

No 497098

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11/10/2008
COMPANIES HOUSE

The Companies Acts 1985 and 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

**THALES ELECTRONICS
PUBLIC LIMITED COMPANY**

(Adopted by Special Resolution passed 20th December 2000)

1 The Regulations in Table A applicable to the Company under any former enactment relating to companies and Table A set out in the Schedule to The Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

2 In these Articles the following words shall bear the following meanings:-

WORDS	MEANINGS
the Act	the Companies Act 1985 as amended by the Companies Act 1989;
these Articles	these Articles of Association as originally adopted or as from time to time altered;

Board	the Board of Directors of the Company or the Directors present at a meeting of the Directors at which a quorum is present;
Executive Director	a Director of the Company who holds an executive office (including but not limited to a Managing Director, Joint Managing Director or Assistant Managing Director) or other executive position with the Company or whose terms of service provide, or whose services are supplied, for the performance of executive duties on behalf of the Company;
the London Stock Exchange	The London Stock Exchange Limited;
Office	the registered office for the time being of the Company;
Register	the Register of Members of the Company;
the Regulations	The Uncertificated Securities Regulations 1995 (SI 1995 No. 3272) and any modification thereof or any regulations in substitution therefor for the time being in force;
Relevant System	the computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument;
Seal	the Common Seal of the Company;
Securities Seal	an official seal kept by the Company by virtue of Section 40 of the Act;
Statutes	the Act and every other statute or regulations concerning companies and affecting the Company and any modification or re-enactment of it or them for the time being in force;
United Kingdom	Great Britain and Northern Ireland;
Month	Calendar month.

"In writing" and "written" shall include typing, printing, lithography, photography and other modes of representing or reproducing words in a visible form;

"Paid up" shall include credited as paid up;

Words importing the singular shall include the plural and vice versa;

Words importing the masculine gender shall include the feminine;

Words importing persons shall include corporations;

The expression "Secretary" shall (subject to the provisions of the Statutes) include an Assistant or Deputy Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

A reference to shares or debentures in "uncertificated form" means shares or debentures title to which is recorded in the register of members or the register of debenture holders as the case may be as being held in such form and which by virtue of the Regulations may be transferred by means of a Relevant System and a reference to shares or debentures in "certificated form" means shares or debentures title to which is not so recorded and may not be so transferred; and

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

3 Subject to the provisions of the last preceding Article and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Statutes but excluding any statutory modification thereof not in force when these Articles are adopted.

SHARES

4 The share capital of the Company on adoption of these Articles as the Articles of Association of the Company is £400,000,000 divided into 1,600,000,000 Shares of 25p each.

5 Except as permitted by the Statutes, the Company shall not give any financial assistance directly or indirectly for the purpose of the acquisition or the proposed acquisition of any shares in the Company or its holding company (if any) nor for the purpose of reducing or discharging any liability incurred for the purpose of such acquisition.

6 (A) The Board is generally and unconditionally authorised for the purpose of Section 80 of the Act to exercise any power of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 amount for each prescribed period. The Company may, before the expiry of a prescribed period, make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may, notwithstanding such expiry, allot relevant securities in pursuance of such offer or agreement as if the prescribed period during which such offer or agreement was made had not expired.

(B) All unissued shares shall be at the disposal of the Board who may (subject to the provisions of the Statutes and as otherwise provided by these Articles) 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

(C) The Board shall have power for each prescribed period to allot equity securities for cash pursuant to the authority conferred by paragraph (A) of this Article as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:-

- (1) any allotment of equity securities which are offered to (i) all holders (at a date selected by the Board) of issued Ordinary Shares (as nearly as practicable) in proportion to the number of Ordinary Shares respectively held by them and (ii) holders (at a date selected by the Board) of other equity securities to the extent

expressly required or (if considered appropriate by the Board) permitted by the rights attached thereto but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements, directions from any shareholder to deal in some other manner with his entitlements, or any legal, regulatory or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange in any territory;

- (2) any allotment (otherwise than pursuant to sub-paragraph (1) above) of equity securities up to an aggregate nominal amount equal to the Section 89 amount.

The Company may, before the expiry of a prescribed period, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may, notwithstanding such expiry, allot equity securities in pursuance of such offer or agreement as if the prescribed period during which such offer or agreement was made had not expired.

(D) In this Article:

"prescribed period" means any period for which the authority conferred by paragraph (A) of this Article is given or renewed by ordinary or special resolution of the Company stating the Section 80 amount and/or the power conferred by paragraph (C) of this Article is given or renewed by special resolution of the Company stating the Section 89 amount;

"Section 80 amount" means for, any prescribed period, the amount stated in the relevant ordinary or special resolution; and

"Section 89 amount" means, for any prescribed period, the amount stated in the relevant special resolution.

7 In addition to all other powers of paying commissions, the Company may exercise any powers conferred by the Statutes of applying its shares or capital moneys in paying commissions to persons subscribing or procuring subscriptions for shares of the Company or agreeing so to do, whether absolutely or conditionally: Provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Statutes and shall not exceed 10 per cent. of the price at which the shares in respect of which the commission is paid are issued or an amount equivalent thereto. The Company may also on any issue of shares pay such brokerage as may be lawful.

8 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles or by law otherwise provided) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the registered holder.

CERTIFICATES

9 (A) Unless otherwise determined by the Board and permitted by the Regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title to that share is evidenced otherwise than by a certificate and for so long as transfers of that share may be made otherwise than by a written instrument by virtue of the Regulations. The Board shall have power to implement any arrangements they may, in their absolute discretion, think fit in relation to the evidencing and transfer of shares in uncertificated form (subject always to the Regulations and the facilities and requirements of the Relevant System concerned).

(B) Conversion of shares in certificated form into shares in uncertificated form and vice versa may be made in such manner as the Directors may, in their absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the Relevant System concerned).

(C) The Company shall enter on the register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the register in each case as is required by the Regulations and the Relevant System concerned. Unless the Directors

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

(D) A class of share shall not be treated as two classes by virtue only of that class comprising both shares in certificated form and shares in uncertificated form or as a result of any provision of these Articles or the Regulations which apply only in respect of shares in certificated form or shares in uncertificated form.

(E) The Company shall not be bound to register more than four persons as the joint holders of a share, except in the case of executors or trustees of a deceased member.

(F) The provisions of Article 11 shall not apply to shares or debentures in uncertificated form.

(G) Notwithstanding any other provision of these Articles any provision in these Articles which is inconsistent with the Regulations in relation to the holding of shares in uncertificated form or the transfer thereof by means of a Relevant System shall not apply in relation to any shares which are to be so held or transferred and shall accordingly be construed as if such provision incorporates such amendment as may be necessary to make the same consistent with the Regulations.

10 (A) Every certificate for shares or debentures shall (subject to Article 125 (B)) be issued under the Seal or under the Securities Seal or bear an imprint or representation of the Seal or the Securities Seal or such other form of authentication as the Directors may determine and, subject as hereinafter provided, if issued under the Seal, shall bear the autographic signatures of at least one Director and the Secretary: Provided that the Board may by resolution determine that such signatures or either of them shall be dispensed with or shall be affixed by some method or system of mechanical signature.

(B) Certificates for shares or debentures registered in an overseas branch register for use in a place in which the Company has an official seal may be issued under such seal or bearing an imprint or representation of such seal, in which event the certificates need not be signed or authenticated.

11 (A) Subject to the provisions of these Articles, every member (other than a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled without payment to one certificate for all his shares of each class or, upon payment of such reasonable sum as the Board shall determine for each additional certificate, to several certificates each for one or more of such shares: Provided that in the case of any share registered in the names of two or more persons the Company shall not be bound to issue more than one certificate in respect thereof to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all. Where a member transfers part of the shares to which any certificate relates he shall be entitled to a certificate for the balance thereof without payment. Every certificate shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon.

(B) Subject to the provisions of the Statutes, the Company shall within one month after the allotment of any of its shares or debentures, and within fourteen days after lodgment with the Company of any duly stamped and valid transfer of any of its shares or debentures, complete and have ready for delivery the certificates for the shares or the debentures so allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide or unless the shares or debentures are allotted or transferred as the case may be to a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not by law required to complete and have ready for delivery a certificate.

12 If at any time all the issued shares of the Company, or all the issued shares of a particular class, are fully paid up and rank pari passu for all purposes, none of those shares shall thereafter (subject to any resolution of the Board to the contrary) have a distinguishing number so long as it remains fully paid up and ranks pari passu for all purposes with all shares of the same class for the time being issued and fully paid up.

