

7151143  
Company No: 715113

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

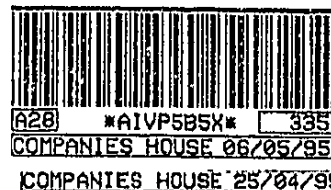
GWR Group plc

(passed on 30 March 1995)

At the ANNUAL GENERAL MEETING of the Company duly convened and held at Swindon Marriott Hotel, Pipers Way, Swindon on 30 March 1995, the following Resolutions were duly passed, Resolutions 1,2,3,4,5,6,11 and 12 as Ordinary Resolutions and Resolutions 7,8,9 and 10 as Special Resolutions of the Company:

THAT

1. the audited accounts for the year ended 30 September 1994, together with the Report of the Directors and Auditors be and they are hereby approved and adopted and a final dividend of 7.5p per share be approved and declared.
2. Mr H P J Meakin and Mrs S J Pirie who offered themselves for retirement and re-election in accordance with Article 84 of the Articles of Association of the Company be and they are hereby re-elected to the Board of Directors.
3. Mr J P E Taylor, who was appointed since the date of the last Annual General Meeting, who offered himself for retirement and re-election in accordance with Article 90 of the Articles of Association of the Company be and he is hereby re-elected to the Board of Directors.
4. Coopers & Lybrand are hereby reappointed as auditors of the Company in accordance with the provisions of Section 385 of the Companies Act 1985 to hold office until the conclusion of the next Annual General Meeting of the Company and the Directors are hereby authorised to fix the auditors remuneration in consultation with them.
5. each ordinary share of 20p each in the capital of the Company be and it is hereby subdivided into 4 ordinary shares of 5p each.
6. (i) the authorised share capital of the Company be and it is hereby increased from £1,690,000 to £3,500,000 by the creation of an additional 36,200,000 ordinary shares of 5p each;



(ii) it being desirable to capitalise a sum of £1,328,031 of the reserves of the Company, the Directors be and they are hereby authorised to:

- (a) appropriate a sum not exceeding £1,328,031 from the share premium account for distribution to the holders of ordinary shares of 5p each in the Company whose names appear on the Register of Members at the close of business on 7 April, 1995 in proportion to the amounts paid up on the ordinary shares held by them respectively and to apply such sum on their behalf in paying up in full 26,560,617 of the unissued ordinary shares of 5p, such shares to be allotted and distributed, credited as fully paid, to those holders in the proportion of one new ordinary share of 5p each for each ordinary share of 5p then held and that such shares shall rank for all purposes *pari passu* with the existing ordinary shares of the Company;
- (b) to allot unconditionally and specifically pursuant to section 80 of the Companies Act 1985 the ordinary shares of 5p each credited as fully paid pursuant to sub-paragraph (ii) (a) of this Resolution on the basis set out in this Resolution and so that this authority shall (unless previously revoked or renewed) expire on 31 December, 1995;
- (c) generally to do all acts and things required to give effect to sub-paragraph (ii) of this Resolution.

7. the Memorandum of Association of the Company be and it is hereby amended as follows:

(i) that the existing Clause 3(H) be and it is hereby deleted and that the following be substituted in its place:

"(H) To lend, advance or deposit money or give or provide credit or any other form of financial accommodation to any person, firm, company or other entity whatsoever and whether with or without security and otherwise on such terms as may be thought fit."

(ii) that the following words from Clause 3(G) be and they are hereby deleted:

"To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and"

and that a new Clause 3(U) be and it is hereby inserted follows:

"(U) To enter into any guarantee, contract of indemnity or suretyship or to provide security, with or without consideration, whether by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by any other method or in any other manner, for the performance of any obligations or commitments of, and the repayment or payment

of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, firm, company or other entity including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or which is otherwise associated with the Company."

(iii) that the following words from Clause 3(J) be and they are hereby deleted:

"To grant pensions, allowances, gratuities and bonuses to officers or ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependants of such persons, and"

and that a new Clause 3(V) be and it is hereby inserted:

"(V) To establish, maintain and/or contribute to any pension, superannuation, death benefits, funds or schemes for the benefit of, and to give, award, or procure the giving or awarding, of donations, pensions, gratuities, allowances, annuities, emoluments or other benefits whatsoever to any persons who are or have at any time been in the employment or service of the Company or of any company which is its holding company or which is a subsidiary of either the Company or any such holding company or of any company which is otherwise allied to or associated with the Company, or who are or have at any time been directors or officers (or held comparable or equivalent offices) of the Company or of any such other company, and also to the wives, widows, families and dependants of any such persons; to establish, subsidise or subscribe to any institutions, associations, clubs or funds which may be considered likely to benefit all or any such persons; to make payments for or towards the insurance of any such persons; to establish, support and maintain any form of profit-sharing, share purchase, share incentive, share option or employees' share scheme for any such persons and to lend money to any persons eligible to participate therein or benefit therefrom (or to trustees on their behalf) for the purposes of or in connection with the operation and enjoyment of any such scheme."

8. the Regulations contained in the document produced to the Meeting and initialled by the Chairman for the purposes of identification be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the Company's existing Articles of Association.
9. the Directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 to allot relevant securities (as defined in that section) up to an aggregate nominal value of £843,938, such authority to expire at the conclusion of the next Annual General Meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities

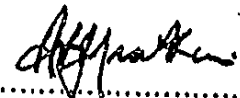
to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the said authority had not expired.

10. the Directors be and they are hereby authorised, pursuant to section 95(1) of the Companies Act 1985 and in place of all existing authorities other than those contained in the Articles of Association adopted in this Meeting (which conditionally as aforesaid are hereby revoked), to allot equity securities (as defined in section 94 of that Act) for cash as if section 89(1) of that Act did not apply to such allotment provided that this power shall be limited to:

- (i) the allotment of equity securities in connection with a rights issue in favour of the holders of ordinary shares where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject to such exclusions and/or arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or as a result of legal or practical problems arising under the laws of, or the requirements of any recognised regulatory body or stock exchange in, any territory;
- (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of 5% of the current issued share capital of the Company;

such authority (to the extent that it is not previously amended or revoked) to expire at the conclusion of the next Annual General Meeting of the Company or on 29 June, 1996, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the said authority had not expired.

11. the GWR Group plc 1995 Executive Share Option Scheme in the form of the rules produced in draft to the Meeting and signed by the Chairman for the purposes of identification be and the same is hereby approved and the Directors be and they are hereby authorised to do all acts and things as may be necessary to carry the same into effect.
12. the GWR Group plc 1995 Savings-Related Share Option Scheme in the form of the rules produced in draft to the Meeting and signed by the Chairman for the purposes of identification be and the same is hereby approved and the Directors be and they are hereby authorised to do all acts and things as may be necessary to carry the same into effect.



Chairman

Company No: 715143

THE COMPANIES ACT 1985 (as amended)

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PUBLIC COMPANY LIMITED BY SHARES

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GWR Group plc

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MEMORANDUM OF ASSOCIATION  
(as amended on 30 March 1995)

and

ARTICLES OF ASSOCIATION  
(as adopted by a Special Resolution passed on 30 March, 1995)

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Osborne Clarke  
30 Queen Charlotte Street  
Bristol BS99 7QQ

Ref: JL/SAB/088972

COMPANIES HOUSE 25/04/95

THE COMPANIES ACT 1985 (as amended)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

GWR Group plc

- I. The name of the Company is "GWR Group plc"
- II. The Company is to be a Public Company.
- III. The registered office of the Company will be situate in England.
- IV. The objects for which the Company is established are:
  - (A)
    - (i) To carry on business as independent local Radio Programme Contractors in relation to the City of Bristol and its environs.
    - (ii) To apply for the independent local Radio Programme Contract for the City of Bristol and its environs and to do all acts, matters and things as may be necessary therefor or conducive thereto.
    - (iii) To produce and provide programmes for independent Radio Broadcasting and generally to carry on business as producers, editors, sellers, distributors, agents and dealers in programmes and material of all kinds and all forms of broadcasting and entertainment on radio whether transmitted, recorded, reproduced or howsoever received and to enter into and carry into effect such contracts and agreements and to do all such other things as shall in the opinion of the Company, be conducive to the above purposes.
  - (B) To carry on the business of journalists, literary, dramatic and radio and television programme agents and contractors, news feature programme and entertainment writers, stationers or journalists, printers and engravers, newspaper and magazine proprietors and news and feature agency proprietors.
  - (C) To purchase or otherwise acquire, and to hold, develop, turn to account, sell, exchange, lease, hire, charge, convert, dispose of and deal with rights of copyright in journalistic, literary, dramatic or pictorial works and scripts, film, motion picture, broadcasting, television and performing rights, contracts, options, licences, claims, concessions, privileges, pre-emption rights and personal property of all kinds whether in the United

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\*The Company was incorporated as Independent Radio News Limited. The name of the Company was changed on 29.8.63 to SS Great Britain Radio Limited and on 13.4.78 to Radio Avonside Limited and on the 25th February 1982 to Radio West Limited and on the same day by Board Resolution to Radio West PLC and on 24 June 1987 to GWR Group plc.

Kingdom or elsewhere.

- (D) To carry on any other trade or business which can in the option of the Company be advantageously carried on by the Company in connection with or as ancillary to any of the above businesses of the Company.
- (E) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purchase of or in connection with the Company's business or any branch or department thereof.
- (F) To borrow or raise or secure the payment of money for the purposes of or in connection with the Company's business, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society.
- (G) To issue at par or at a premium or discount, and for such consideration and with such rights, powers, and privileges as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance. \*\*
- (H) To lend, advance or deposit money or give or provide credit or any other form of financial accommodation to any person, firm, company or other entity whatsoever and whether with or without security and otherwise on such terms as may be thought fit. \*\*
- (I) To receive money on deposit or loan upon such terms as the Company may approve, and generally to act as bankers for customers and others.
- (J) To establish and support, or to aid in the establishment and support of, any schools and any educational, scientific, literary, religious or charitable institutions or trade societies, whether such institutions or societies be solely connected with the business carried on by the Company or its predecessors in business or not, and to institute and maintain any club or other establishment or benefit fund or profit-sharing scheme calculated to advance the interests of the Company or of the officers of or persons employed by the Company. \*\*
- (K) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange, and other negotiable instruments.
- (L) To invest and deal with the moneys of the Company not immediately required for the purposes of the business of the Company in or upon such investments and in such manner as may from time to time be determined.
- (M) To pay for any property or rights acquired by the Company either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

- (N) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up share or stock of any company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- (O) To amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company or which is capable of being carried on so as directly or indirectly to benefit this Company, and to acquire and hold, sell, deal with or dispose of any shares, stock or securities of or other interests in any such company, and to guarantee the contracts or liabilities of, subsidise or otherwise assist, any such company.
- (P) To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on, or the carrying on of which is calculated to benefit this Company or to advance its interests, or possessed of property suitable for the purposes of the Company.
- (Q) To sell, improve, manage, develop, turn to account exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.
- (R) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (S) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (T) To do all such other things as are incidental or conducive to the above objects or any of them.
- (U) To enter into any guarantee, contract of indemnity or suretyship or to provide security, with or without consideration, whether by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by any other method or in any other manner, for the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, liabilities of, any person, firm, company or other entity including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding



company of the Company or which is otherwise associated with the Company. \*\*

- (V) To establish, maintain and/or contribute to any pension, superannuation, death benefits, funds or schemes for the benefit of, and to give, award, or procure the giving or awarding, of donations, pensions, gratuities, allowances, annuities, emoluments or other benefits whatsoever to any persons who are or have at any time been in the employment or service of the Company or of any company which is its holding company or which is a subsidiary of either the Company or any such holding company or of any company which is otherwise allied to or associated with the Company, or who are or have at any time been directors or officers (or held comparable or equivalent offices) of the Company or of any such other company, and also to the wives, widows, families and dependants of any such persons; to establish, subsidise, or subscribe to any institutions, associations, clubs or funds which may be considered likely to benefit all or any such persons; to make payments for or towards the insurance of any such persons; to establish, support and maintain any form of profit-sharing, share purchase, share incentive, share option or employees' share scheme for any such persons and to lend money to any persons eligible to participate therein or benefit therefrom (or to trustees on their behalf) for the purposes of or in connection with the operation and enjoyment of any such scheme. \*\*

And it is hereby declared that the word "company" in this Clause except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled or registered in the United Kingdom or elsewhere, and that the objects specified in the different paragraphs of this Clause shall not, except where the context expressly so requires, be in anywise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

