appointment of any person not being a Director shall be operative unless and until and so long as it is approved by the Directors. A Director may at any time revoke the appointment of a substitute appointed by him and (subject to such approval as aforesaid) appoint another person in his place and if a Director shall die or cease to hold the office of Director the appointment of his substitute shall thereupon cease and determine. 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. Any revocation under this clause shall be effected by notice in writing under the hand of the Director making the same and any such notice if left at the Office shall be sufficient evidence of such revocation. Every such substitute shall be an officer of the Company and he shall not be deemed to be the agent of the Director appointing him.

THE SEAL

- 111 The Seal shall not be affixed to any instrument except by the authority or a resolution of the Board of Directors and in the presence of at least one Director and of the Secretary or Assistant Secretary or some other person appointed by the Board for such purpose, and such Director and the Secretary or Assistant Secretary or such other person as aforesaid, shall sign every instrument to which the Seal shall be so affixed in their presence 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.

SECRETARY

- 112 The Directors may from time to time appoint a Secretary, one or more Assistant Secretaries and temporary substitutes for any such person. A temporary substitute for the Secretary shall be deemed to be the Secretary during the term of his appointment.

DIVIDENDS AND RESERVE

- 113 Subject to any preferential or other special rights for the time being attached to any special class of shares, 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 for the time being paid upon the shares during 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 such shares shall rank for dividend accordingly.
- 114 The Company in General Meeting may 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 profits of the Company. No higher dividend shall be paid than is recommended by the Directors, and the declaration of the Directors as to the amount of the net profits 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 such sanction as aforesaid, from time to time declare and pay an interim dividend or pay any preferential dividends which are payable on fixed dates.
- 115 With the sanction of a General Meeting, dividends may be paid wholly or in 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, debentures or other securities of the Company or 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 interests in the property, and no valuation, adjustment or arrangement so made shall be questioned by any Member.
- 116 Any dividend, instalment of a dividend or interest in respect of any share may be paid by direct debit, bank transfer, cheque, dividend, warrant or money order and may render the same by post to the Member or person entitled to them, and in the case of joint holders to the member whose name stands first in the Register, to the last registered address of the Member (or in the case of joint holders that of the Member whose name stands first in the Register) or to such person and address as the holder or joint holders may direct, and the Company shall not be responsible for any loss of any such cheque, warrant or order. Every such cheque, warrant or order should be made payable to the order of the person to whom it is sent, or to such person who is the holder or joint holders may in writing direct, and the payment of the cheque, warrant or order shall be a good discharge to the Company. No unpaid dividend or interest should bear interest as against the Company.

- 117 The Directors may before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve fund or reserve funds which shall at the discretion of the Directors be applicable for meeting contingencies or for repairing 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 pending such application the Directors may employ the sums for time to time so set apart as aforesaid in the business of the Company or invest the same in such securities 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.
- 118 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.
- 119 A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.

CAPITALISATION

- 120 The Company in General Meetings may, upon the recommendation of the Directors, at any time and from time to time pass a resolution that any such not required for the payment or provision of any fixed preferential dividend, 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 or debentures 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 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 or debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such shares or debentures to, and distribute the same, credited as fully paid-up, amongst such shareholders in the proportions aforesaid, in satisfaction of the shares and interests of such shareholders in the said capitalised sum, or shall apply such sum 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 or otherwise deal with such sum as directed by such resolution. 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 fractional certificates, fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on the footing of the value

ACCOUNTS

- The books of account shall be kept at the Office, or at such other place or places as the Directors shall think fit, and shall always be open to the inspection of the Directors.

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preceding account, made up to a date not more than nine months before such meeting.

- 124 A balance sheet giving a true and fair view of the state of affairs of the Company and giving a general summary of the capital, the assets and the liabilities of the Company arranged under suitable heads shall also be made out in every year as at the date to which the profit and loss account is made up and shall be laid before the Company in General Meeting, and shall be made up to a date not more than nine months before such meeting. If the Company shall be a Holding Company as defined by the Statutes there shall with the said profit and loss account and balance sheet also (except insofar as the Statutes otherwise permit) be laid before the Company in General Meeting a consolidated balance sheet dealing with the state of affairs, at the end of the financial year of the Company, of the Company and of its then subsidiaries and a consolidated profit and loss account dealing with the profit or loss for the Company's financial year of the Company and of its then subsidiaries. The Directors shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the provisions of the Statutes applicable thereto. Every such balance sheet profit and loss account, consolidated balance sheet and consolidated profit and loss account shall be signed in such manner as shall be required by the Statutes. A printed copy of the Directors' report, accompanied by printed copies of the balance sheet and other documents required to be annexed to the balance sheet, profit and loss account, consolidated balance sheet and consolidated profit and loss account shall, twenty-one days at the least before the Annual General Meeting, be delivered or sent by post to the registered address of every Member and every holder of debentures or debenture stock of the Company, and if quotation on The Stock Exchange, London, and/or any other Stock Exchange in all or any of the shares of the Company shall be granted, three copies of each of the said documents shall at the same time be forwarded to the Secretary of the Share and Loan Department, The Stock Exchange, London, and/or any such other Stock Exchange as aforesaid. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any Member as required by Section 129 of the Act.

AUDIT

- 125 Once at least in every year after the year in which the Company is incorporated 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 Auditor or Auditors, and the provisions of Section 132, 133 and 134 of the Act and any modification or re-enactment thereof for the time being in force in regard to Audit and Auditors shall be observed.

NOTICES

- 126 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 as appearing in the Register of Members.

- 127 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 of Members, and notice so given shall be sufficient notice to all the holders of such share.
- 128 Any Member described in the Register of Members 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 no Member other than a registered Member described in the Register of Members by an address within the United Kingdom shall be entitled to receive any notice from the Company.
- 129 Any summons, notice, order or other document 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.
- 130 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.
- 131 Every legal personal representative, committee, curator bonis or other legal curator, trustee in bankruptcy or liquidator shall be bound by a notice given as aforesaid if sent to the last registered address of such member, notwithstanding that the Company may have notice of the death, lunacy, bankruptcy or disability of such member.

WINDING UP

- 132 If the Company shall be wound up, the Liquidator may, with the sanction of an Extraordinary Resolution, divide among the Members in specie any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the Members, but so that if any division is resolved on otherwise than in accordance with such rights the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 234 of the Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the Liquidator amongst the Members otherwise than in accordance with their existing rights, and any such determination shall be binding upon all the Members, subject to the right of dissent and consequential rights conferred by the said Section.

INDEMNITY

133 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 and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.

134 ⁸

8 This Article was deleted by Special Resolution passed on the 3rd February, 1948 and not replaced.