13 If any certificate is worn out or defaced or is alleged to have been stolen, destroyed or lost, it may be renewed on such terms as to evidence, indemnity and the payment

of the Company's exceptional out of pocket expenses as the Board may require and (in the case of wearing out or defacement) on surrender of the old certificate.

VARIATION OF RIGHTS

14 (A) Subject to the provisions of the Statutes, the rights attached to any class of shares for the time being forming part of the capital of the Company may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of an Extraordinary Resolution passed at a Separate Meeting of holders of the shares of the class. To every such Separate Meeting all the provisions of these Articles relating to General Meetings of the Company or the proceedings thereat shall *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class, and at an adjourned meeting shall be one person holding shares of the class or his proxy, and that every holder of shares of the class present in person or by proxy shall, on a poll, have one vote in respect of every share of the class held by him and shall be entitled to demand a poll.

(B) The rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

(C) The provisions of these Articles relating to General Meetings of the Company or the proceedings thereat shall *mutatis mutandis* apply to any meeting of the holders of a class held otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.

CALLS ON SHARES

15 The Board may from time to time make such calls as the Board may think fit upon the members in respect of the amounts unpaid on their shares (whether on account of the nominal

value of the shares or by way of premium) and not by the conditions of allotment made payable at fixed times.

16 Any call may be made payable either in one sum or by instalments, and each member upon whom a call is made shall be liable to pay the amount of the call to the person and at the time or times and place appointed by the Board. A call may be revoked in whole or part or the time fixed for its payment may be postponed by the Board. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

17 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

18 Joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.

19 The Board may, on the issue of shares, differentiate between the allottees or holders of such shares as to the amount of calls to be paid and the times of payment.

20 Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date (whether on account of the nominal value 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 such fixed date, and in the case of non-payment all the provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum were a call duly made and notified.

21 If any sum in respect of a call is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment to the time of actual payment, at such reasonable rate as the Board may determine or, failing such determination, at the rate of 10 per cent. per annum, and shall also pay all expenses that may have been incurred by the Company by reason of the non-payment of such sum, but the Board may waive payment of such interest and expenses in whole or in part.

22 The Board may, if they think fit, receive from any member willing to advance the same all or any part of the moneys payable in respect of any shares held by him beyond the amount of the calls actually made thereon; and upon the moneys so advanced, or so much thereof as shall from time to time exceed the amount of the calls due upon such shares, the Company may pay interest at such rate not exceeding 10 per cent. per annum as the member and the Board shall agree upon, but no part of such moneys shall be included or taken into account in ascertaining the amount of the dividend payable upon the shares in respect of which such advance has been made.

FORFEITURE

23 If any member fails to pay the whole or any part of any call on or before the day appointed for the payment thereof the Board may, at any time thereafter during such time as the call or any part thereof remains unpaid, serve a notice on him requiring him to pay such call or such part thereof as remains unpaid, together with any interest which may have accrued.

24 The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made will be liable to be forfeited.

25 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

26 A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board think fit, but so that unless such share shall have been previously disposed of the Board shall cancel the same not later than three years from the date of forfeiture.

27 A person whose shares have been forfeited or cancelled shall cease to be a member in respect of such shares and in the case of shares in certificated form shall surrender to the Company for cancellation the certificate for the shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at a rate not exceeding 20 per cent. per annum, to be determined by the Board from the date of forfeiture until payment, but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal

28 A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposition thereof and the Board may authorise any person to transfer the share or, in the case of a share for the time being in uncertificated form, authorise any person to transfer such share, in accordance with the facilities and requirements of the Relevant System concerned, in each case in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

LIEN

29 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether immediately payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends and other moneys payable thereon or in respect thereof. The Board may resolve that any share shall for some specified period be exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of any share shall operate as a waiver of the Company's lien (if any) on such share.

30 The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is immediately payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such sum and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy to the share.

31 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of any sum immediately payable in respect of which the lien existed, and any residue shall, subject to a like right to retain in respect of any moneys not immediately payable as the lien existing on the share prior to the sale (and in the case of shares in certificated form subject to surrender to the Company for cancellation of the certificate for the share sold), be paid to the person registered as holder of the share at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share so transferred and shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale. A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly sold pursuant to Article 30 on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

TRANSFER OF SHARES

32 (A) Shares in the Company in certificated form shall be transferred by instrument of transfer in any usual or common form, or in such other form as shall be approved by the Board. The instrument of transfer of a share in certificated form (which need not be under seal) shall be signed by or on behalf of the transferor: Provided that in the case of a partly paid share in certificated form the instrument of transfer must also be signed by or on behalf of the transferee.

(B) All transfers of shares in uncertificated form shall be made in accordance with and be subject to the Regulations and the facilities and requirements of the Relevant System

concerned and, subject thereto, in accordance with any arrangements made by the Board pursuant to Article 9.

(C) In relation to all transfers of shares, the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register as the holder thereof.

33 The Board may, in its absolute discretion and without giving any reason, refuse to register a transfer of any share which is not fully paid up provided that, where any such shares are admitted to the Official List of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

34 (A) The Board may also refuse to recognise any instrument of transfer in respect of any share in certificated form unless:-

- (1) it is duly stamped, is deposited at the Office or such other place as the Board may appoint, and (except in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange where a certificate has not been issued in respect of the shares) is accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (2) it is in respect of only one class of shares.

(B) The Board may also refuse to register a transfer of any share (whether in certificated form or not and whether fully paid or not):

- (1) to an entity which is not a natural or legal person;
- (2) to a minor; or

(3) to more than four persons to be held jointly by them.

(C) The Board may also refuse to register a transfer of shares in uncertificated form in such other circumstances as may be permitted by the Regulations and the requirements of the Relevant System concerned.

(D) If the Board refuse to register a transfer of any share they shall within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the Regulations send to the transferee notice of the refusal.

35 The Company shall not charge any fee in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice, order of court or other document relating to or affecting the title to any share.

36 The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, and either generally or in respect of any class of shares, provided always that such registration shall not be suspended for more than thirty days in any year and such suspension shall only apply to shares in uncertificated form with the prior consent of the operator of the Relevant System concerned.

37 Nothing in these Articles shall preclude the Board from recognising renunciation of any share by the allottee thereof in favour of some other person.

38 The Company shall be entitled to destroy all instruments of transfer of shares and all documents on the faith of which entries have been made in the Register at any time after the expiration of six years from the date of registration thereof, and all dividend mandates and notifications of change of name or address at any time after the expiration of two years from the date of the recording thereof, and all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation, and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document mentioned

above so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company: Provided that:-

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

TRANSMISSION OF SHARES

39 In the case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in any share; but nothing contained in this Article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with any other person.

40 Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon such evidence of his title being produced as may from time to time be required by the Board (but subject to the provisions contained below), and (in the case of shares in uncertificated form) subject to compliance with such other procedures (consistent with the facilities and requirements of the Relevant System concerned) as the Board may determine, elect either to be registered himself as the holder of the share or transfer such share to some other person.

41 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 stating that he so elects. If he shall elect to transfer the share in question to some other person he shall testify his election by, in the case of a share in certificated form, executing a transfer of the share or, in respect of a share in uncertificated form, by authorising any person to transfer such share, in accordance with the facilities and requirements of the Relevant System concerned, in each case to the person concerned

42 A person entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or (save as aforesaid) to exercise any of the rights and privileges of a member, unless and until he shall have become a member in respect of the share: Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

UNTRACED SHAREHOLDERS

43 (A) The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale any share held by a member or any share to which a person is entitled by transmission if and provided that:-

- (1) the share has been in issue throughout a period of twelve years and at least three cash dividends have become payable on such share during such period;
- (2) no cash dividend payable on the share has at any time during the relevant period either been claimed by presentation to the paying bank of the relevant cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the member or person entitled by transmission;

- (3) the Company has on or after the expiry of the said period of twelve years given notice of its intention to sell such share by advertisement in both a national newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these Articles is located;
- (4) the Company has not at any time during the relevant period received any communication from the member or person entitled by transmission; and
- (5) the Company has given notice in writing to the London Stock Exchange of its intention to sell such share.

For the purposes of this Article 43(A) "the relevant period" means the period beginning at the commencement of the above period of twelve years and ending on the expiry of a period of three months following the date of publication of the advertisements referred to in paragraph (3) above or of the later of the two advertisements to be published if they are published on different dates.