5. The liability of the members is limited.
6. The share capital of the Company is £740,000 divided into 40,000 Voting Ordinary shares of £1 each and 700,000 Non-Voting Ordinary Shares of £1 each.
  - (a) The capital of the Company was reduced to £226,452 divided into 40,000 Voting Ordinary Shares of 20 pence each (all of which are issued and are or are treated as fully paid up), 601,935 Non-Voting Ordinary Shares of 20 pence each (all of which are issued and are or are treated as fully paid up), 14,000 Non-Voting Ordinary Shares of £1 each (all of which are issued and are paid up or are treated as paid up to the extent of 5 pence per share) and 420,325 Voting Shares of 20 pence each (none of which is in issue) by:
    - (i) cancelling capital paid up or treated as paid up to the extent of 80 pence upon each of the 641,935 issued shares in the capital of the Company and which is or is treated as fully paid; and
    - (ii) subdividing and re-designating each of the unissued 84,065 Non-Voting Ordinary Shares of £1 each into 5 Voting Ordinary Shares of 20 pence each; and

- (b) Forthwith and contingently upon the reduction of the capital referred to above taking effect and the balance of 95 pence per share being paid up on them, each of the 14,000 Non-Voting Ordinary Shares of £1 each (5 pence paid) are to be sub-divided into 5 Non-Voting Ordinary Shares of 20 pence each and redesignated as and rank in all respects pari passu with the Non-Voting Ordinary Shares of 20 pence each.
- (c) Forthwith and contingently upon the said reduction of capital and the Scheme of Arrangement dated 30 January 1984 take effect and upon the said 14,000 Non-Voting Ordinary Shares of £1 each being sub-divided as aforesaid the capital of the Company is to be increased from £226,452 divided into 460,325 Voting Ordinary Shares of 20 pence each and 671,935 Non-Voting Ordinary Shares of 20 pence each to £507,161 by the creation of 1,403,545 Voting Ordinary Shares of 20 pence each.
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\*\* changed by Special Resolution passed on 30 March 1995

\*\*\* by Ordinary Resolution passed on 14 August 1985 the authorised share capital was increased from £507,161 to £582,161 by the creation of an additional 375,000 Voting Ordinary Shares of 20p each and by Special Resolution passed on 14 August 1985 each of the 671,935 Non-Voting Ordinary Shares of 20p each were converted into Ordinary Shares of 20p each ranking pari passu with the existing Ordinary Shares of 20p each by Special Resolution passed on 24 June 1987 each of the 2,459,173 existing issued Ordinary Shares of 20p each was sub-divided into four shares of 5p each, one of which was designated an Ordinary Share of 5p each and three of which were designated as Deferred Shares of 5p each and the authorised share capital was increased from £582,161 to £694,876 by the creation of 563,575 Ordinary Shares of 20p each

by Special Resolution passed on 24 June 1987 the issued share capital was reduced from £491,835 to £122,959 by cancelling and extinguishing the 7,377,519 Deferred Shares of 5p each and the authorised share capital was reduced from £694,876 to £326,000 divided into 1,630,000 Ordinary Shares of 20p each and 1 Ordinary Share of 5p by the cancellation of the 7,377,519 authorised Deferred Shares of 5p each

by Ordinary Resolution passed on 12 April 1988 the authorised share capital was increased from £326,000 to £366,000 by the creation of 200,000 new Ordinary Shares by Ordinary Resolution passed on 9 June 1989 the authorised share capital was increased from £366,000 to £700,000 by the creation of 1,670,000 new Ordinary Shares of 20p each

by Special Resolution passed on 11 January 1994 the authorised share capital was increased from £700,000 to £1,690,000 by the creation of an additional 4,950,000 Ordinary Shares of 20p each

by Ordinary Resolution passed on 30 March 1995 the authorised share capital was increased from £1,690,000 to £3,500,000 by the creation of an additional 36,200,000 ordinary shares of 5p each

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

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NAMES, ADDRESSES AND  
DESCRIPTIONS OF SUBSCRIBERS

NUMBER OF SHARES  
AGREED TO BE TAKEN BY  
EACH  
SUBSCRIBER

---

Timothy Boulton  
2 Raymond Buildings  
Gray's Inn  
London WC1

One

Solicitor

Hova Charles Kirk Wolley Dodd  
2 Raymond Buildings  
Gray's Inn  
LONDON  
WC1

One

Solicitors Clerk

---

DATED the 26th day of January 1962.

WITNESS to the above Signatures:-

M J Hender  
2 Raymond Buildings  
Gray's Inn  
London WC1

Solicitors Articled Clerk

**ARTICLES OF ASSOCIATION**  
(as adopted by Special Resolution passed on 30 March 1995)

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Company No. 715143

THE COMPANIES ACT 1985 (as amended)

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

GWR Group plc

(as adopted by a Special Resolution passed on 31 March, 1995)

PRELIMINARY

1. Table "A" not to apply

No regulations for management of a company set out in any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company. The following shall be the Articles of Association of the Company.

2. Interpretation

2.1 In these Articles, unless the context otherwise requires, the following expressions shall have the following meanings:

"Act" means, subject to paragraph 2.3 of this Article, the Companies Act 1985 and, where the context requires, every other statute from time to time in force concerning companies and affecting the Company;

"these Articles" means these Articles of Association as altered or varied from time to time (and "Article" means one of these Articles);

"Auditors" means the Auditors for the time being of the Company or, in the case of joint Auditors, any one of them;

"the Authority" means the Radio Authority or any successor body;

"Board " means the board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present;

"the Broadcasting Act" means The Broadcasting Act 1990;

"Chairman" means the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company;

"clear days" means (in relation to the period of a notice) that period, excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"Company" means GWR Group plc;

"Compulsory Transfer" means a disposal of shares in accordance with Article 47;

"Depositary" means a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Board whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares rights or interests provided and to the extent that such arrangements have been approved by the Board for the purpose of these Articles, and shall include where approved by the Board the trustees (acting in their capacity as such) of any employees share scheme established by the Company or any other scheme or arrangement principally for the benefit of employees or those in the service of the Company and/or its subsidiaries or their respective businesses which the Board has approved;

"Director" means a director for the time being of the Company;

"dividend" means a distribution or a bonus;

"execution" means any mode of execution (and "executed" shall be construed accordingly);

"Group" means the Company and its subsidiaries from time to time;

"holder" means (in relation to any share) the member whose name is entered in the Register as the holder or, where the context permits, the members whose names are entered in the Register as the joint holders of that share;

"the Licence" means a licence granted by the Radio Authority to the Company or any of its subsidiaries for the provision of a local sound broadcasting service as specified in the licence;

"the London Stock Exchange" means The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited or the principal stock exchange in the United Kingdom for the time being;

"member" means a member of the Company or, where the context requires a member of the Board or of any committee;

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

"paid up" means paid up or credited as paid up;

"person entitled by transmission" means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the Register;

"recognised person" means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 185(4) of the Act;

"Register" means the register of members of the Company to be kept pursuant to section 352 of the Act or as the case may be any overseas branch register kept pursuant to Article 117;

"the Seal" means the common seal of the Company or any official seal kept by the Company by virtue of section 40 of the Act;

"Secretary" means the secretary for the time being of the Company or any other person appointed to perform any of the duties of the secretary of the Company including (subject to the provisions of the Act) a joint, temporary, assistant or deputy secretary;

"share" means a share of the Company;

"United Kingdom" means Great Britain and Northern Ireland;

"writing or written" means printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non-transitory form;

2.2 Unless the context otherwise requires:

- (a) words in the singular include the plural and vice versa;
- (b) words importing the masculine gender include the feminine gender;
- (c) a reference to a person includes a body corporate and an unincorporated body of persons.

2.3 A reference to any statute or provision of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any statutory modification or re-enactment of it for the time being in force.

2.4 Save as aforesaid, and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act.

2.5 Where for any purpose an ordinary resolution of the Company is required, a special resolution or an extraordinary resolution shall also be effective, and where an extraordinary resolution is required a special resolution shall also be effective.

- 2.6 The headings are inserted for convenience only and shall not affect the construction of these Articles.

3. **Registered Office**

The Office shall be at such place in England and Wales as the Board shall from time to time appoint.

**SHARE CAPITAL**

4. **Authorised share capital**

The authorised share capital of the Company at the date of the adoption of these Articles is £3,500,000, divided into 70,000,000 Ordinary Shares of 5 pence each ("Ordinary Shares").

5. **Allotment**

- 5.1 Subject to the provisions of the Act and to any relevant authority of the Company in general meeting required by the Act, unissued shares at the date of adoption of these Articles and any shares hereafter created shall be at the disposal of the Board which may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

- 5.2 (a) The Directors shall be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Act to exercise for each prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 80 amount.

- (b) During each prescribed period the Directors shall be empowered to allot equity securities wholly for cash pursuant to and within the terms of the said authority:

(i) in connection with a rights issue; and

(ii) otherwise than in connection with a rights issue, up to an aggregate nominal amount equal to the section 89 amount;

as if section 89(1) of the Act did not apply to any such allotment.

- (c) By such authority and power the Directors may during such period make offers or agreements which would or might require the allotment of securities after the expiry of such period.

- (d) For the purposes of this Article:

(i) "rights issue" means an offer of equity securities open for acceptance for a



period fixed by the Directors by way of rights to holders of Ordinary Shares on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings of such shares or in accordance with the rights attached thereto (but subject to such exceptions, exclusions or other arrangements as the Directors in their opinion may deem necessary or expedient for the purposes of dealing with fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory);

- (ii) "prescribed period" means in the first instance the period commencing on the date of the adoption of this Article and expiring at the conclusion of the Annual General Meeting of the Company to be held in 1996 or fifteen months from the date of the adoption of this Article, whichever is the earlier, (the "first prescribed period") and shall thereafter mean any period (not exceeding fifteen months on any occasion) for which the authority and power conferred by sub-paragraphs (a) and (b) above are renewed or extended by a special resolution of the Company in general meeting stating the section 80 amount and section 89 amount for such period;
- (iii) "the section 80 amount" shall for the first prescribed period be £843,938 and for any later prescribed period shall be that stated in the relevant special resolution or, in either case, any increased amount fixed by a resolution of the Company in general meeting;
- (iv) "the section 89 amount" shall for the first prescribed period be a maximum aggregate nominal amount equal to five per cent. of the nominal amount of the issued share capital of the Company on the date of adoption of these Articles and for any later prescribed period shall be that stated in the relevant special resolution;
- (v) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and
- (vi) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings herein.

## **6. Redeemable shares**

- 6.1 Subject to the provisions of the Act and to any special rights for the time being attached to any existing shares, any share may be issued which is, or at the option of the Company or of the holder of such share is liable, to be redeemed.
- 6.2 The date on which or by which, or dates between which, any redeemable shares are to be or may be redeemed may be fixed by the Directors and in such a case must be fixed by the Directors before the shares are issued. Unless otherwise specified in these Articles, the amount payable on redemption of any redeemable shares shall be the nominal value of such

shares.

**7. Power to attach rights**

Subject to the provisions of the Act and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions whether in regard to dividends, voting, transfer, return of capital or otherwise as the Company may from time to time by ordinary resolution determine or if no such resolution has been passed or so far as the resolution does not make specific provision as the Board may determine.

**8. Share warrants**

8.1 The Company may with respect to any fully paid shares, issue a warrant (a "share warrant") stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant.

8.2 The powers referred to in Article 8.1 may be exercised by the Board, which may determine and vary the conditions on which share warrants shall be issued and in particular on which:

- (a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);
- (b) the bearer of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at general meetings;
- (c) dividends will be paid; and
- (d) a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares specified in it. Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto whether made before or after the issue of such share warrant.

**9. Commission and brokerage**

The Company may exercise the powers conferred by the Act to pay commissions or brokerage to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the Company to the full extent permitted by the Act. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of an option to call for an allotment of shares or any combination of such methods.

**10. Trusts not to be recognised**

Except as otherwise expressly provided by these Articles, as required by law or as ordered by a court of competent jurisdiction, the Company shall not recognise any person as holding any share on any trust and (except as aforesaid) the Company shall not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share or any interest in any fractional part of a share except an absolute right of the holder to the whole of the share.

**11. Renunciation of shares**

Subject to the provisions of the Act and of these Articles, the Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share the right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

**12. Increase, consolidation, cancellation and sub division**

The Company in general meeting may from time to time by ordinary resolution:

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing 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
- (d) subject to the provisions of the Act, sub-divide its shares or any of them into shares of smaller nominal value than is fixed by the Memorandum of Association and may by such resolution determine that as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

**13. Fractions**

**13.1** Whenever as the result of any consolidation, division or sub-division of shares any member would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular (but without prejudice to the generality of the foregoing):

- (a) the Board may determine which of the shares of such holder are to be treated as

giving rise to such fractional entitlement and may decide that any of those shares shall be consolidated with any of the shares of any other holder or holders which are similarly determined by it to be treated as giving rise to a fractional entitlement for such other holder or holders into a single consolidated share and the Board may on behalf of all such holders, sell such consolidated share for the best price reasonably obtained to any person (including the Company) and distribute the net proceeds of sale after deduction of the expenses of sale in due proportion among those holders (except that any amount otherwise due to a holder, being less than £3 or such other sum as the Board may from time to time determine may be retained for the benefit of the Company); or

- (b) provided that the necessary unissued shares are available, the Board may issue to such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding to an exact multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been effected prior to consolidation), and the amount required to pay up such shares shall be appropriated at the Board's discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up the share.

- 13.2 For the purposes of any sale of consolidated shares pursuant to Article 13.1, the Board may authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser, and the transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

#### 14. Reduction of capital

Subject to the provisions of the Act and to any rights for the time being attached to any shares the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any undistributable reserve in any manner.

#### 15. Purchase of own shares

- 15.1 Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may enter into any contract for the purchase of any of its own shares of any class (including any redeemable shares) and any contract under which it may, subject to any conditions, become entitled or obliged to purchase all or any of such shares. Any shares to be so purchased may be selected in any manner whatsoever provided that if at the relevant date proposed for approval of the proposed purchase there shall be in issue any shares of a class entitling the holders to convert into equity share capital of the Company then no such purchase shall take place unless it has been sanctioned by an extraordinary resolution passed at a separate general meeting (or meetings if there is more than one class) of the holders of such class of convertible shares.

- 15.2 Notwithstanding anything to the contrary contained in these Articles, the rights attached to

any class of shares shall be deemed not to be varied by anything done by the Company or the Directors pursuant to this Article.

15.3 Any exercise by the Company of the power to purchase any shares pursuant to this Article shall be subject to the following provisions:

- (a) purchases will be limited to a maximum price which will not exceed the average price for such shares as derived from the USM Appendix to the Daily Official List for the 10 business days on which shares were traded before the purchase is made or the average of the middle market quotations for such shares on the London Stock Exchange as derived from the Daily Official List for the 10 business days before the purchase is made (as the case may be) or, in the case of a purchase through the market, at the market price, provided that the market price does not exceed such average by more than five per cent; and
- (b) if purchases are to be made by tender, the opportunity to tender will be made available on the same basis to all shareholders.

#### VARIATION OF CLASS RIGHTS

16. Sanction to variation

16.1 Subject to the provisions of the Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise).

16.2 The foregoing provisions of this Article shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied.

17. Class meetings

All the provisions in these Articles as to general meetings shall mutatis mutandis apply to every meeting of the holders of any class of shares save that:

- (a) the quorum at every such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class;

- (b) every holder of shares of the class present in person or by proxy may demand a poll;
- (c) each such holder shall on a poll be entitled to one vote for every share of the class held by him; and
- (d) if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum.

#### 18. Deemed variation

Subject to the terms on which any shares may be issued the rights or privileges attached to any class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority for the payment of a dividend or in respect of capital or howsoever or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking pari passu in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Act and these Articles.

### SHARE CERTIFICATES

#### 19. Right to certificates

- 19.1 On becoming the holder of any share every person (except a recognised person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled without charge to have issued within two months after allotment (unless the terms of issue of the shares provide otherwise) or within one month of the date of expiration of any right of renunciation or 28 days of the lodgment of a transfer one certificate for all the shares of any one class registered in his name and to a separate certificate for each class of shares so registered. Such certificate shall specify the number class and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount or respective amounts paid up thereon and shall be issued either under the Seal (which may be affixed to it or printed on it) or in such other manner having the same effect as if issued under a seal and having regard to the provisions of the Act and the rules and regulations of the London Stock Exchange as the Board may approve.
- 19.2 If and so long as 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 then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.
- 19.3 The Company shall not be bound to issue more than one certificate in respect of shares held jointly by two or more persons. Delivery of a certificate to the person first named on the register shall be sufficient delivery to all joint holders.

- 19.4 Where a member (other than a recognised person) has transferred part only of the shares comprised in a certificate he shall be entitled without charge to a certificate for the balance of such shares.
- 19.5 No certificate shall be issued representing shares of more than one class or in respect of shares held by a recognised person.
- 20. Replacement certificates**
- 20.1 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu, subject to the payment of such reasonable fee, if any, as the Directors may determine, on surrender of the original certificates for cancellation.
- 20.2 If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify the Board may if it thinks fit comply with such request subject to the payment of such fee (if any) as they may determine.
- 20.3 Share certificates may be renewed or replaced on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out of pocket expenses (including those incurred by the Company in investigating such evidence and preparing such indemnity and security) as the Board may decide, and on surrender of the original certificate (where it is defaced or worn out) but without any further charge.
- 20.4 In the case of shares held jointly by several persons, any such request as is mentioned in this Article 20 may be made by any one of the joint holders.

**21. Transfer of shares without written instrument**

Nothing in these Articles shall prevent title to any securities of the Company from being evidenced and transferred without a written instrument as permitted by section 207 of the Companies Act 1989 and any regulations made pursuant thereto and the Directors shall have power to implement such procedures as they may think fit and as may accord with that Act and any regulations made thereunder for recording and transferring title to securities and for the regulation of those procedures and the persons responsible for or involved in their operation.

**LIEN ON SHARES**

**22. Lien on shares not fully paid**

The Company shall have a first and paramount lien on any of its shares which are not fully paid, to the extent and in the circumstances permitted by section 150 of the Act. The lien shall also extend to all distributions and other moneys from time to time declared or payable in respect of such share. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of a share

shall operate as a waiver of the Company's lien (if any) on that share.

**23. Enforcement of lien by sale**

23.1 The Company may sell in a manner decided by the Board all or any of the shares subject to any lien at such time or times and in such manner as it may determine, save that no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment, fulfilment or discharge thereof and giving notice of intention to sell in default shall have been served on the holder or the persons (if any) entitled by transmission to the shares and default in payment, fulfilment or discharge shall have been made by him or them for 14 clear days after service of such notice.

23.2 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. For giving effect to any such sale, the Board may authorise some person to execute an instrument of transfer of the shares sold in the name and on behalf of the holder or the persons entitled by transmission in favour of the purchaser or as the purchaser may direct. The purchaser shall not be bound to see to the application of the purchase money and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

**24. Application of proceeds of sale**

The net proceeds of any sale of shares subject to any lien after payment of the costs shall be applied in or towards satisfaction of so much of the amount due to the Company or of the liability or engagement (as the case may be) as is presently payable or is liable to be presently fulfilled or discharged. The balance (if any) shall (on surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable or any liability or engagement not liable to be presently fulfilled or discharged as existed on the shares before the sale) be paid to the holder of (or the person (if any) entitled by transmission to) the shares immediately prior to sale.

**CALLS ON SHARES**

**25. Calls**

Subject to the terms of allotment of shares, the Board may from time to time make calls on the members in respect of any moneys unpaid on the shares or any class of shares held by them respectively (whether in respect of nominal value or premium) and not payable on a date fixed by or in accordance with the terms of issue provided that no call on any share shall be payable within one month from the date fixed for the payment of the last preceding call. Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made and whether or not by instalments) be liable to pay the



amount of every call so made on him as required by the notice. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed or (as the case may require) any person to whom power has been delegated pursuant to these Articles serves notice of exercise of such power. A call may be required to be paid by instalments and may before receipt by the Company of any sum due thereunder be either revoked or postponed in whole or part as regards all or any such members as the Board may determine. A person on whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.

**26. Interest on calls**

If the whole of the sum payable in respect of any call is not paid on or before the day appointed for payment, the person from whom it is due and payable shall pay all reasonable costs, charges and expenses that the Company may have incurred by reason of such non-payment together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or if no rate is so fixed at such rate, not exceeding 15 per cent per annum as the Board shall determine and specify in the notice of the call. The Board may waive payment of such costs, charges, expenses or interest in whole or in part.

**27. Rights of member when call unpaid**

No member shall be entitled to receive any dividend or to be present and vote at any general meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum or to exercise any other privilege as a member unless and until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

**28. Sums due on allotment treated as calls**

Any sum payable in respect of a share on allotment or at any fixed date whether in respect of the nominal value of the share or by way of premium or as an instalment of a call shall for all purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of allotment or in the notice of call, it becomes payable. If it is not paid, the provisions of these Articles shall apply as if such amount had become due and payable by virtue of a call duly made and notified.

**29. Power to differentiate**

The Board may make arrangements on the allotment or issue of shares for a difference as between the allottees or holders of such shares in the amount and time of payment of calls.

**30. Payment in advance of calls**

The Board may if it thinks fit receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid on the shares held by him. Such payment in

to distinguish pro tanto the liability on the shares on which it is made, interest on the money paid in advance or so much of it as exceeds being called up on the shares in respect of which such advance has not exceeding 15% as the Board may decide until and to the extent of the advance, become payable. The Board may at any time proceed on giving to such member not less than three months' notice in that behalf, unless before the expiration of such notice the share has been called up on the shares in respect of which it was in advance of calls shall entitle the holder of a share in respect of a dividend subsequently declared in respect of any period prior to which sum would, but for such payment, become presently payable.

## FORFEITURE OF SHARES

On the whole of any call or any instalment of any call on or before the date on which the Board may at any time serve a notice in writing on such person entitled to the share by transmission requiring payment, on a certain day from the date of the notice of the amount unpaid and any accrued thereon and any reasonable costs, charges and expenses by reason of such non-payment. The notice shall name the place where the same shall be made and state that, if the notice is not complied with the shares on which the same was made will be liable to be forfeited.

Notice

Article 31 is not complied with any share in respect of which the same has not been made before the payment required by the notice has been made, be the order of the Board to that effect. Such forfeiture shall include all moneys payable in respect of the forfeited shares and not paid shall be deemed to occur at the time of the passing of the said

Forfeited notice of the forfeiture shall be served on the person who is the holder of the share or the person entitled to such share by transmission (or by any other means). An entry of such notice having been given and of the effect thereof shall forthwith be made in the Register in respect of such share and shall be invalidated by any omission to give such notice or otherwise.

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Before any share so forfeited has been cancelled or sold, the forfeiture shall not be annulled, on the terms that payment shall be made of the amount due thereon and all expenses incurred in respect of the share

and on such further terms (if any) as the Board shall see fit.

**35. Surrender**

The Board may accept a surrender of any share liable to be forfeited hereunder upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited. In such case references in these Articles to forfeiture shall include surrender.

**36. Disposal of forfeited shares**

Every share which shall be forfeited shall thereupon become the property of the Company. The Company shall not exercise any voting rights in respect of such a share. Subject to the provisions of the Act, any such share may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board shall determine and, in the case of re-allotment, whether with or without all or any part of the amount previously paid up on the share being treated as so paid up. The Board may for the purposes of the disposal, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of or the person entitled by transmission to the share. The Company may, if the Board considers it just and equitable to do so, receive the consideration (if any) given for the share on its disposal.

**37. Effect of forfeiture**

A shareholder whose shares have been forfeited shall cease to be a member in respect of the shares forfeited and shall surrender to the Company for cancellation the certificate for such shares. He shall nevertheless be liable (unless payment is waived in whole or in part by the Directors) to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon from the date of the forfeiture to the date of payment at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at such rate not exceeding 15% per annum as the Board may determine, in the same manner in all respects as if the shares had not been forfeited and to satisfy all (if any) claims demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on the disposal.

**38. Extinction of claims**

The forfeiture of a share shall include all dividends and other payments or distribution declared in respect of the forfeited shares and not paid or distributed before forfeiture.

**39. Evidence of forfeiture**

A statutory declaration by a Director or the Secretary that a share has been forfeited in pursuance of these Articles and stating the date on which it was forfeited shall as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated. The declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and a certificate for the share under the Seal delivered to the person to whom the same is sold or disposed of shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. Subject to the execution of any necessary transfer, such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any) nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or disposal of the share. Such person shall not (except by express agreement with the Company) become entitled to any dividend which might have accrued on the share before the completion of the sale or disposition thereof.