If (a) during the relevant period any additional share has been issued in right of any share held at the beginning of the relevant period ("the original share") or in right of any additional share so issued, (b) all the requirements of paragraphs (2), (4) and (5) above have been satisfied in regard to any additional share and (c) any advertisement published pursuant to paragraph (3) in respect of the original share is expressed to apply to the additional share as well as the original share, the Company shall also be entitled to sell the additional share at the best price reasonably obtainable at the time of sale notwithstanding that the requirement of paragraph (1) above is not satisfied in regard to such additional share. (For the avoidance of doubt references in paragraphs (2) to (5) to "the relevant period" and "the said period of twelve years" shall for this purpose refer to the relevant period and the period of twelve years applicable in respect of the original share.)

(B) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares, or in the case of shares for the time being in uncertificated form to authorise in the name of the holder any person to transfer such shares in accordance with the facilities and requirements of the Relevant System concerned, in each case to the purchaser, and such instrument of transfer or transfer (as the case may be) shall be as effective as if it had been executed or had been authorised by the registered holder of, or person entitled by transmission to, such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The Company shall account to the former member or other person previously entitled as aforesaid for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such former member or other person. No interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may from time to time think fit.

(C) In any case where the registered address of a member, or an address supplied for the purpose of dividend payments pursuant to Article 42 by a person (in this Article called a "transmittee") entitled to a share upon the death or bankruptcy of a member, appears to the Board to be incorrect or out of date, such member or transmittee shall, if the Board so resolve, be treated for the purposes of these Articles as if he had no registered address, or, as the case may be, had failed to supply an address for the purpose of dividend payments pursuant to Article 42, provided that the Board shall not so resolve unless on at least three consecutive occasions dividend warrants sent to such member or transmittee through the post to his registered address or to the address supplied pursuant to Article 42 have been returned undelivered or have been left uncashed. A member or transmittee who has in accordance with the provisions of this paragraph (C) been treated as having no registered address or address supplied pursuant to Article 42 shall nevertheless be entitled (subject to the provisions of these Articles) to reclaim the arrears of dividend and instruct the Company to recommence sending dividend warrants to him.

ALTERATION OF CAPITAL

44 The Company may by Ordinary Resolution increase its capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

45 All new shares shall be subject to the provisions of these Articles with reference to allotment, the payment of calls, forfeiture, lien, transfer, transmission and otherwise.

46 Without prejudice to any rights or privileges for the time being conferred on the holders of any existing shares or class of shares, any shares in the present capital of the Company and any new shares may be issued with such preferred, deferred or other rights or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or in the absence of such determination as the Board may determine). Any share may be issued on terms that it is, or at the option of the Company or the holder is to be liable, to be redeemed on such terms and in such manner as the Company (or the Board as aforesaid) may in accordance with the provisions of the Statutes prescribe.

47 The Company may by Ordinary Resolution:-

- (a) consolidate and divide the shares into shares of larger amount; upon any consolidation of fully paid up shares into shares of larger amount, the Board may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any members shall become entitled to fractions of a consolidated share or shares, such fractions may be sold to any person (including, subject to the provisions of the Statutes, the Company) by some person appointed by the Board for that purpose and the person so appointed shall stand authorised to transfer the shares so sold to the purchaser thereof, or in the case of shares for the time being in uncertificated form to authorise any person to transfer such shares to the purchaser thereof in accordance with the facilities and requirements of the Relevant System concerned, and the validity of such transfer shall not be questioned. The Company shall have irrevocable authority to appoint any Director

of the Company to execute on behalf of the relevant members a transfer of such fractions, or in the case of shares for the time being in uncertificated form to authorise any person to transfer such fractions in accordance with the facilities and requirements of the Relevant System concerned, to the said person appointed to sell the same and pending such sale the shares shall be held by such person on behalf of such members. The net proceeds of such sale shall either be distributed among the members who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or, where the net proceeds in respect of any holding do not exceed £2.50 and the Company so requires, paid to the Company;

(b) subject to the provisions of the Statutes, sub-divide any shares into shares of smaller amount and the resolution may determine that:-

- (i) as between the shares resulting from the sub-division, one or more of such shares may have such preferred, deferred or other special rights or be subject to any such restrictions or conditions, compared with the other share or shares, as the Company has power to attach to new shares; and
- (ii) the Company may at its option at any time purchase (in accordance with the provisions of the Companies Act 1985) all or any shares with deferred rights resulting from any such sub-division at a price specified in the resolution effecting such sub-division and the Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of any such shares with deferred rights a transfer thereof and/or an agreement to transfer the same to the Company for such price without obtaining the sanction of the holders thereof. Pending such transfer the Company shall not be obliged to issue any certificates for such shares;

- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

and subject to the provisions of the Statutes the Company may also by Special Resolution:-

- (d) reduce its share capital and any capital redemption reserve and any share premium account in any manner authorised by the Statutes;

and the Company may also by Ordinary Resolution or Special Resolution, as the case may require:-

- (e) purchase its own shares (including any redeemable shares) in any manner authorised by the Statutes but subject to the sanction of an Extraordinary Resolution passed at a separate class meeting of the holders of any class of share carrying rights of conversion into equity share capital.

GENERAL MEETINGS

48 The Company shall in each year hold a General Meeting as its Annual General Meeting in accordance with the requirements of the Statutes.

49 Any General Meeting other than an Annual General Meeting shall be called an Extraordinary General Meeting.

50 All General Meetings shall be held at such time and place as the Board shall determine.

51 The Board may, whenever they think fit, convene an Extraordinary General Meeting, and an Extraordinary General Meeting shall also be convened upon any requisition made in accordance with the Statutes, or in default may be convened by such requisitionists as

thereby provided. Any meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board.

52 In the case of the Annual General Meeting or of a meeting convened for the purpose of passing a Special Resolution, twenty-one clear days' notice at the least, and in any other case fourteen clear days' notice at the least, shall be given to all the members (other than those who under the provisions of these Articles or the terms of issue of the shares held by them are not entitled to receive notices of General Meetings of the Company) and to the Auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business, and such notice shall be given in the manner mentioned below. Every notice of an Annual General Meeting shall specify the meeting as such and every notice of a meeting convened for passing a Special or Extraordinary Resolution shall state the intention to propose such Resolution as a Special or Extraordinary Resolution as the case may be.

53 A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is so agreed by such number of members entitled or having a right to attend and vote thereat as is prescribed by the Statutes

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

55 Subject to the provisions of the Statutes, it shall be the duty of the Company, on the requisition in writing of such number of members as is specified in the Statutes and (unless the Company otherwise resolves) at the expense of the requisitionists:-

- (a) to give to members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

- (b) to circulate to members entitled to have notice of any General Meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Notice of any such resolution shall be given, and any such statement shall be circulated, to members of the Company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such member in any manner permitted for service of a notice of meeting.

56 (A) A notice of any General Meeting may specify a time, being not more than forty-eight hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting. Changes made to entries on the Register after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting.

(B) The accidental omission to give notice of any meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate any resolution passed or proceedings at any such meeting

PROCEEDINGS AT GENERAL MEETINGS

57 All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of the receipt and consideration of the profit and loss account, the balance sheet and group accounts (if any) of the Company and the reports of the Board and Auditors and other documents required to be annexed to the balance sheet, the declaration of dividends, the election of Directors in the place of those retiring, the re-appointment of the retiring Auditors and the fixing of the remuneration of the Auditors.

58 When by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Statutes may

allow) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Statutes

59 (A) In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. In the case of a resolution duly proposed as an Ordinary Resolution no amendment thereto may in any event be considered or voted upon unless approved by the Board or notice of the amendment has been left at the Office not less than forty-eight hours before the time appointed for the holding of the meeting at which the Ordinary Resolution is to be considered.

(B) If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

60 Save as in these Articles otherwise provided, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of or proxy for a corporation, shall be a quorum. No business shall be transacted at any General Meeting unless a quorum is present.

61 If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. If otherwise convened it shall stand adjourned to the same day in the next week (or, if that day be a public holiday, then to the next business day following such public holiday), at the same time and place or to such other day and at such other time and place as the Board may determine, and no notice of such adjournment need be given.

62 The Chairman of the Board (if any), or in his absence the Deputy Chairman of the Board (if any), shall preside as Chairman at every General Meeting, but if there is no such Chairman or Deputy Chairman, or if neither of them is present within ten minutes after the time appointed for holding the meeting or if neither of them shall be willing to act as Chairman, the Directors present shall choose one of their number to act as Chairman of the meeting, and if

there be no Director chosen who shall be willing to act, the members present and entitled to vote shall choose one of their own number to act as Chairman at the meeting.