### TRANSFER OF SHARES

#### 40. Form of transfer

Except as may be provided by any procedures implemented pursuant to Article 21 above, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

#### 41. Right to refuse registration

41.1 The Board may in its absolute discretion and without giving any reason refuse to register any share transfer unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of a share on which the Company has no lien;
- (c) it is in respect of only one class of shares;
- (d) it is in favour of a single transferee or not more than four joint transferees;
- (e) it is duly stamped (if so required); and
- (f) it is delivered for registration to the Office or such other place as the Board may from time to time determine accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the

transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so.

Provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

**41.2 No transfer of any share shall be made:**

- (a) to a minor;
- (b) to a bankrupt;
- (c) to any person who is, or may be, suffering from mental disorder and either:
  - (i) has been admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or any similar statute relating to mental health (whether in the United Kingdom or elsewhere); or
  - (ii) an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

and the Directors shall refuse to register the purported transfer of a share to any such person.

**42. Notice of refusal**

If the Board refuses to register a transfer of a share it shall within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.

**43. Closing of Register**

The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine. Notice of closure of the Register shall be given in accordance with the requirements of the Act.

**44. Fees on registration**

No fee shall be charged for registration of a transfer or on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

**45. Other powers in relation to transfers**

- 45.1 Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- 45.2 Nothing in these Articles shall preclude the Directors, if empowered by these Articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to Article 21 above.

**COMPULSORY TRANSFER**

**46. Requests for information**

- 46.1 Without prejudice to the rights of the Board under Article 83, the Board may at any time serve a notice upon any member requiring him to furnish it with such information and evidence, supported if the Board so requires by a statutory declaration, as the Board may consider necessary for the purposes of determining whether any member and/or any other person who has an interest in any shares held by such member has an interest in shares of the Company which might cause the Authority to revoke, suspend or determine the Licence or decline to renew or extend the Licence.
- 46.2 If such information and evidence is not provided within a reasonable period (not being less than 14 days from the date of service of the notice) or the information and evidence provided is, in the opinion of the Board, insufficient or unsatisfactory for the purposes of so determining, the Board may serve upon the member a further notice, requesting the provision within a reasonable period (not being less than 14 days from the date of service of the notice) of such information and evidence or further information and evidence as shall, in its opinion, enable it to so determine.

**47. Compulsory Transfers**

- 47.1 If the Board considers (after due consultation with the Authority), whether pursuant to information or evidence provided in response to a notice under Article 46 or on any other basis, that the Authority may revoke, suspend or determine the Licence or decline to renew or extend the Licence by reason of the interest of a person in shares of the Company, the Board may serve a written notice ("a Transfer Notice") on such person, or if different, the holder or holders of the shares, requiring him to sell all or part of the shares held by him.
- 47.2 A Transfer Notice shall:
- (a) specify in general terms the reason for the Board's determination;
  - (b) refer to the cessation of voting rights as set out in Article 50.2;
  - (c) specify the number of shares to be disposed of, and where more than one holder (treating joint holders as a single holder) is required to dispose of shares, specifying

the number of shares to be disposed of by each holder. The number of shares to be disposed of and the identity of the holders to so dispose of shares shall be in the absolute discretion of the Board and need not be made pro rata.

- 47.3 A Compulsory Transfer shall be completed within 30 days of the service of the Transfer Notice, and the holder shall lodge the transfer with the Company for registration within such period. If the holder shall fail to do so, the holder shall be deemed to have appointed the Board his agent for the sale of the shares specified in the Transfer Notice. The Board shall, so far as it is reasonably able, complete the Compulsory Transfer at a price which it, in its absolute discretion, determines to be the best price reasonably obtainable in the circumstances and shall give written notice of the disposal to the holder concerned.
- 47.4 To give effect to a Compulsory Transfer, the Board may authorise some person to transfer the shares, enter the name of the transferee in the Register of Members, notwithstanding the absence of a share certificate and issue a new certificate to the transferee. An instrument of transfer lodged by that person shall be as effective as if it had been executed by the holder of the shares. The transferee shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the Compulsory Transfer. The net proceeds of sale shall be received by the Company, whose receipt shall be a good discharge for the purchase moneys, and shall be paid (without any interest being payable on it) to the former holder upon surrender by him of the share certificate in respect of those shares.
48. **Service of Transfer Notice not required**
- The Board shall not be obliged to serve a Transfer Notice on any person if the Board does not know his identity or his address. The absence of service of a Transfer Notice in such circumstances shall not prevent or invalidate any Compulsory Transfer, nor shall any accidental omission or failure to give any notice to any person on whom notice is required to be served under Articles 46 or 47.
49. **Board determination final**
- Any determination of the Board under Articles 46 to 48 shall be final and conclusive, but without prejudice to the power of the Board to subsequently vary or revoke such determination prior to the completion of a Compulsory Transfer.
50. **Restrictions on voting**
- 50.1 Any member who, pursuant to Article 46, has been served with a notice by the Board requiring him to furnish the Board with information and evidence or further information and further evidence and who does not do so within the prescribed periods, shall not, with effect from the expiration of such period and until information or evidence is furnished to the satisfaction of the Board, be entitled to receive notice of, or to attend or vote at (either in person, by proxy or by representative) any general meeting of the Company or any separate meeting of the holders of any class of shares or on a poll to exercise any other right conferred by membership in relation to any such meeting or poll other than in respect of such of the shares held by such member as it shall have been established to the

satisfaction of the Board are not shares in respect of which the Board may serve a Transfer Notice.

- 50.2 Any member who has been served with a Transfer Notice shall not in respect of the number of shares specified in the Transfer Notice be entitled with effect from the date of service of the Transfer Notice to receive notice of, or to attend or vote at, any general meeting of the Company or any separate meeting of the holders of any class of shares or on a poll to exercise any other right conferred by membership in relation to any such meeting or poll.

### TRANSMISSION OF SHARES

51. On death

If a member dies the survivors or survivor where he was a joint holder and his executors or administrators where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares. Nothing in these Articles shall release the estate of a deceased member from any liability in respect of any share which has been solely or jointly held by him.

52. Election of person entitled by transmission

Any person entitled to a share by transmission, may, on such evidence as to his title being produced as the Board may reasonably require, elect either to become registered as a member or to have some person nominated by him registered as a member. If he elects to become registered himself he shall give written notice signed by him to the Company to that effect. If he elects to have some other person registered he shall execute an instrument of transfer of such shares to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event had not occurred and the notice or transfer were executed by such member. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof cause the entitlement of that person to be noted in the Register.

53. Rights on transmission

Where a person entitled to a share by transmission, the rights of the holder in relation to such share shall cease. However, the person so entitled may give a good discharge for any dividends and other moneys payable in respect of it and shall have the same rights to which he would be entitled if he were the holder of the share except that he shall not before he is registered as the holder of the share be entitled in respect of it to give notice of or to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the requirements of the notice have been complied with.



## GENERAL MEETINGS

### 54. Annual general meetings

Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine.

### 55. Extraordinary general meetings

All general meetings other than annual general meetings, shall be called extraordinary general meetings.

### 56. Convening of extraordinary general meeting

The Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition or in default may be convened by such requisitionists as provided by section 368 of the Act. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the United Kingdom sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting.

### 57. Notice of general meetings

57.1 An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a Director or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be convened by not less than 21 clear days notice in writing. Other extraordinary general meetings shall be convened by not less than 14 clear days notice in writing.

57.2 Subject to the provisions of the Act, and notwithstanding that it is convened by shorter notice than that specified in this Article 57 a general meeting shall be deemed to have been duly convened if it is so agreed:

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

57.3 Every notice convening a general meeting shall specify:

- (a) whether the meeting is an annual general meeting or an extraordinary general meeting;
- (b) the place, the day and the time of the meeting;

- (c) in the case of special business the general nature of that business;
- (d) if the meeting is convened to consider a special or extraordinary resolution the intention to propose the resolution as such; and
- (e) with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

57.4 The notice shall be given to the members (other than any who under the provisions of these Articles or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the Directors and to the Auditors and if more than one for the time being, to each of them.

**58. Omission to send notice**

The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

**59. Special business**

All business that is transacted at a general meeting shall be deemed special, except the following transactions at an annual general meeting:

- (a) the declaration of dividends;
- (b) the receipt and consideration of the annual accounts and the reports of the Directors and the Auditors and other documents required to be attached or annexed to the accounts;
- (c) the election or re-election of Directors;
- (d) the fixing of the Directors fees pursuant to Article 102;
- (e) the re-appointment of the Auditors retiring (unless they were last appointed otherwise than by the Company in general meeting) and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed;
- (f) the giving, variation or renewal of any authority of the Board for the purposes of section 80 of the Act or any power pursuant to section 95 of the Act.

**PROCEEDINGS AT GENERAL MEETINGS**

**60. Quorum**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or

appointment of a chairman which shall not be treated as part of the business of the Meeting, Subject to the provisions of Article 61, three persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

**61. If quorum not present**

If within 15 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine being not less than 7 nor more than 28 days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting two members present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least seven clear days notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than 14 nor more than 28 days thereafter).

**62. Meeting place inadequate**

If it appears to the Chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the Chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.

**63. Chairman**

The Chairman of the Board shall preside as Chairman at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the meeting or shall be unwilling to act as Chairman, the Deputy Chairman (if any) of the Board shall if present and willing to act preside as Chairman at such meeting. If no Chairman or Deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If no Director is willing to act as Chairman of the meeting, or if no Director is present within 15 minutes of the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

**64. Director or Auditor may attend and speak**

- 64.1 A Director shall notwithstanding that he is not a member be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company.
- 64.2 An Auditor shall be entitled to attend any general meeting and to be heard at any general meeting on any part of the business of the meeting which concerns him as Auditor.

**65. Power to adjourn**

The Chairman of the general meeting may, with the consent of a meeting at which a quorum is present, and shall if so directed by the meeting adjourn any meeting from time to time (or indefinitely) and from place to place as he shall determine. However, without prejudice to any other power which he may have under these Articles or at common law the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

**66. Notice of adjourned meeting**

Where a meeting is adjourned indefinitely the Board shall fix the time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

**67. Business of adjourned meeting**

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

**VOTING**

**68. Method of voting**

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded.

Subject to the provisions of the Act, a poll may be demanded by:

- (a) the Chairman of the meeting; or

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

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

**69. Chairman's declaration conclusive on show of hands**

Unless a poll is duly demanded and the demand is not withdrawn a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

**70. Objection to error in voting**

No objection shall be raised to the qualification of any voter or to the counting of or failure to count any vote except 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 is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

**71. Amendment to resolutions**

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

**72. Procedure on a poll**

**72.1** Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such

time and place not being more than 30 days from the date of the meeting or adjourned meeting at which the poll as demanded as the Chairman shall direct. The Chairman may, and if so directed by the Meeting shall, appoint scrutineers who need not be members and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. 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 demanded. 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. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

72.2 The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn the meeting shall continue as if the demand had not been made.

72.3 The demand for a poll may before the poll is taken, be withdrawn, but only with the consent of the Chairman. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made. If a demand is withdrawn, the persons entitled in accordance with Article 68 may demand a poll.

72.4 On a poll votes may be given in person or by proxy or (in the case of a corporate member) by a duly authorised representative. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

### 73. Votes of members

73.1 Subject to the provisions of the Act and to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to these Articles, at any general meeting every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote shall on a show of hands have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each share of which he is the holder.

73.2 If two or more persons are joint holders of a share, then in voting on any question the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.

73.3 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Board may in its absolute discretion on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or curator bonis or other person authorised by a court or official, to vote in person or, on a poll, by proxy on behalf of such member at any general meeting. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be

deposited at the Office or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

**74. Casting vote**

In the 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 at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote that he may have.

**75. Restriction on voting rights for unpaid calls etc.**

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares either in person or by proxy in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share in the Company have been paid to the Company.

**76. Voting by proxy**

Any person (whether a member of the Company or not) may be appointed to act as a proxy. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.

**77. Form of proxy**

An instrument appointing a proxy shall:

- (a) be in writing in any common form or in such other form as the Board may approve under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of some officer or attorney duly authorised in that behalf;
- (b) be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit, but shall not confer any further right to speak at the meeting except with the permission of the Chairman (or as otherwise determined by the Board where the relevant shares are held by a Depositary);
- (c) unless the contrary is stated therein be valid as well for any adjournment of the meeting as for the meeting to which it relates; and
- (d) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of any such meetings.

**78. Deposit of proxy**

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board shall:

- (a) be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time of the holding of the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting;

and an instrument of proxy not deposited or delivered in a manner so permitted shall be invalid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution except adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

**79. More than one proxy may be appointed**

A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing instruments of proxy delivered in respect of the same share for use at the same meeting and in respect of the same matter, the one which is last validly delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was last validly delivered, none of them shall be treated as valid in respect of that share.

**80. Proxy cards**

The Board shall at the expense of the Company send by post or otherwise instruments of proxy (reply-paid or otherwise) with the notice convening any general meeting to members entitled to vote at the meeting. Such forms of proxy shall provide for voting both for and against all resolutions to be proposed at the meeting other than the resolutions relating to the procedure of the meeting. The accidental omission to send an instrument of proxy or the non receipt thereof by any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.



**81. Revocation of proxy**

A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed or the transfer of the share in respect of which the instrument of proxy is given unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as has been appointed for the deposit of instruments of proxy at least 48 hours before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.

**82. Corporate representative**

A corporation (whether or not a company within the meaning of the Act) which is a member may by resolution of its directors or other governing body, authorise such person (or if but only if, such corporation is a Depositary voting in its capacity as such, persons) as it thinks fit to act as its representative (or as the case may be, representatives) at any meeting of the Company or at any separate meeting of the holders of any class of shares.

Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation (in respect of that part of the corporation's holdings to which the authority relates) as the corporation could exercise if it were an individual member. The corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it; and all references to attendance and voting in person shall be construed accordingly. A certified copy of such a resolution shall be deposited at the Office not less than forty-eight hours before the time appointed for holding the meeting or first meeting at which the person so authorised is to act, or, in the case of a poll taken subsequent to the meeting or first meeting, not less than twenty-four hours before the time appointed for the taking of the poll, and unless such certified copy of such resolution is so deposited the authority granted by such resolution shall not be treated as valid. Where certified copies of two or more valid but differing resolutions authorising any person or persons to act as the representative of any corporation pursuant to this Article at the same meeting in relation to the same share are deposited at the office, the resolution, a certified copy of which is deposited with the Company (in accordance with this Article) last in time (regardless of the date of such certified copy or of the date upon which the resolution set out there was passed), shall be treated as revoking and replacing all other such authorities as regards that share but if the Company is unable to determine which of any such two or more valid but differing resolutions was the one so deposited last in time, none of them shall be treated as valid in respect of that share. The authority granted by any such resolution shall, unless the contrary is stated in the certified copy thereof deposited with the Company pursuant to this Article, be treated as valid for any adjournment of any meeting at which such authority may be used as well as at such meeting.

A corporation which is a member of the Company who holds different classes of shares may so authorise one or more different persons for each class of share held.

**83. Failure to disclose interests in shares**

83.1 If a member, or any other person appearing to be interested in shares held by that member has been issued with a notice pursuant to section 212 of the Act (a "section 212 notice") and has failed in relation to any shares ("the default shares" which expression shall include any further shares which are issued in respect of such shares unless a separate notice is issued in respect of such further shares) to give the Company the information thereby required within the prescribed period from the date of service of the section 212 notice, or, in purported compliance with such notice, has made a statement which is false or inadequate in a material particular, then the Board may serve on the holder of such default shares a notice (in this Article called a "disenfranchisement notice") whereupon the following sanctions shall apply:

- (a) the member shall not with effect from the expiration of twenty-eight days after the date of service of the disenfranchisement notice be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (b) where the default shares represent at least 0.25 per cent. in nominal value of their class:
  - (i) any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to Article 149 to receive shares instead of that dividend; and
  - (ii) no transfer, other than an approved transfer as defined in Article 83.7(e) below, of any shares held by the member shall be registered unless:
    - (A) the member is not himself in default as regards supplying the information required; and
    - (B) the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

83.2 The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the shares to which the same relates a notice in writing to that effect ("withdrawal notice").

83.3 Where the sanctions under Article 83.1 apply in relation to any shares they shall cease to have effect:

- (a) if the shares are transferred by means of an approved transfer;
- (b) at the end of the period of one week (or such shorter period as the Board may

determine) following receipt by the Company of the information required by the notice mentioned in Article 83.1 and the Board being fully satisfied that such information is full and complete ; or

(c) on the date on which a withdrawal notice is served by the Company.

83.4 Where on the basis of information obtained from a member in respect of any share held by him the Company issues a section 212 notice to any other person it shall at the same time send a copy of the notice to the member but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of Article 83.1.

83.5 Where default shares in which a person appears to be interested are held by a Depositary, the provisions of this Article 83 shall be treated as applying only to those shares held by the Depositary in which such person appears to be interested and not (insofar as such person's apparent interest is concerned) to any other shares held by the Depositary.

83.6 Where the member on which a section 212 notice is served is a Depositary acting in its capacity as such, the obligations of the Depositary as a member of the Company shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by it pursuant to the arrangements entered into by the Company or approved by the Board pursuant to which it was appointed as a Depositary.

83.7 For the purposes of this Article 83:

- (a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is or may be so interested or if the Company (after taking account of any information obtained from the member pursuant to a section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) "interested" shall be construed as it is for the purpose of section 212 of the Act;
- (c) reference to a person having failed to give the Company the information required by a notice or being in default as regards supplying such information includes reference:
  - (i) to his having failed or refused to give all or any part of it; and
  - (ii) to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (d) the "prescribed period" means:
  - (i) in a case where the default shares represent at least 0.25 per cent. in nominal

value of their class, 14 days; and

- (ii) in any other case, 28 days;
- (e) an "approved transfer" means in relation to any shares held by a member:
  - (i) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of section 428(i) of the Companies Act 1985; or
  - (ii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares (including any such sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded). For the purposes of this sub-paragraph any associate (as that term is defined in section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.

83.8 Nothing contained in this Article 83 shall be taken to limit the powers of the Company under section 216 of the Act.

#### UNTRACED MEMBERS

#### 84. Power of sale

84.1 The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in sub paragraph (b) below (or if published on different dates, the earlier or earliest thereof) no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share at his address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person provided that during such period of 12 years at least three cash dividends (whether interim or final) in respect of the shares in question have become payable and no such dividend during that period has been claimed by the person entitled to it;
- (b) on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements in both a national daily newspaper published in the United Kingdom and in a newspaper circulating in the area in which the last known address of such member or person or the address at which

service of notices may be effected in the manner authorised by these Articles is located;

- (c) the said advertisements, if not published on the same day shall have been published within 30 days of each other;
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different dates the later or latest thereof) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and
- (e) the Company has given notice to the London Stock Exchange of its intention to make such sale and shall have obtained the approval of the Quotations Department to the proposed form of the said advertisement, if shares of the class concerned are listed or dealt in on that exchange.

84.2 To give effect to any sale of shares pursuant to this Article the Board may authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

84.3 If during the period of 12 years referred to in Article 84.1 or during any period ending on the date when all the requirements of paragraphs (a) to (d) of Article 84.1 have been satisfied, any additional shares have been issued in respect of those held at the beginning of such period or of any previously so issued during such period and all the requirements of paragraphs (b) to (d) of Article 84.1 have been satisfied in regard to such additional shares the Company shall also be entitled to sell the additional shares.

#### 85. Application of proceeds of sale

The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account. The Company shall be deemed to be a debtor to and not a trustee for such member or other person in respect of such moneys. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the Board may from time to time think fit. No interest shall be payable to such member or other person in respect of such moneys and the Company shall not be required to account for any money earned on them.

## APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

### 86. Number of Directors

Unless and until otherwise determined by the Company by ordinary resolution the number of Directors (other than any alternate Directors) shall be not less than four.

### 87. Power of Company to appoint Directors

Subject to the provisions of these Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board, and may also determine the rotation in which any additional Directors are to retire, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

### 88. Power of Board to appoint Directors

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to these Articles the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the annual general meeting of the Company next following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting. If not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

### 89. Eligibility of new Directors

No person other than a Director retiring at the meeting (whether by rotation or otherwise) shall be appointed or re-appointed a Director at any general meeting unless:

- (a) he is recommended by the Board; or
- (b) not less than seven nor more than 42 clear days before the date appointed for the meeting notice duly executed by a member (other than the person to be proposed) qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or re-appointment stating the particulars which would if he were so appointed or re-appointed be required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed or re-appointed is lodged at the Office.

### 90. Share qualification

A Director shall not be required to hold any shares of the Company. A Director who is not a member of the Company shall nevertheless be entitled to be given notice of and attend and speak at general meetings including any separate meeting of the holders of any class of shares.

**91. Resolution for appointment**

A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved unless an ordinary resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void. For the purpose of this Article, a resolution for approving a person's appointment or for nominating a person for appointment as a Director shall be treated as a resolution for his appointment.

**92. No retirement on account of age**

No person shall be or become incapable of being appointed or re-appointed a Director by reason of his having attained the age of 70 or any other age, nor shall any special notice be required in connection with the appointment, re-appointment or the approval of the appointment of such person. No Director shall vacate his office at any time by reason of the fact that he has attained the age of 70 or any other age, and section 293 of the Act shall not apply to the Company. Where any general meeting of the Company is convened at which, to the knowledge of the Board, a Director will be proposed for appointment or re-appointment who will at the date of the meeting be 70 or more, the Board shall give notice of his age in the notice convening the meeting or in any document accompanying the notice but the accidental omission to do so shall not invalidate any proceedings or any appointment or re appointment of that Director at that meeting.

**93. Retirement by Rotation**

- 93.1 At every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation provided that if there is only one Director who is subject to retirement by rotation, he shall retire.
- 93.2 Subject to the provisions of the Act, the Directors to retire by rotation shall include (so far as is necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last appointment or re-appointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A Director who retires (whether by rotation or otherwise) shall be eligible for re-election and may, if willing to act, be re-appointed. The Directors to retire on each occasion (both as to numbers and identity) shall be determined by the composition of the Directors at the date of the notice convening the annual general meeting and no Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Directors or the appointment of him or any of them to be an executive Director after the date of the notice but before the close of the meeting.
- 93.3 If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy created by his retirement the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is expressly resolved not to fill the

vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost or if the retiring Director has given notice in writing to the Company that he is unwilling to be re-elected or where the default in filling the vacancy is due to the moving of a resolution in contravention of Article 91 or where such Director has attained any retirement age applicable to him as a Director.

- 93.4 The retirement of any Director retiring at a general meeting in accordance with this Article shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost in which case the retirement shall take effect at the time of election of his replacement or the time of the losing of that resolution as the case may be. A retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

**94. Removal by ordinary resolution**

The Company may by ordinary resolution of which special notice has been given in accordance with section 379 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or re-appointed a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by a casual vacancy.

**95. Vacation of office by Director**

Without prejudice to any provisions for retirement contained in these Articles the office of a Director shall be vacated if:

- (a) he resigns by notice in writing delivered to the Secretary at the Office or tendered at a Board meeting in which event he shall vacate that office on the service of that notice on the Company or at such later time as is specified in the notice or he offers in writing to resign from his office and the Directors resolve to accept such offer;
- (b) he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to these Articles or becomes prohibited by law from being a Director;
- (c) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the Court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (d) an order is made by any court of competent jurisdiction (whether in the United



Kingdom or elsewhere) on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his property or affairs or he is admitted to hospital in pursuance of an application for admission for treatment under any statute for the time being in force in the United Kingdom relating to mental disorder or, in any other territory, in pursuance of an application for admission under analogous legislation or regulations and the Board resolves that his office be vacated;

- (e) he shall be absent, without the permission of the Board from Board meetings for six consecutive months (whether or not an alternate director appointed by him attends) and the Board resolves that his office be vacated; or
- (f) he is requested to resign by notice in writing addressed to him at his address as shown in the register of Directors and signed by all the other Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company).
- (g) he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director of the Company.

**96. Resolution as to vacancy conclusive**

A resolution of the Board declaring a Director to have vacated office under the terms of Article 95 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

**ALTERNATE DIRECTORS**

**97. Appointments**

- 97.1 Each Director (other than an alternate Director) may by notice in writing under his hand delivered to the Secretary at the Office or at a meeting of the Directors or in any other manner approved by the Board appoint any other Director or any person approved for that purpose by the Board and willing to act to be his alternate and may in like manner remove from office an alternate director so appointed by him.
- 97.2 No appointment of an alternate Director shall be effective until his consent to act as a Director in the form prescribed by the Act has been received at the Office.
- 97.3 An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum number of Directors allowed by these Articles.