63 (A) The Chairman may, with the consent of the meeting, and if directed by the meeting shall, adjourn the meeting from time to time or sine die and from place to place. Where, in the opinion of the Chairman, it is not practicable to conduct the business for which the meeting was called and it is not practicable to ascertain the views of the meeting on the question of an adjournment, the Chairman may adjourn the meeting to such place and to such time as the Chairman may reasonably determine. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for thirty days or more or sine die, seven days' notice at the least of the adjourned meeting shall be given in like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(B) The Board may resolve to enable persons entitled to attend a general meeting to do so by simultaneous attendance and participation at a satellite meeting place anywhere in the world and the members present in person or by proxy at satellite meeting places shall be counted in the quorum for and entitled to vote at the general meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the Chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to:

- (1) participate in the business for which the meeting has been convened;
- (2) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and
- (3) be heard and seen by all other persons so present in the same way.

The Chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

(C) The Board may from time to time make such arrangements for controlling the level of attendance at any such place as is mentioned in paragraph (B) of this Article (whether involving the issue of tickets or the imposition of some other means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places; and the entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangement as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.

(D) If it appears to the Chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in paragraph (B) of this Article, then the Chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid.

(E) For the purposes of this regulation, the right for a member to participate in the business of any general meeting shall include, without limitation, the right to: speak; vote on any show of hands; demand a poll, vote on any poll; be represented by proxy; and have access to all documents which are required by the Statutes and these regulations to be made available at the meeting.

(E) The Board and, at any general meeting, the Chairman of the meeting may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security and orderly conduct of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The Board is and, at any general meeting, the Chairman is entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.

64 Every question submitted to a General Meeting shall be determined in the first instance by a show of hands of the members present in person, but, subject to the provisions of the Statutes, a poll may be demanded (before or upon the declaration of the result of the show of hands) by the Chairman or by: -

- (a) not less than three members having the right to vote at the meeting; or
- (b) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (c) a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is duly demanded in accordance with the foregoing provisions a declaration by the Chairman that a resolution has been carried or lost or has or has not been carried by any particular majority, and an entry to that effect in the minutes of the proceedings of the Company, shall be conclusive evidence of the fact without proof of the number, proportion or validity of the votes recorded in favour of or against such resolution.

65 If-

- (a) any objection is raised to the qualification of any voter, or
- (b) any votes are counted which ought not to have been counted or which might have been rejected, or
- (c) any votes are not counted which ought to have been counted

the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if

the Chairman decides that the same may have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

66 If a poll is duly demanded it shall be taken in such manner as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may appoint scrutineers for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

67 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken at once. A poll demanded on any other question shall be taken either at once or at such time and place as the Chairman directs, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.

68 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

69 The demand for a poll may be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is given. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

70 In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or in respect of which the poll is demanded, as the case may be, shall be entitled to a casting vote in addition to any other vote he may have.

VOTING

71 Subject to any rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is

present in person or (being a corporation) is present by representative or proxy not being himself a member shall have one vote, and on a poll every member present in person (or, being a corporation, by representative) or by proxy shall have one vote for every share held by him.

72 Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

73 Where there are joint holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto: Provided that if more than one of such joint holders be present at any meeting, personally or by proxy, that one of the said persons so present in person or by proxy whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.

74 A member in respect of whom an order has been made by any competent court (whether in the United Kingdom or elsewhere) by reason of mental disorder may vote, whether on a show of hands or on a poll, by his receiver, or other person authorised on that behalf by that court, who may, on a poll, vote by proxy: Provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office (or at such other place within the United Kingdom as is specified for the deposit of instruments of proxy in accordance with these Articles) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote, and in default the right to vote shall not be exercisable.

75 (A) No member shall, unless the Board otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares

of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

(B) If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, then the Board may in their absolute discretion at any time thereafter serve a notice (a "direction notice") upon such member as follows:-

(1) a direction notice may direct that, in respect of the shares in relation to which the default occurred ("default shares"), the member shall not be entitled to vote at a General Meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company; and

(2) where the default shares represent at least 0.25 per cent of the class of shares concerned, then the direction notice may additionally direct that:

(a) in respect of the default shares, any dividend or part thereof or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member and, in the circumstances where an offer of the right to elect to receive Ordinary Shares instead of cash in respect of any dividend is or has been made, any election made thereunder by such member in respect of such default shares shall not be effective;

(b) no transfer other than an approved transfer of any of the shares held by such member shall be registered unless:

(i) the member is not himself in default as regards supplying the information requested; and

- (ii) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

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

(C) If shares are issued to a member as a result of that member holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that member as such default shares. For this purpose, shares which a company procures to be offered to members pro rata (or pro rata ignoring fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with offering shares outside the United Kingdom) shall be treated as shares issued as a result of a member holding other shares in the Company.

(D) Any direction notice shall have effect in accordance with its terms for as long as the default in respect of which the direction notice was issued continues but shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer. As soon as practicable after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Board shall procure that the restrictions imposed by paragraphs (B) and (C) above shall be removed and that dividends and other moneys withheld pursuant to paragraph (B)(2)(a) above are paid to the relevant member.

(E) For the purpose of this Article:

- (1) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the

said Section 212 which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

(2) the prescribed period in respect of any particular member is 28 days from the date of service of the said notice under Section 212 except where the default shares represent at least 0.25 per cent of the class of shares concerned in which case such period shall be 14 days;

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

(a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer for a company (as defined in Section 14 of the Company Securities (Insider Dealing) Act 1985); or

(b) the Board are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in such shares; or

(c) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

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

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

77 A member may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.

78 Every instrument appointing a proxy shall be in writing under the hand of the appointor or of his agent duly authorised in writing or if such appointor is a corporation, either under its common seal or under the hand of some officer of the corporation duly authorised in that behalf. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary is shown, that such officer was duly authorised to sign such instrument on behalf of the corporation without further evidence of the fact.

79 The instrument appointing a proxy and, if required by the Company, the authority (if any) under which it is signed or a copy notarially certified or certified in some other way approved by the Board shall be deposited at the Office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting or in any instrument of proxy sent by the Company in relation to the meeting, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or, in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll. In default the instrument shall not be treated as valid: Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purpose of any subsequent meeting to which it relates.

80 No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.

81 (A) Instruments of proxy shall be in any common form or in such other form as the Board may approve. The instrument of proxy, which need not be witnessed, shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment

of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

(B) When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was last delivered none of them shall be treated as valid in respect of that share.

82 (A) The Board shall at the expense of the Company send with all notices convening General Meetings or Separate Meetings of the holders of any class of shares to the members entitled to vote thereat instruments of proxy (with or without pre-paid postage) with provision for two-way voting on all resolutions intended to be proposed, other than resolutions which are merely procedural.

(B) Such instruments of proxy shall be issued to all the members entitled to be sent a notice of the meeting and to vote thereat by proxy, and not to some only of such members.

(C) The accidental omission to send out an instrument of proxy, whenever necessary, to any member or the non-receipt of such instrument by any member, shall not invalidate any resolution passed or proceedings at the meeting to which the instrument of proxy relates.

83 A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll provided that no notice in writing of such determination shall have been received by the Company at the Office (or at such other place within the United Kingdom as is specified for the deposit of instruments of proxy in accordance with these Articles) before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

DIRECTORS

84 Unless and until otherwise determined by the Company by Ordinary Resolution the number of Directors (other than alternate Directors) shall not be less than two or more than twenty five.

85 A Director shall not be required to hold any shares of the Company by way of qualification. A Director shall, notwithstanding that he may not be a member of the Company, be entitled to attend and speak at General Meetings or Separate Meetings of the holders of any class of shares.

86 Any Director may at any time appoint any other Director or any other person approved by the Board to be his alternate, and may at any time remove any such alternate and (subject to such approval as aforesaid) appoint another in his place. An alternate shall not be entitled to receive any remuneration from the Company, nor to appoint an alternate, nor shall it be necessary for him to acquire or hold any share qualification but he shall be entitled (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) to receive notice of meetings of the Board and to attend and vote as a Director at any meeting at which his appointor is not present, and generally at such meeting to exercise all the powers, rights, duties and authorities of his appointor. A Director who is also an alternate shall be entitled, in addition to his own vote, to a separate vote on behalf of his appointor. An alternate may be removed from office by a resolution of the Board, and shall ipso facto cease to be an alternate if his appointor ceases for any reason to be a Director. Provided that if any Director retires at a General Meeting but is re-elected by the meeting or is, pursuant to the provisions of these Articles, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after such re-election as if he had not so retired. Every person acting as an alternate shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for his appointor. All appointments and removals made in pursuance of this Article shall be in writing under the hand of the appointor or in any other manner approved by the Board and shall be sent to or left at the Office.

87 The Directors shall be paid remuneration by way of fees for their services at such rate not exceeding an aggregate sum of £500,000 per annum as the Board shall determine from time to time which sum shall be divided between the Directors as they shall agree and in default of agreement as the Board shall by resolution determine. The said maximum aggregate sum of £500,000 may at any time and from time to time be increased by the Company by Ordinary Resolution either permanently or for a year or other period. The Directors' remuneration shall be deemed to accrue from day to day.

88 The Directors shall be entitled to be paid all expenses properly incurred by them in attending General Meetings or Separate Meetings of the holders of any class of shares or meetings of the Board or committees of the Board or otherwise in or with a view to the performance of their duties.

89 If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any committee of the Board, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive

90 Without prejudice to the provisions for retirement by rotation hereinafter contained, the office of a Director shall be vacated in any of the events following, namely:-

- (a) if (not being an Executive Director holding office for a fixed term) he resigns his office by notice in writing delivered to the Office or submitted to a meeting of the Board or (being an Executive Director holding office for a fixed term) his resignation in writing is accepted by the Board;
- (b) if he is, or may be, suffering from mental disorder and either: -
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in

Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or

- (ii) an order is made by a court of competent jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs;
- (c) if, without leave, he is absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for six consecutive months, and the Board resolve that his office is vacated;
- (d) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (e) if he is prohibited by law from being a Director;
- (f) if all the other Directors unanimously resolve that he be removed as a Director.

91 Any Director may become or continue to be a director, managing director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such other company, and the Board may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner and in all respects as they think fit.

92 (A) A Director who is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the Board in accordance with the Statutes. For the purposes of this Article:-

- (1) a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (2) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

(B) A Director shall not, as a Director, vote in respect of any contract, transaction, arrangement or proposal in which he has an interest which (together with any interest of any person connected with him within the meaning of Section 346 of the Act or any statutory modification or re-enactment thereof) is a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but (in the absence of some other material interest than is mentioned below) none of these prohibitions shall apply -

- (1) to the giving of any security, guarantee or indemnity in respect of:-
 - (a) money lent or obligations incurred by him or by any other person for the benefit of the Company or any of its subsidiary undertakings; or
 - (b) a debt or obligation of the Company or any of its subsidiary undertakings for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security,
- (2) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to or may participate;

- (3) to any contract, transaction, arrangement or proposal affecting any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 346 of the Act or any statutory modification or re-enactment thereof) does not to his knowledge hold an interest in shares (as that term is used in Sections 198 to 211 of the Act or any statutory modification or re-enactment thereof) representing one per cent. or more of any class of the equity share capital of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);
- (4) any act or thing done or to be done in respect of any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings under which he is not accorded as a Director any privilege or advantage not generally accorded to the employees to whom such arrangement relates; or
- (5) any matter connected with the purchase or maintenance for any Director of insurance against any liability.

(C) A Director may, as a Director, vote (and be counted in the quorum) in respect of any transaction in which he has an interest which is not a material interest or which falls within sub-paragraphs (A)(2) or (B)(1) to (5) of this Article.

(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 employment with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately, and in such cases each of the Directors concerned if he has no material interest (as defined above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(E) 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 as known to such Director have not been fairly disclosed. If any question shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such Chairman shall be counted in the quorum but shall not vote on the matter) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman as known to such Chairman has not been fairly disclosed.

(F) Subject to the provisions of the Statutes, 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 and otherwise) as the Board 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 of 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 to by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(G) Any Director may himself or by his firm act 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.

POWERS OF THE BOARD

93 The business of the Company shall be managed by the Board, who may exercise all such powers of the Company and do on behalf of the Company all such acts as are within the scope of the Memorandum and Articles of Association of 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 the provisions of the Statutes and to these Articles and to such directions (whether or not consistent with these Articles) as may be prescribed by the Company by Special Resolution, but so that no such direction and no alteration to these Articles shall invalidate any prior act of the Board which would have been valid if that direction or alteration had not been given or made.

94 The Board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who has held any salaried office or place of profit with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or any such subsidiary or to any member of his family (including a spouse and a former spouse) or to any person who is or was dependent on him and may (as well before as after he ceases to hold such office or place of profit) make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance and may make payments for or towards the provision by means of insurance or otherwise of benefits for any such person.

LOCAL MANAGEMENT

95 (A) The Board may establish any local board or agency for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person to be a member of any such local board or any manager or agent, and may fix their remuneration, and may delegate to any such local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any such local board, or any of them, to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

(B) The Board may by power of attorney or otherwise appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers,

authorities and discretions (including power to sub-delegate) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board think fit) be made in favour of any of the Directors or of the members or any one or more of the members of any committee appointed pursuant to Article 117 or in favour of any local board established as aforesaid, or in favour of any company, or of the members, directors, nominees, or managers of any company or firm, or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Board think fit.

96 The Company or the Board on behalf of the Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and with regard to the keeping of an overseas branch register in any place.

BORROWING

97 (A) Subject as hereinafter provided the Board on behalf of the Company may exercise all the powers of the Company to borrow money or to guarantee and to mortgage or charge its undertaking property and uncalled capital and subject to the provisions of the Statutes regarding authority to allot debentures convertible into shares to create and 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 Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board 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 the Company and its subsidiaries for the time being) and owing to persons outside the Group less the Deposited Amount (as hereinafter defined) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed a sum equal to twice the Adjusted Total of Capital and Reserves (as hereinafter defined).

(C) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions of this Article be concerned to see or enquire 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 recipient of the security had express notice at the time when the debt was incurred or security given that such limit had been or would thereby be exceeded.

(D) For the purposes of this Article.-

(1) "Adjusted Total of Capital and Reserves" means at any material time the aggregate of: -

(a) the amount paid up or credited as paid up on the issued share capital of the Company; and

(b) the amounts standing to the credit of the capital and revenue reserves (including but not limited to share premium account, revaluation reserve, capital redemption reserve and profit and loss account), all as shown in the latest audited consolidated Balance Sheet of the Group but:

(i) adjusted as may be appropriate in respect of any variation in such paid up share capital or reserves since the date of such Balance Sheet, and so that if any issue of shares in the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall be deemed to have been paid up at the date when the underwriting became unconditional;

(ii) adjusted as may be appropriate in respect of any variation in interests in subsidiaries since the date of such Balance Sheet;

(iii) adding thereto any amount deducted therefrom for goodwill arising on consolidation after 31 March 1992;

(iv) excluding any amount shown therein in respect of outside shareholders' interests in subsidiaries;

(v) deducting therefrom any debit balance on profit and loss account and an amount equal to any distribution by the Company to its members or by any subsidiary otherwise than to the Company or to another subsidiary out of profits earned prior to the date of such Balance Sheet which may have been declared, recommended or made since that date except in so far as provided for therein;

(v) excluding any amounts set aside for deferred taxation; and

(vi) after making such other adjustments (if any) as the Auditors for the time being of the Company shall consider appropriate;

(2) "Moneys borrowed" shall be deemed to include:

(a) the principal amount for the time being outstanding in respect of any debentures and any fixed or minimum premium payable on final redemption or repayment thereof;

(b) the principal amount raised by any member of the Group by acceptances or under any acceptance credit opened on its behalf and in its favour by any bank or accepting house other than in respect of the purchase or sale of goods or services in the ordinary course of trading;

- (c) the nominal amount of any issued share capital and the principal amount of any moneys borrowed (not being issued share capital or moneys borrowed beneficially owned by the Company or a wholly owned subsidiary) including in each case any fixed or minimum premium payable on final redemption or repayment the redemption or repayment whereof is guaranteed or secured by, or the subject of any indemnity given by, any member of the Group; and
- (d) the nominal amount of any share capital, except equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital, of a subsidiary which is beneficially owned by any person other than a member or members of the Group;

but shall be deemed not to include:-

- (a) until a date six months after the date on which a company became or becomes a subsidiary, an amount equal to the moneys borrowed of such company outstanding on the latter date unless such borrowing were made or incurred in contemplation or as part of the transaction under which such company became or becomes a subsidiary;
- (b) amounts of moneys borrowed and otherwise falling to be taken into account pursuant to this Article pending their application for the purpose of repaying the whole or any part of other moneys borrowed which fall to be taken into account pursuant to this Article, provided that they are or are intended to be so applied within six months of being so borrowed;
- (c) borrowings from bankers or others for the purpose of financing any contract in respect of which any part of the price receivable

is guaranteed or insured by the Export Credits Guarantee Department, or any institution carrying on similar business, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;