**98. Participation in Board meetings**

- 98.1 Every alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notice of all meetings of the Board and all committees of the Board of which his appointor is a member and, in the absence from such meetings of his appointor to attend and vote at such

meetings and to exercise all the powers, rights, duties and authorities of his appointor as a Director. A Director acting as alternate Director shall have a separate vote at Board meetings for each Director for whom he acts as alternate Director, in addition to his own vote (if any), but he shall count as only one for the purpose of determining whether a quorum is present.

- 98.2 Execution by an alternate director of any resolution in writing of the Directors or of a committee of the Directors shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member.

**99. Alternate Director responsible for own acts**

- 99.1 Every person acting as an alternate Director shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

- 99.2 Save as otherwise provided in these Articles, an alternate director shall be subject in all respects to the provisions of these Articles relating to Directors and shall be deemed for all purposes to be a Director.

**100. Interests of alternate Director**

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director. However, he shall not, unless the Company by ordinary resolution otherwise determines, be entitled to receive from the Company any fees for his services as alternate except only such part (if any) of the fee payable to his appointor as such appointor may by notice in writing to the Company direct. Subject to this Article, the Company shall pay to an alternate Director such expenses as might properly have been paid to him if he had been a Director.

**101. Revocation of appointment**

An alternate Director shall cease to be an alternate Director

- (a) if his appointor revokes his appointment; or
- (b) if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-appointed or deemed to be re appointed at the same meeting at which he retires, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or
- (c) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

## **DIRECTORS' REMUNERATION, EXPENSES AND PENSIONS**

### **102. Directors fees**

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £200,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to this Article shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day.

### **103. Expenses**

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.

### **104. Additional remuneration**

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of a lump sum or by way of salary commission, participation in profits or otherwise) as the Board may from time to time determine.

### **105. Remuneration of executive Directors**

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of these Articles may be either a fixed sum of money or may altogether or in part be governed by business done or profits made or otherwise determined by the Board and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to these Articles.

### **106. Pensions and other benefits**

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for or to institute and maintain any institution association society club trust, other establishment or profit sharing share incentive share purchase or employees' share scheme calculated to advance the interests of

the Company or to benefit any person who is or has at any time been a Director of the Company or any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary or any predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Act, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with, any of the aforesaid matters or bodies. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not be obliged to account for it to the Company.

#### **POWERS AND DUTIES OF THE BOARD**

##### **107. Powers of the Board**

Subject to the provisions of the Act, the Memorandum of Association of the Company and these Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the Memorandum of Association, or of these Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article.

##### **108. Powers of Directors being less than minimum number**

If the number of Directors is less than the minimum for the time being prescribed by these Articles the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional Director so appointed shall hold office only until the dissolution of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting.

##### **109. Powers of executive Directors**

The Board may from time to time:

- (a) delegate or entrust to and confer on any Director holding executive office (including a Managing Director) such of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit; and

- (b) revoke, withdraw, alter or vary all or any of such powers

#### **110. Delegation to committees**

110.1 The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons provided that:

- (a) a majority of the members of a committee shall be Directors; and
- (b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

110.2 The Board may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee. Subject to any terms and conditions expressly imposed by the Board, the proceedings of a committee with two or more members shall be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying.

#### **111. Local management**

The Board may establish any local group or divisional boards or agencies for managing any of the affairs of the Company in any specified locality either in the United Kingdom or elsewhere and may appoint any persons to be members of such local or divisional board or any managers or agents, may fix their remuneration and remove any person so appointed. The Board may delegate to any local group or divisional board manager or agent so appointed any of its powers, authorities and discretions other than the power to borrow and make calls (with power to sub-delegate) and may authorise the members for the time being of any such local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies, and any such appointment or delegation may be made for such time on such terms and subject to such conditions as the Board may think fit. The Board may confer such powers either collectively with or to the exclusion of and in substitution for all or any of the powers of the Board in that respect and may from time to time revoke withdraw alter or vary all or any of such powers. Subject to any terms and conditions expressly imposed by the Board, the proceedings of any local group or divisional board or agency with two or more members shall be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying.

#### **112. Power of attorney**

The Board may by power of attorney or otherwise appoint any company, firm, person or persons to be the agent or attorney of the Company and may delegate to any such agent or

attorney or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, any of its powers, authorities and discretions (with power to sub-delegate), in each case for such purposes and for such time, on such terms (including as to remuneration) and subject to such conditions as it thinks fit. The Board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that respect and may from time to time revoke, withdraw, alter or vary any of such powers. Any such appointment or power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent or attorney as the Board may think fit and may also authorise any such agent or attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

**113. Signature of cheques etc**

All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for money paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

**114. Associate Directors**

The Board may appoint any person (not being a Director) to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such designation or title and may define, limit, vary or restrict the powers, authorities and discretions of persons so appointed and may terminate any such appointment subject to any contract between him and the Company or the use of such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that such person is or is deemed to be or is empowered in any respect to act as a Director or a member of any committee of the Board of Directors for any of the purposes of the Act or these Articles.

**115. Exercise of voting power**

The Board may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised by the Company in such manner in all respects as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of any Director as a director or other officer or employee of such company or in favour of the payment of remuneration to the directors, officers or employees of such company).

**116. Provision for employees**

The Board may exercise any power conferred on the Company by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

## 117. Overseas registers

Subject to the provisions of the Act, the Board may exercise the powers conferred on the Company with regard to the keeping of an overseas branch register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

## 118. Borrowing powers

118.1 Subject as provided in this Article 118, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

118.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiary undertakings so as to procure (as regards its subsidiary undertakings in so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding in respect of moneys borrowed by the Group (exclusive of moneys borrowed by one Group company from another and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to two and a half times the Adjusted Capital and Reserves.

118.3 For the purposes only of this Article 118:

(a) "the Adjusted Capital and Reserves" means a sum equal to the aggregate from time to time of:

- (i) the amount paid up (or credited as paid up) on the allotted or issued share capital of the Company; and
- (ii) the amount standing to the credit of the capital and revenue reserves of the Group, whether or not distributable (including without limitation any share premium account, capital redemption reserve fund, and credit or debit balance on any other reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account;

all as shown in the relevant balance sheet of the Group but after:

- (iii) making such adjustments as may be appropriate to reflect:
  - (A) any variation in the amount of the paid up share capital, the share premium account or the capital redemption reserve or any such reserves since the date of the relevant balance sheet and so that for the purpose of making such adjustments:
    - (a) if any issue or proposed allotment of shares by the Company for cash has been underwritten, then such shares shall be

deemed to have been allotted and the amount (including the premium) of the subscription monies payable in respect thereof (not being monies payable later than six months after the date of allotment) shall be deemed to have been paid up to the extent so underwritten on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, the date on which it became unconditional);

- (b) subject as aforesaid, share capital (including any premium) shall be deemed to have been paid up as soon as it has been unconditionally agreed to be subscribed or taken up (within six months of such agreement) by any person;
  - (B) any variation since the date of the relevant balance sheet in the interests of the Company in its subsidiary undertakings or of the companies comprising the Group;
  - (C) where the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary undertaking, such adjustments as would be appropriate if such transactions had been carried into effect.
- (iv) excluding (so far as not already excluded):
- (A) amounts attributable to the proportion of the issued equity share capital of any subsidiary which is not attributable directly or indirectly to the Company;
  - (B) any sum set aside for taxation (including deferred taxation);
- (v) deducting:
- (A) sums equivalent to the book values of goodwill and other intangible assets shown in the relevant balance sheet; and
  - (B) the amount of any distribution declared, recommended or made by any Group company to a person other than a Group company out of profits accrued up to and including the date of (and not provided for in) the relevant balance sheet;
- (b) "cash deposited" means an amount equal to the aggregate of the amounts beneficially owned by Group companies which are deposited for the time being with any bank or other person (not being a Group company) and which are repayable to any Group company on demand or within three months of such demand subject, in the case of amounts deposited by a partly-owned subsidiary, to the exclusion of a proportion thereof equal to the proportion of its issued equity share capital which is not attributable, directly or indirectly, to the Company;



- (c) "Group" means the Company and its subsidiary undertakings from time to time;
- (d) "Group company" means any company in the Group
- (e) "moneys borrowed" include not only moneys borrowed but also the following except in so far as otherwise taken into account:
  - (i) the nominal amount of any issued and paid up share capital and the principal amount of any debenture or borrowings of any person together with any fixed or minimum premium payable on redemption, the beneficial interest in which or right to repayment to which is not for the time being owned by a Group company but the payment or repayment of which is the subject of a guarantee or indemnity by a Group company or is secured on the assets of a Group company;
  - (ii) the principal amount raised by any Group company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house (not being a Group company) other than acceptances and acceptance credits relating to the purchase of goods or services in the ordinary course of trading and outstanding for six months or less;
  - (iii) the principal amount of any debenture (whether secured or unsecured) of any Group company beneficially owned otherwise than by a Group company;
  - (iv) the principal amount of any preference share capital of any subsidiary beneficially owned otherwise than by a Group company;
  - (v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but any premium payable on final repayment of an amount not to be taken into account as moneys borrowed shall not be taken into account); and
  - (vi) any fixed amount in respect of a hire-purchase agreement or of a finance lease payable in either case by a Group company which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet (and for the purpose of this sub-paragraph (vi) "finance lease" means a contract between a lessor and a Group company as lessee or sublessee where substantially all the risks and rewards of the ownership of the asset leased or subleased are to be borne by that company and "hire-purchase agreement" means a contract of hire-purchase between a hire-purchase lender and a Group company as hirer);but do not include:
  - (vii) moneys borrowed by any Group company for the purpose of repaying within six months of being first borrowed the whole or any part of any moneys borrowed and then outstanding (including any premium payable on final

repayment) of that or any other Group company pending their application for such purpose within that period;

- (viii) moneys borrowed by any Group company for the purpose of financing any contract in respect of which any payment of the price receivable under the contract by that or any other Group company is guaranteed or insured by the Export Credits Guarantee Department or by any other institution fulfilling a similar function up to an amount equal to but not exceeding that part of the price receivable under the contract which is so guaranteed or insured;
- (ix) an amount equal to the moneys borrowed of any company outstanding immediately after it becomes a Group company provided that it became a Group company during the six months preceding the calculation;
- (x) an amount equal to the amount secured on an asset immediately after it was acquired by a Group company provided that it was acquired during the six months preceding the calculation;
- (xi) notwithstanding sub-paragraph (i) to (vi) above, the proportion of moneys borrowed by a Group company (and not owing to another Group company) which is equal to the proportion of its issued equity share capital not attributable directly or indirectly to the Company;
- (xii) amounts borrowed or raised which are for the time being deposited with H.M. Customs & Excise or any other body designated by any relevant legislation or order in connection with import deposits or any similar government scheme to the extent that a member of the Group retains an interest therein;

and in sub-paragraphs (vii) to (xii) above references to amounts of moneys borrowed include references to amounts which, but for the exclusion under those sub-paragraphs, would fall to be included;

- (f) there shall be credited against the amount of any moneys borrowed any cash deposited.
- (g) For the avoidance of doubt it is hereby expressly provided that for the purposes of the limit set out in Article 118 the following sums shall be deemed not to be moneys borrowed of the Group:
  - (i) any and all sums retained by any member of the Group (or their agent or nominee) under the terms of any contract or other arrangement relating to the construction of capital projects where the retention is made for the purposes of securing satisfactory completion and entry into service of the project for so long as and to the extent that any member of the Group is entitled to retain such sums under the relevant contract or arrangement;
  - (ii) sums advanced or paid to any member of the Group (or their agent or

nominee) by customers of any member of the Group as prepayments or progress payments or payments on account or by way of deposit or security in respect of any products or services or under any sales contracts or settlements systems; and

(iii) sums which otherwise would fall to be treated as borrowed moneys of any member of the Group which were treated with the concurrence of the Auditors and in accordance with any current Statement of Standard Accounting Practice or other accountancy principle or practice generally accepted for the time being in the United Kingdom in the latest audited balance sheet of the relevant member of the Group on which such consolidation was based as otherwise than borrowed moneys of that member of the Group.