- (d) a proportion of the moneys borrowed by any partly owned subsidiary (but only to the extent that an amount equivalent to such proportion exceeds moneys borrowed (if any) from such partly owned subsidiary by the Company or another subsidiary) such proportion being that which the issued ordinary share capital of such partly owned subsidiary which is not for the time being beneficially owned directly or indirectly by the Company bears to the whole of its issued ordinary share capital;
- (e) moneys borrowed which are for the time being deposited with any government authority or body in any part of the world in connection with import deposits or any similar governmental scheme to the extent that the member of the Group making such deposit retains its interest therein;
- (f) amounts prospectively payable for the hire or lease of movable or immovable property notwithstanding that a capital amount in respect of such amounts may be included as a liability in the latest audited Balance Sheet of the Group;

and so however that no amount shall be taken into account as moneys borrowed more than once in the same calculation; and

- (3) "the Deposited Amount" means an amount equal to the aggregate for the time being outstanding of all cash deposits (otherwise than on current account) with banks (not being the Company or any subsidiary), all cash deposits with local authorities or building societies and all cash deposits with any person or body the repayment whereof is guaranteed by any

federal or state agency or governmental body of the United States of America and all certificates of deposit and similar instruments owned by the Company and/or any subsidiary which are or represent amounts capable of withdrawal or encashment by not more than 6 months' notice of withdrawal or encashment and are available for repayment of any moneys borrowed falling to be taken into account for the purpose of the limit contained in paragraph (B) above but excluding:

- (a) the proportion of the total amount for the time being outstanding of all cash deposits and certificates of deposit and similar instruments owned by a partly-owned subsidiary which corresponds to the proportion of the issued ordinary share capital of such partly owned subsidiary which is not for the time being beneficially owned directly or indirectly by the Company; and
- (b) cash deposits of, and certificates of deposit and similar instruments representing, amounts borrowed which are deemed not to be moneys borrowed by virtue of the operation of the provisions of paragraph (b) of Article 97(D)(2).

(E) When the aggregate amount of moneys borrowed required to be taken into account on any particular date is being ascertained any particular moneys borrowed then outstanding which are denominated or repayable in a currency other than sterling shall be notionally converted into sterling at the rate of exchange prevailing in London on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the last business day before the day falling six months before that date and so that for these purposes the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank, selected by the Board, as the most appropriate rate for the purchase by the Company of the currency in question for sterling on the day in question.

98 The Board shall cause a proper register to be kept in accordance with the provisions of the Statutes of all charges specifically affecting property of the Company and of all

floating charges on the undertaking or any property of the Company and shall duly comply with the requirements of the Statutes in regard to the registration of charges therein specified

RETIREMENT AND APPOINTMENT OF DIRECTORS

99 Any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as Director on account of his having reached any specified age, or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the Company unless and until otherwise determined by Ordinary Resolution of the Company, either generally or in any particular case: Provided that in the case of the appointment of a Director who has attained the age of seventy his age shall be stated in the notice convening the General Meeting (or in any document accompanying the same) at which he is proposed to be elected or re-elected and he shall retire at each Annual General Meeting but shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting

100 Subject to the provisions of these Articles, at the Annual General Meeting in each year one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. A retiring Director (including any Director who retires in accordance with Article 99) shall retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire.

101 Subject to the provisions of the Statutes and of these Articles and until otherwise determined by the Company by Ordinary Resolution, the Directors to retire in every year shall be the Directors who have been longest in office since their last election or appointment. As between Directors of equal seniority, the Directors to retire shall (unless such Directors of equal seniority shall agree otherwise amongst themselves) be selected from among them by lot. A retiring Director shall be eligible for re-election.

102 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto. If at any such meeting the place of a retiring

Director is not filled, the retiring Director shall, if willing to act, be deemed to have been re-elected, unless at such meeting it is resolved not to fill such vacated office, or unless a motion for the re-election of such Director shall have been put to the meeting and lost.

103 No person, not being a Director retiring at the meeting or a person recommended by the Board, shall be eligible for re-election or election as a Director at any General Meeting unless not less than seven nor more than forty-two days before the day appointed for the meeting there has been delivered to the Office notice in writing signed by a member (not being the person to be proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for re-election or election, and also notice in writing signed by the person to be proposed of his willingness to be re-elected or elected.

104 Without prejudice to the next following Article, the Company may from time to time by Ordinary Resolution appoint any person to be a Director, either to fill a casual vacancy or as an addition to the Board, and may also determine in what rotation such Director is to retire from office.

105 The Board shall have power at any time, and from time to time, to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Subject to the provisions of these Articles, any Director so appointed shall retire at the next Annual General Meeting but shall then be eligible for election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

106 The Company may by Extraordinary Resolution, or by Ordinary Resolution of which special notice has been given in accordance with the Statutes, remove any Director before the expiration of his period of office as Director (including an Executive Director but without prejudice to any claim he may have for damages for breach of any contract between him and the Company) and may by Ordinary Resolution appoint another person to be a Director in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.

107 Except so far as the Statutes otherwise allow, at a General Meeting the appointment of Directors shall be voted on individually.

108 The Company shall keep at the Office a register containing such particulars with respect to the Directors and Secretary of the Company as are required by, and shall from time to time notify the Registrar of any change in such register and of the date of such change in manner prescribed by, the Statutes.

EXECUTIVE DIRECTORS

109 (A) The Board may from time to time appoint one or more of their number to be the holder of any executive office (including that of executive Chairman or Deputy Chairman) on such terms and for such period as they think fit and, subject to the terms of any contract between him and the Company may at any time revoke any such appointment, but so that no service contract or contract for services shall be granted by the Company or any subsidiary of the Company to any Director or proposed Director otherwise than in accordance with the Statutes.

(B) The appointment of any Director as Chairman or Deputy Chairman or Managing or Joint Managing Director (or Chief Executive or Joint Chief Executive) or Deputy or Assistant Managing Director (or Deputy or Assistant Chief Executive) shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract between him and the Company.

110 The remuneration of an Executive Director shall be fixed by the Board and may be by way of salary or commission or participation in the profits or by any or all of those modes or otherwise.

111 The Board may entrust to and confer upon any Executive Director any of the powers, authorities and discretions 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 or vary all or any of such powers.

PROCEEDINGS OF THE BOARD

112 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall be a quorum. A person who holds office only as an alternate shall if his appointor is not present be counted in the quorum. Questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. Members of the Board or of any Committee thereof may participate in a meeting of the Board or of such Committee by means of conference telephone or similar communications equipment by means of which all persons participating in a meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is then present.

113 The continuing Directors may act notwithstanding any vacancy in their number: Provided that if the Directors shall at any time be reduced in number to less than the number fixed as the quorum, it shall be lawful for the continuing Director or Directors to act for the purpose of filling vacancies or summoning a General Meeting, but not for any other purpose.

114 A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from the United Kingdom. Notice of a meeting of the Board may be given in any manner, including in writing or by cable or telex or facsimile transmission or by telephone or otherwise orally. A Director may waive notice of any meeting and any such waiver may be retroactive.

115 The Board may from time to time elect a Chairman and Deputy Chairman of the Board and determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Board, but if no such Chairman or deputy Chairman be elected, or if at any meeting the Chairman or Deputy 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 act as Chairman of the meeting.

116 A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Directors generally.

117 (A) The Board may delegate any of their powers:-

- (1) to any Managing Director, any Director holding any other executive office or any other Director; and
- (2) to any committee consisting of one or more Directors and (if thought fit) one or more other persons but a majority of the members of the committee shall be Directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are Directors.

(B) Any such delegation (which may include authority to sub-delegate all or any of the powers delegated) may be subject to any conditions the Directors impose and either collaterally with or to the exclusion of their own powers and may be revoked or varied. The power to delegate under this Article, being without limitation, includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any Director, and the scope of the power to delegate under sub-paragraph (1) or (2) of paragraph (A) of this Article shall not be restricted by reference to or inference from the other sub-paragraph. Subject as aforesaid, the proceedings of any committee with two or more members shall be governed by such of these Articles as regulate the proceedings of Directors as far as they are capable of applying.

118 All acts done by any meeting of the Board or of a committee of the Board or by any person acting as a Director, shall, as regards all persons dealing with the Company in good faith, 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 were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

119 A resolution signed by all the Directors or members of a committee for the time being entitled to receive notice of a meeting of the Board or of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or (as the case may be) of a committee duly convened and held, and may consist of several documents in like form each signed by one or more Directors or (as the case may be) one or more members of a committee. A resolution signed by an alternate need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate, it need not be signed by the alternate in that capacity.

120 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Board or any committee of the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be the person appointed by the Board as aforesaid.

121 A document purporting to be a copy of a resolution or an extract from the minutes of a meeting of the Board or of a committee of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board or of the committee.

MINUTES AND RECORDS

122 The Board shall cause minutes to be entered in books kept for the purpose of:-

- (a) all appointments of officers made by the Board;
- (b) the names of the Directors present at each meeting of the Board and of any committee of the Board;

- (c) all resolutions and proceedings at all meetings of the Company, and of the holders of any class of shares in the Company, and of the Board, and of committees of the Board;

and every Director present at any meeting of the Board or committee of the Board shall sign his name in a book to be kept for that purpose.

Any such minute if purporting to be signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting shall be evidence of the proceedings.

123 The Company shall keep and make available for inspection as required by the Statutes:-

- (a) a register of the Directors and Secretary;
- (b) copies and memoranda of Directors' service contracts with the Company and any of its subsidiaries;
- (c) a register of Directors' interests in shares or debentures of the Company or any other body corporate, being the Company's subsidiary or holding company or a subsidiary of the Company's holding company (which register shall be produced and remain open at each Annual General Meeting); and
- (d) a register for recording information relating to interests in the share capital of the Company.

THE SECRETARY

124 (A) Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board on such terms and for such period as they think fit. Any Secretary so appointed may at any time be removed from office by the Board but without prejudice to any claim for damages for breach of any contract between him and the Company.

(B) Anything required or authorised by the Statutes to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any Assistant or Deputy Secretary or, if there is no Assistant or Deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially on that behalf by the Board: Provided that any provision of these Articles or the Statutes requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

THE SEAL

125 (A) The Board shall provide for the safe custody of the Seal and any Securities Seal which shall only be used by the general or special authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject to the provisions of these Articles as to certificates for shares or debentures, the Directors may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

(B) Subject to the Statutes, the Company may dispense with the need for the Seal, either generally or in respect of particular classes of documents, at the Board's discretion, and, whether it does or does not dispense with the Seal, a document signed by a Director and the Secretary or by any two Directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal, and a document so executed by the Company which makes it clear on its face that it is intended to be a deed shall have effect upon delivery as a deed: Provided that no document which makes it clear on its face that it is intended to be a deed shall be signed without the authority of the Board or of a committee of the Board authorised by the Board in that behalf.

RESERVES

126 The Board may, before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose

to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

DIVIDENDS

127 The profits of the Company available for dividend in accordance with the provisions of the Statutes and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company may by Ordinary Resolution declare dividends accordingly.

128 No dividend shall be payable except in accordance with the provisions of the Statutes or in excess of the amount recommended by the Board.

129 Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the shares; all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date such share shall rank for dividend accordingly.

130 If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof, and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

131 The Board may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) immediately payable by him to the Company on account of calls in relation to the shares of the Company held by him

132 All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. If any dividend shall have remained unclaimed for at least twelve years after the same became payable the Board may forfeit the same, and after such forfeiture no member or other person shall have any right to or claim in respect of such dividend. No dividend shall bear interest against the Company.

133 Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

134 Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Where such dividend or other moneys are to be paid by cheque or warrant, every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct. Any such dividend or other moneys may also be paid by such other method (including, without limitation, direct debit, bank or other funds transfer system or transfer by any electronic media) as the Board may in its absolute discretion think fit (subject always, in the case of shares in uncertificated form, to the facilities and requirements of the Relevant System concerned where payment is to be made by means of such Relevant System) to or through such person as the holder or person entitled may in writing direct. Every such cheque or warrant so sent or payment so made shall be sent or made at the risk of the holder or person entitled. Payment of a cheque or warrant by the bank on which it was drawn, the transfer of the funds by the bank instructed to make the same or the making of payment otherwise in accordance

with this Article shall be a good discharge to the Company. The Company shall have no responsibility for any sums lost or delayed in the course of payment by a method selected by the Board pursuant to this Article, or where it has acted on any directions given by the holder or person entitled.

135 (A) The Board may direct payment of any interim dividend made pursuant to Article 130 to be made wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.

(B) Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways, and the Board shall give effect to such resolution.

(C) Where any difficulty arises in regard to any distribution made pursuant to paragraph (A) or (B) above the Board may settle the same as they think expedient, and in particular may disregard in whole or in part or round up or down any fractional entitlements and may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Board.

(D) If the resolution of the Company in general meeting or of the Board declaring or paying a dividend on any shares provides that it shall be paid to members registered as the holders of those shares at a prescribed time or on a prescribed date, the dividend shall be payable to those members accordingly.

SCRIP DIVIDENDS

136 The Board may, if authorised by an Ordinary Resolution of the Company, offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part to be determined by the Board) of such dividend or dividends as may be declared by the Company pursuant to Article 127 or, as the case may be, by the Board pursuant to Article 130, upon such terms and conditions and in such manner as may be specified in such resolution and subject to such exclusions or restrictions as the Board may, in their absolute discretion, deem necessary or desirable in relation to compliance with legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory.

The following provisions shall apply:

- (a) The said resolution may specify a particular dividend or dividends, or may specify all or any dividends declared within a specified period, provided nevertheless that the Board may in their absolute discretion amend, suspend or terminate (whether temporarily or otherwise) such right to elect or the offer of such right to elect and may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such amendment, suspension or termination.
- (b) No fraction of any Ordinary Share shall be allotted. The Board may make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company.
- (c) The basis of allotment shall be determined by the Board so that, as nearly as may be considered convenient (including rounding the ratio on which entitlements are based up or down to the nearest whole number of shares), the value (calculated by reference to the average quotation) of the new Ordinary Shares to be allotted instead of any amount of dividend shall equal such amount. For such purpose the average quotation of an Ordinary Share shall be the average of the middle market quotations for a fully paid Ordinary Share of the Company as derived

from the London Stock Exchange Daily Official List on the day when the Ordinary Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days.

- (d) If the Board determines to allow such right of election on any occasion they shall, after the basis of allotment has been determined under paragraph (c) above, give notice in writing to the Ordinary Shareholders of the right of election accorded to them and shall send with or following such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective and may also from time to time establish or vary a procedure for election mandates, under which a holder of Ordinary Shares may elect in respect of future rights of election to be offered to the holder under this Article until the election mandate is revoked in accordance with the procedure.
- (e) The Board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (f) As regards Ordinary Shares in respect of which rights of election have been made available and duly exercised ("the elected Ordinary Shares"), the relevant dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable, and in lieu thereof additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or profit and loss account as the Board may lawfully determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares on such basis. A resolution of the Board capitalising any part of the reserves of profits hereinbefore mentioned shall have the same effect as if such

capitalisation had been sanctioned by an Ordinary Resolution of the Company in accordance with Article 137.

- (g) The additional Ordinary Shares so allotted shall rank *pari passu* in all respects with the fully paid Ordinary Shares then in issue save only as regards participation in the relevant dividend (or share election in lieu). Unless the Board otherwise determine (and subject always to the Regulations and the requirements of the Relevant System concerned), the Ordinary Shares so allotted shall be issued as shares in certificated form (where the Ordinary Shares in respect of which they have been allotted were shares in certificated form at the Scrip Record Time) or as shares in uncertificated form (where the Ordinary Shares in respect of which they have been allotted were uncertificated shares at the Scrip Record Time) provided that if the Company is unable under the facilities and requirements of the Relevant System concerned to issue Ordinary Shares in respect of the person entitled thereto as shares in uncertificated form able to be evidenced and transferred without a written instrument, such shares shall be issued as shares in certificated form; for these purposes, the Scrip Record Time means such time on the record date for determining the entitlements of members to make elections as described in this Article, or on such other date, as the Board may in its absolute discretion determine.