(h) "relevant balance sheet" means the latest published audited consolidated balance sheet of the Group, but where the Company has no subsidiaries it means the balance sheet and profit and loss account of the Company and, where the Company has subsidiaries but there are no consolidated accounts of the Group, it means the respective balance sheets and profit and loss accounts of the companies comprising the Group;

(i) "subsidiary undertaking" has the meaning given to it in the Act (except a subsidiary undertaking which is excluded from consolidation by virtue of the provisions of section 229 of the Act), and "Group" and "Group company" and references to any company which becomes a Group company or to companies comprising the Group shall in such case be construed so as to include subsidiary undertakings except a subsidiary undertaking which is excluded from consolidation as aforesaid and "equity share capital" shall be construed in relation to a subsidiary undertaking without a share capital in the same manner as "shares" are defined in relation to an undertaking without a share capital under section 259(2)(b) and (c) of the Act.

118.4 When the aggregate amount of moneys borrowed required to be taken into account for the purposes of this Article 118 on any particular day is being ascertained any of such moneys denominated or repayable in a currency other than sterling shall if not subject to a contract or arrangement determining the rate of exchange be converted for the purpose of calculating the sterling equivalent either:

(a) with the exception of Excepted Foreign Currency Borrowings (as hereinafter defined), at the rate of exchange prevailing at the material time in London provided that the moneys comprising such borrowing shall be translated (if thereby such sterling amount would be less) at the option of the Company at the rate of exchange prevailing in London six months before such time. For the purposes of this subparagraph the rate of exchange shall be taken as the middle market rate as at the close of business in London on the relevant day or, if such day is not a business day, on the last business day before the day in question;

(b) in the case of any Excepted Foreign Currency Borrowings, at the rate of exchange which would be applicable to the moneys comprising such borrowing on their

repayment to the extent that such rate of exchange is fixed under any Exchange Cover Scheme (as hereinafter defined) in connection with such moneys borrowed provided that where it is not possible to determine the rate of exchange applicable at the time of repayment of any such moneys borrowed they shall be translated into sterling under the terms of the applicable Exchange Cover Scheme on each basis as may be agreed with or determined by the Auditors or, if this is agreed by the Auditors not to be practicable, in accordance with the provisions of sub-paragraph (a) above;

For the purpose of this Article 118.4:

- (i) "Excepted Foreign Currency Borrowings" means moneys borrowed denominated or repayable in a currency other than sterling which have the benefit of an Exchange Cover Scheme and "Exchange Cover Scheme" means any exchange cover scheme, forward currency contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risks associated with fluctuations in exchange rates; and
- (ii) where under the terms of any borrowing the amount of money which would be required to discharge the principal amount of moneys borrowed in full if it fell to be repaid (whether at the option of the company borrowing the same or by reason of default) at such material time is less than the amount which would otherwise be taken into account in respect of such moneys borrowed for the purposes of this Article, the amount of such moneys borrowed to be taken into account shall be such lesser amount.

118.5 A report or certificate of the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed falling to be taken into account for the purposes of this Article 113 or to the effect that the limit imposed by this Article 118 has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions shall be conclusive evidence of the amount or of that fact.

118.6 Nevertheless for the purposes of this Article the Directors may at any time act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves and if in consequence the limit set out in Article 118.2 is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of three months after the date on which by reason of a determination of the Auditors or otherwise the Directors become aware that such a situation has or may have arisen.

118.7 No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this Article 118 shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

## PROCEEDINGS OF DIRECTORS AND COMMITTEES

### 119. Board meetings

Subject to the provisions of these Articles the Board may meet for the despatch of business adjourn and otherwise regulate its proceedings as it thinks fit.

### 120. Notice of Board meetings

One Director may and the Secretary at the request of a Director shall summon a Board meeting at any time. Notice of a Board Meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director may waive the requirement that notice be given to him of any Board meeting either prospectively or retrospectively. It shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has requested the Board in writing that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom notified to the Company for this purpose but he shall not in such event be entitled to a longer period of notice than if he had been present in the United Kingdom at that address.

### 121. Quorum

The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be two persons, each being a Director or an alternate Director. A person who holds office only as an alternate Director shall only be counted in the quorum if his appointor is not present. A Director or other person who is present at a meeting of the Board in more than one capacity (that is to say as both Director and an alternate Director or as an alternate for more than one Director) shall not be counted as two or more for these purposes unless at least one other Director or alternate Director is also present. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities powers and discretions for the time being vested in or exercisable by the Board. Any Director who ceases to be a Director at a meeting of the Directors may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting of the Directors if no Director objects and if otherwise a quorum of Directors would not be present.

### 122. Chairman of Board and other offices

- 122.1 The Board shall appoint any Chairman, joint Chairman or Deputy Chairman of the Board and shall determine the period for which he is or they are to hold office and may at any time remove him or them from office. If no such Chairman or Deputy Chairman is elected or if at any meeting neither a Chairman nor a Deputy Chairman is present within fifteen minutes of the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. In the event of two or more Joint Chairmen or in the absence of a Chairman, two or more Deputy Chairmen being present, the Joint Chairman or Deputy Chairman to act as Chairman of the meeting shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive

office under the Company.

- 122.2 Subject to the provisions of the Act, the Directors may appoint one or more of their number to any office or employment under the Company (including, but without limitation, that of Chief Executive, Managing Director or Joint Managing Director but not including that of auditor), and may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director and may also permit any person appointed to be a Director to continue in any office or employment held by him before he was so appointed. Any such appointment, agreement or arrangement may be made for such period (subject to Article 122.4) and upon such terms as the Directors determine.
- 122.3 Without prejudice to the generality of the foregoing the Directors may entrust to and confer upon any Director holding any such office or employment any of the powers exercisable by them as Directors with power to sub-delegate 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, authorities and discretions, and may from time to time revoke, withdraw, alter or vary all or any of such powers but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.
- 122.4 The Directors may not appoint any one of their number to be both Chairman and Chief Executive or Managing Director of the Company at the same time, unless such appointment is limited to a period not exceeding one year from the date of the appointment, after which the appointment shall lapse and the Directors shall not renew it, although they may (if they wish) appoint the person who had been both Chairman and Chief Executive or Managing Director to hold one only of the offices of Chairman, Chief Executive or Managing Director.
- 122.5 The Directors may also (without prejudice to any claim for damages for breach of any agreement between the Director and the Company) remove a Director from any such office and appoint another in his place.
- 122.6 A Director appointed to the office of Chairman, Deputy Chairman, Managing Director, Chief Executive or any other executive office shall automatically and immediately cease to hold that office if he ceases to hold the office of Director from any cause, but he shall not (unless any agreement between him and the Company shall otherwise provide) cease to hold his office as a Director by reason only of his ceasing to be Chairman, Deputy Chairman, Managing Director, Chief Executive of the Company or to hold any other such executive office, as the case may be.

### 123. Voting

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman of that meeting shall have a second or casting vote. A Director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote and an alternate director who is appointed by two or more Directors shall be entitled to a separate vote on behalf of each of his appointors, in their absence.

#### 124. Participation by telephone

Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no group which is larger than any other group where the Chairman of the meeting then is. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that two or fewer than two Directors or alternate Directors are physically present at the same place.

#### 125. Resolution in writing

A resolution in writing executed by all the Directors for the time being entitled to receive notice of a Board meeting and not being less than a quorum or by all the members of a committee of the Board for the time entitled to receive notice of such committee meeting and not being less than a quorum of that committee shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee as the case may be). Such a resolution:

- (a) may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including executions evidenced by means of facsimile transmission;
- (b) need not be signed by an alternate Director if it is signed by the Director who appointed him; and
- (c) if signed by an alternate Director need not also be signed by his appointor.

For such a resolution to be effective it shall not be necessary for it to be signed by a Director who is prohibited by these Articles from voting thereon or by his alternate.

#### 126. Minutes of proceedings

126.1 The Board shall cause minutes to be made in books kept for the purpose of recording:

- (a) all appointments of officers and committees made by the Board and of any such officer's salary or remuneration; and
- (b) the names of Directors present at every meeting of the Board, of a committee of the Board, of the Company or of the holders of any class of shares or debentures of the Company and all orders resolutions and proceedings of such meetings.

- 126.2 Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting or the Secretary, shall be prima facie evidence of the matters stated in such minutes without any further proof.

**127. Validity of proceedings**

All acts done by a meeting of the Board or of any committee of the local board or agency or by any person acting as a Director, alternate Director or member of a committee, local board or agency shall, as regards all persons dealing in good faith with the Company notwithstanding that it is afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid or that they or any of them were or was disqualified from holding office or not entitled to vote or had in any way vacated their or his office or that the delegation to such committee, local board or agency had been annulled, varied or revoked, be as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a Director alternate Director or member and had been entitled to vote or as if the delegation had continued in full force and effect.

**DIRECTORS' INTERESTS**

**128. Director may have interests**

Subject to the provisions of the Act and provided that Article 129 is complied with, a Director, notwithstanding his office:

- (a) may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;
- (b) may hold any other office or place of profit under the Company (except that of Auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by itself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Non-Executive Committee may arrange either in addition to or in lieu of any remuneration provided for by any other Article;
- (c) may be a member of or a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- (d) shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate; and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.



**129. Disclosure of interests to Board**

129.1 A Director who to his knowledge is in any way (directly or indirectly) interested in any contract arrangement transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract arrangement, transaction or proposal is first considered if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

**129.2 For the purposes of this Article:**

- (a) a general notice given to the Board by a Director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified firm, company, person or class of persons is interested shall be deemed to be a sufficient disclosure under this Article in relation to such contract transaction, arrangement or proposal of the nature and extent thereof as so specified provided that no such notice shall be effective unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given; and
- (b) 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.

**130. Interested Director not to vote or count for quorum**

Save as provided in this Article, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he has (directly or indirectly) an interest which is material or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the matters set out in the following subparagraphs in which case he shall be entitled to vote and be counted in the quorum:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving to a third party of any guarantee security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) the subscription or purchase by him of any shares, debentures or other securities of the Company or any of its subsidiary undertakings pursuant to any offer or invitation to each of the members or debenture holders of the Company or any class of them, or to the public or any section of them in which offer or invitation the director is entitled to participate as a holder of securities or the underwriting or sub-

underwriting by him of any such shares, debentures or other securities;

- (d) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company (including any subsidiary undertaking of the Company) (a "relevant company") in which he (together with any person connected with him within the meaning of section 346 of the Companies Act 1985) is interested, directly or indirectly (and whether as an officer or shareholder, creditor or otherwise) provided that he is not directly or indirectly the holder of or beneficially interested in one per cent or more of the issued equity share capital of either a relevant company or an intermediate company or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances), and for the purposes of this paragraph (d):
  - (i) an "intermediate company" means a company having an interest in a relevant company which would be material if held by a Director;
  - (ii) a Director shall be deemed to have an interest in one per cent or more of a relevant company or an intermediate company if directly or indirectly he is the holder of or beneficially interested in one per cent or more of any class of equity share capital or of the voting rights available to members of either such company; and
  - (iii) there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or is in remainder (if and so long as some other person is entitled to receive the income from the trust) and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder;
- (e) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension and retirement, death or disability benefits scheme or personal pension plan under which he may benefit and which either:
  - (i) has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes; or
  - (ii) relates to both employees and Directors of the Company (or any of its subsidiary undertakings) and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;
- (f) any contract, arrangement transaction or proposal for the benefit of employees of the Company or any of its subsidiary undertakings under which the Director benefits in a similar manner to employees and which either does not accord to any Director as such any privilege or advantage not accorded to the employees to whom it relates or has been approved or is subject to and conditional upon approval by the Board of the Inland Revenue for taxation purposes provided that a Director shall not

vote or be counted in the quorum on any matter relating solely to his own participation in such arrangement;

- (g) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy pursuant to Article 171.

An interest of a person who is, for any purpose of the Act (excluding any such modification thereof not in force when these Articles became binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director other has.

**131. Director's interest in own appointment**

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

**132. Chairman's ruling conclusive on Director's interest**

If any question arises at any meeting of the Board or any committee of the Board as to the materiality of a Director's interest (other than the Chairman's interest) or as to the entitlement of any Director (other than the Chairman) to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum such question (unless the Director concerned is the Chairman in which case Article 133 shall apply) shall before the conclusion of the meeting be referred to the Chairman of the meeting. The Chairman's ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of such interests in the accounts of the company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned).

**133. Directors' resolution conclusive on Chairman's interest**

If any question arises at any meeting of the Board or any committee of the Board as to the materiality of the Chairman's interest or as to the entitlement of the Chairman to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall before the conclusion of the meeting be decided by resolution of the Directors or committee members

present at the meeting (excluding the Chairman) whose majority vote shall be final and conclusive except in a case where the nature or extent of the interest of the Director has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of such interests in the accounts of the company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned).