CAPITALISATION OF RESERVES

137 In addition to the provisions of Article 136 the Company may by Ordinary Resolution, upon the recommendation of the Board and subject as hereinafter provided, resolve that it is desirable to capitalise any part of the undivided profits of the Company (whether or not the same are available for distribution) or any part of any sum for the time being standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) and that the Board be accordingly authorised and directed to appropriate the profits or sum so resolved to be capitalised as capital to the members in the proportion in which such profits or sum would have been divisible amongst them had the same been applied or been applicable in paying dividends on the shares held by them on such date as shall be fixed by or in accordance with such resolution, and to apply such profits or sum on their behalf, either in or

towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively, or in the paying up in full of unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, such shares or debentures to be allotted and distributed credited as fully paid up to and among such members in the proportion aforesaid, or partly in one way and partly in the other: Provided always that the share premium account and the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to members as fully paid.

138 Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits or sum resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provision (including provision whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company instead of to the members otherwise entitled) as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled as the result of such capitalisation, and any agreement made under such authority shall be effective and binding upon all such members

ACCOUNTS

139 The Board shall cause proper accounting records to be kept in accordance with the provisions of the Statutes.

140 The accounting records shall be kept at the Office or, subject to the provisions of the Statutes, at such other place as the Board shall think fit, and shall at all times be open to the inspection of the officers of the Company but no member (not being such an officer) shall have any right to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the Board or by an Ordinary Resolution of the Company.

141 The Board shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Statutes.

142 The Auditors' report shall be open to inspection as required by the Statutes.

143 A copy of the Directors' and Auditors' reports accompanied by copies of the balance sheet, profit and loss account and other documents required by law to be annexed to the balance sheet, shall, not less than twenty-one clear days before the Annual General Meeting, be delivered or sent by post to the registered address of every member and holder of debentures of the Company and to the Auditors, and the required number of copies of each of these documents shall at the same time be forwarded to the London Stock Exchange and to any other stock exchange on which all or any of the shares of the Company have been admitted for listing provided that if and to the extent that the Statutes so permit the Company need not send copies of the documents referred to above to members but may send such members summary financial statements or other documents authorised by the Statutes.

AUDIT

144 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

NOTICES

145 A notice or other document may be served by the Company on any member either personally or by sending it by prepaid post addressed to such member at his address as appearing in the Register.

146 All notices required to be given to the members with respect to any share to which persons are jointly entitled shall be given to whichever of such persons is named first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

147 Any member described in the Register by an address not within the United Kingdom who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but (save as aforesaid) no member other than a member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.

148 (A) If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notice sent through the post, a General Meeting may be convened by notice advertised in at least two leading daily newspapers with appropriate circulation one of which shall be a leading London daily newspaper; such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the Meeting the posting of notices to addresses within the United Kingdom again becomes practicable.

(B) Any other notice required to be given by the Company to the members or any of them shall be sufficiently given if given by advertisement (whether or not the Company is unable effectively to give such notice by reason of suspension or curtailment of postal services or otherwise). Any such notice given by advertisement shall be advertised once in at least one leading national daily newspaper.

149 Any notice or other document, if served by post, shall be deemed to have been served at the expiration of twenty-four hours (or, where second class mail is employed, forty-eight hours) after posting within the United Kingdom, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed and posted. A notice to be given by advertisement shall be deemed to have been served on the day on which the advertisement appears.

150 Any notice or document delivered or sent by post to, or left at, the registered address of any member shall, if such member be then deceased and whether or not the Company have notice of his death, be deemed to have been duly served on his legal personal representative.

WINDING UP

151 If the Company shall be wound up the liquidator may, with the sanction of an Extraordinary Resolution of the Company and with any other sanction required by the Insolvency Act 1986, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purpose set such value as he deems fair upon any property to be so divided and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities on which there is any liability.

INDEMNITY

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

(B) To the extent permitted by the law the Directors may arrange insurance cover at the cost of the Company in respect of any liability, loss or expenditure incurred by any Director or other officer or Auditor of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, officer or Auditor.

RECORD DATE

153 Notwithstanding any other provision of these Articles but subject always to the Statutes, the Company or the Board may by resolution specify any date (the "record date") as the date at the close of business (or such other time as the Directors may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and such record date may be on or at any time before the date on which the same is paid or made or

(in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities

154 Directors' power to authorise conflict situations

154 1 For the purposes of section 175 of the Companies Act 2006 [CA 2006], the directors shall have the power to authorise, on such terms (including as regards duration and revocation) and subject to such limits or conditions (if any) as they may determine (**Conflict Authorisation**), any matter proposed to them in accordance with these articles which would, or might, if not so authorised, constitute or give rise to a situation (a **Conflict Situation**) in which a director (an **Interested Director**) has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised

154 2 Where directors give a Conflict Authorisation

- (a) the terms of the Conflict Authorisation shall be recorded in writing (but the authorisation shall be effective whether or not the terms are so recorded), and
- (b) the directors may revoke or vary such authority at any time but this will not affect anything done by the relevant Interested Director prior to such revocation or variation in accordance with the terms of such authorisation

154 3 Any Conflict Authorisation will be effective only if

- (a) at the meeting of the directors at which the Conflict Situation is considered, any requirement as to quorum is met without counting the Interested Director, and
- (b) it is agreed to without any Interested Director voting, or would have been agreed to if the votes of any Interested Director had not been counted

154 4 Subject to article 154 3 and the provisions of the Companies Acts, any matter proposed to the directors and any authorisation by the directors in relation to a Conflict Situation shall be dealt with in the same way as that in which any other matter may be proposed to and resolved upon by the directors

154 5 For the purposes of this article 154, a conflict of interest includes a conflict of interest and duty and a conflict of duties

154 6 An Interested Director shall be obliged

- (a) to disclose to the other directors the nature and extent of his interest in any Conflict Situation, such disclosure to be made as soon as reasonably practicable, and
- (b) to act in accordance with any terms, limits or conditions determined by the directors under article 154 1

154 7 Any terms to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to article 154 1) provision that

- (a) where the Interested Director obtains (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party,
- (b) the Interested Director may (but shall be under no obligation to) absent himself from the discussion of, and/or the making of decisions relating to, the relevant matter (whether at any meeting of the directors or otherwise) and be excused from reviewing documents and information prepared by or for the directors to the extent that they relate to that matter, and
- (c) the Interested Director be excluded from the receipt of documents and information, the participation in discussion and/or the making of decisions (whether at directors' meetings or otherwise) related to the relevant matter,

and anything done (or omitted to be done) by the Interested Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under article 154 1) will not constitute a breach by him of his duties under sections 172 to 174 CA 2006

154 8 Subject to article 154 9 but without prejudice to article 154 1 to article 154 7, if and for so long as the Company shall be a member of the Relevant Group, authorisation is given by the members of the Company for the time being on the terms of these articles to each director in respect of any Conflict Situation that arises because the director is also a shareholder, investor or other participant, in, lender to, guarantor, director, officer, manager or employee of, or otherwise in any other way interested or concerned in, any other member of the Relevant Group (**Group Conflict Authorisation**) The Conflict Authorisation Terms applicable to the Group Conflict Authorisation (**Group Conflict Authorisation Terms**) are automatically set by this article 154 8 so that the director concerned

- (a) is not obliged to disclose to the Company information that is confidential to a third party obtained by him (other than in his capacity as a director of the Company or as its employee or agent or, if the directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which the Group Conflict Authorisation applies, nor to use any such information directly or indirectly for the benefit of the Company or in performing his duties as a director of the Company, in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party, and
- (b) may (but shall be under no obligation to)
 - (i) absent himself from the discussions of, and/or the making of decisions,
 - (ii) make arrangements not to receive documents and information,relating to the Conflict Situation concerned,

and the Company will not treat anything done (or omitted to be done) by the director concerned in accordance with the Group Conflict Authorisation Terms as a breach by him of his duties under sections 172 to 174 CA 2006

154 9 A Group Conflict Authorisation given or deemed given under article 154 8 may be revoked, varied or reduced in its scope or effect by special resolution

154 10 In this article 154 **Relevant Group** comprises

- (a) the Company,
- (b) any body corporate which is for the time being a wholly owned subsidiary of the Company,
- (c) any body corporate of which the Company is for the time being a wholly owned subsidiary (**Parent**), and
- (d) any body corporate (not falling within any preceding paragraph of this definition) which is for the time being a wholly owned subsidiary of the Parent