**134. Company may suspend or relax provisions**

- (a) Subject to the provisions of the Act the Company may by ordinary resolution suspend or relax the provisions of Articles 128 to 133 either generally or in respect of any particular matter or ratify any transaction not duly authorised by reason of a contravention of these Articles;
- (b) The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

**THE SEAL**

**135. Application of Seal**

135.1 The Seal shall be used only by the authority of a resolution of the Board or of a committee of the Board so authorised. The Board may determine whether any instrument to which the Seal is affixed shall be signed and if it is to be signed who shall sign it. Unless otherwise so determined:

- (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the Seal in respect of any debentures or other securities but excluding letters of allotment or scrip certificates shall be executed by the Board but the Board may by resolution determine that any signatures may be affixed to or printed on any such certificate by any means approved by the Board or that such certificates need not bear any signature; and
- (b) every other instrument to which the Seal is affixed shall be signed by a Director and the Secretary or by two Directors or by any other person appointed by the Board for the purpose.

135.2 Every certificate or share warrant shall be issued under the Seal or in such other manner as the Board having regard to the terms of issue, the Act and the regulations of the London Stock Exchange may authorise. All references in these Articles to the Seal shall be construed accordingly.

**136. Deed without sealing**

A document signed by a Director and by the Secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company as a deed shall have the same

effect as if it were executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect not as a deed without the authority of a resolution of the Board or of a committee of the Board authorised in that behalf. An instrument or document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of it having been executed by the Company.

**137. Official seal for use abroad**

Subject to the provisions of the Act, the Company may have an official seal for use in any place abroad and the Company may by an instrument executed by the Company appoint any agent or committee abroad to be the duly authorised agent or committee of the Company for the purpose of affixing and using such official seal or any seal kept by the Company by virtue of section 40 of the Act, and may impose such restrictions on the use thereon as it may think fit.

**SECRETARY**

**138. The Secretary**

138.1 Subject to the provisions of the Act, the Board shall appoint a Secretary or Joint Secretaries and shall have power to appoint one or more persons to be an assistant or Deputy Secretary at such remuneration and on such terms and conditions as it thinks fit and any Secretary so appointed may be removed by them but without prejudice to any claim for damages for breach of any contract of services between him and the company.

138.2 No person shall be appointed to hold office as Secretary who is:

- (a) the sole Director of the Company; or
- (b) a corporation the sole director of which is the sole Director of the Company; or
- (c) the sole director of a corporation which is the sole Director of the Company

138.3 Any provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.

**DIVIDENDS AND OTHER PAYMENTS**

**139. Declaration of dividends**

Subject to the provisions of the Act and of these Articles, the Company may by ordinary resolution declare that out of profits available for distribution dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

#### **140. Interim dividends**

Subject to the provisions of the Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution and the position of the Company. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights unless at the time of payment any preferential dividend is in arrear. Provided that the Board acts in good faith it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer in consequence of the declaration or by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

#### **141. Entitlement to dividends**

- (a) Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or been entitled to dividends accordingly;
- (b) All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares;
- (c) The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

#### **142. Calls or debts may be deducted from dividends**

The Board may deduct from any dividend or other money payable to any member on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company.

#### **143. Distribution in specie**

The Board may with the authority of an ordinary resolution of the Company direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of specific assets, and in particular, of paid fully up shares or debentures of any other company or in any one or more of such ways. Where any difficulty arises in regard to

such distribution the Board may settle it as it thinks fit. In particular, the Board may;

- (a) issue fractional certificates or authorise any person to sell and transfer any fractions or disregard fractions altogether;
- (b) fix the value for distribution of such assets or any part thereof and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and
- (c) vest any such assets in trustees on trust for the persons entitled to the dividend.

**144. Dividends not to bear interest**

Unless otherwise provided by the rights attached to the share no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

**145. Method of payment**

145.1 The Company may pay any dividend interest or other sum payable in respect of a share in cash or by direct debit, bank transfer, cheque, dividend warrant or money order and may send the same by post or other delivery service to the registered address (or in the case of a Depositary subject to the approval of the Board, such persons and addresses) of the member or person entitled to it (or if two or more persons are holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the member or otherwise by operation of law to the registered address of such of those persons as is first named in the Register) or to such person and such address as such member or person or persons may direct in writing. Every cheque, warrant or order is sent at the risk of the person entitled to the money represented by it and shall be made payable to the order of the person or persons entitled or, where an authority in that behalf shall have been received by the Company in such form as the Company shall consider sufficient, to such other person as the person or persons entitled may direct in writing. Payment of the cheque, warrant or order to the person entitled or the person specified in such authority shall be a good discharge to the Company. If any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed the Board may at the request of the person entitled thereto issue a replacement cheque, warrant or order, subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit. Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other moneys payable in respect of such share. Any such dividend, interest or other sum may also be paid by any other method as the Board considers appropriate.

145.2 The Board may, at its discretion, make provisions to enable such Depositary and/or member as the Board shall from time to time determine to receive dividends duly declared in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such market rate selected by the Board as it shall consider appropriate ruling at the close of business in London on the date which is the business day last preceding:

- (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Board publicly announces its intention to recommend that specific dividend; and
- (b) in the case of any other dividend, the date on which the Board publicly announces its intention to pay that specific dividend, provided that where the Board considers the circumstances to be appropriate it shall determine such foreign currency equivalent by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Board may select.

**146. Uncashed dividends**

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto by post are returned to the Company undelivered or left uncashed on two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish any new address of that person, the Company shall not be obliged to send any further dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

**147. Unclaimed dividends**

All dividends interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall revert to the Company.

**148. Waiver of dividends**

The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or otherwise by operation of law) and delivered to the Company and only if or to the extent that the same is accepted as such or acted upon by the Company.

**149. Payment of scrip dividends**

149.1 The Board may with the prior authority of an ordinary resolution of the Company and subject to such conditions as the Board may determine, provided that the Company has sufficient unissued shares and undistributed profits or reserves to give effect thereto, offer to any holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid, in whole or in part instead of cash in respect of the whole or some part (to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (a) the said resolution may specify a particular dividend, or may specify all or any



Dividends declared within a specified period or periods but such period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which such resolution is passed;

- (b) the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall, unless the Board otherwise determines, be as nearly as possible equal to the cash amount (disregarding any tax credit) of the dividend that such holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Ordinary Shares on the London Stock Exchange, as derived from the Daily Official List, for the day on which the Ordinary Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as the Board may determine on such basis as it considers to be fair and reasonable. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditors may rely on advice or information from such brokers or other sources of information as they think fit;
- (c) no fractions of a share shall be allotted and the Directors may make such provision as they think fit for dealing with the case of shares otherwise becoming distributable in fractions including provisions whereby, in whole or in part, the benefit of the fractional entitlements accrues to the Company rather than to the members concerned;
- (d) the Directors may specify a minimum number of ordinary shares in respect of which the right of election may be exercised;
- (e) the Board shall, after determining the basis of allotment, notify the holders of Ordinary Shares in writing of the right of election offered to them and specify the procedure to be followed and place at which and the latest time by which (being at least 21 clear days after the despatch of the notice) elections must be lodged in order to be effective. A form of election lodged in respect of a particular dividend in relation to which the Directors have announced their intention to offer elections may not be revoked as regards the said dividend unless prior to the latest time specified by the Directors for lodgement of elections in respect of the said dividend written notice of revocation is lodged at the place specified by the Directors as aforesaid;
- (f) the Board may exclude from any offer or impose any restrictions on any holders of Ordinary Shares or any Ordinary Shares held by a Depositary or any Ordinary Shares on which dividends are payable in foreign currency as they think necessary or desirable where the Board considers that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that such exclusions or restrictions are necessary or expedient;
- (g) the Board may determine that every duly effected election in respect of any Ordinary Shares shall be binding on every successor in title to the holder thereof;

- (h) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been duly made ("the elected Ordinary Shares") and instead additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Board may capitalise out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Board may determine a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the elected Ordinary Shares on that basis. A Board resolution capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 152 and in relation to any such capitalisation the Board may exercise all the powers conferred on them by Article 152 without need of such ordinary resolution;
  - (i) the additional Ordinary Shares so allotted shall rank *pari passu* in all respects with each other and with the fully paid Ordinary Shares in issue on the record date for the dividend in respect of which the right of election has been offered except that they will not rank for any dividend or other distribution or other entitlement (including the relevant dividend and the share election in lieu of such dividend) which has been declared, paid or made by reference to such record date or any earlier record date; and
  - (j) the Board may terminate, suspend or amend any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend at any time (whether temporarily or otherwise) and 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.
- 149.2 The Board may also from time to time establish or vary a procedure for election mandates, under which a holder of ordinary shares may elect to receive ordinary shares credited as fully paid instead of cash in respect of all or certain future rights offered to that holder under this Article until the election mandate is revoked in accordance with any such procedure.
- 149.3 The Company shall apply to the London Stock Exchange for the additional Ordinary Shares so allotted to be admitted to the Unlisted Securities Market or the Official List (as the case may be).
- 149.4 The Directors shall have power to do all acts and things as they consider necessary or expedient to give effect to this Article.

**150. Business bought as from past date**

Subject to the provisions of the Act, where any asset, business or property is bought by the

Company as from a past date the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

#### 151. Reserves

The Board may, before recommending any dividend (whether preferential or otherwise) carry to reserve out of the profits of the Company such sums as it thinks fit. All sums standing to reserve may be applied from time to time, at the discretion of the Board, for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested in such investments as the Board thinks fit and so that it shall not be necessary to keep any investment constituting the reserve separate or distinct from any other investment of the Company. The Board may divide the reserve into such special funds as it thinks fit and may consolidate into one fund any special fund or any part of any special fund into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profit of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profit which it may think prudent not to distribute.

#### 152. Capitalisation of reserves

The Board may with the authority of an ordinary resolution of the Company:

- (a) subject as provided in this Article resolve to capitalise any profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of share premium account or capital redemption reserve or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised on the date specified in the resolution to the holders of Ordinary Shares in proportion to the nominal amount of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amount, if any, for the time being unpaid on any share held by them respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those holders of Ordinary Shares or as they may direct in those proportions or partly in one way and partly in the other provided that:
  - (i) the share premium account, the capital redemption reserve, any other undistributable reserve and any profits which are not available for

distribution may for the purposes of this Article, only be applied in paying up unissued shares to be allotted to holders of Ordinary Shares credited as fully paid; and

- (ii) in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment thereof;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;
- (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit thereof to the Company rather than to the holders of Ordinary Shares concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the holders of Ordinary Shares concerned into an agreement with the Company providing for either:-
  - (i) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation; or
  - (ii) the payment up by the Company on behalf of such holders by the application thereto of their respective proportions of the reserves or profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares

(any agreement made under such authority being effective and binding on all such holders); and

- (f) generally do all acts and things required to give effect to such resolution.

#### 153. Record dates

Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any shares, the Company or the Board may fix any date as the record date for any dividend distribution, allotment or issue. Such record date may be on or at any time within six months before any date on which such dividend distribution, allotment or issue is declared paid or made. In the absence of a record date being fixed, entitlement to any dividend, distribution, allotment or issue shall be determined by reference to the date on which the dividend is declared or the distribution allotment or issue is made.

## ACCOUNTS

### 154. Accounting records

The Board shall cause accounting records to be kept in accordance with the Act and shall keep such other books and registers as are necessary to comply with the Act.

### 155. Inspection of records

The accounting records shall be kept at the registered office or (subject to the Act) at such other place in Great Britain as the Board thinks fit.

No member (other than a Director) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by statute, by order of the Court, by the Board or by ordinary resolution of the Company. Such records shall always be open for inspection by officers of the Company.

### 156. Accounts to be sent to members

Except as provided in Article 157, a printed copy of the Directors' and Auditors reports accompanied by printed copies of the annual accounts (including every document required by law to be comprised therein or annexed or attached thereto) shall not less than 21 clear days before the meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company and to the Auditors and to every other person who is entitled to receive notice of general meetings. However, this Article shall not require a copy of those documents to be sent to any person who under the provisions of these Articles is not entitled to receive notices from the Company or of whose address the Company is unaware or to any holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. Any member to whom such documents are sent shall be entitled to receive a further copy, free of charge, on application at the office. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of each of those documents as the regulations of that stock exchange may require.

### 157. Summary financial statements

The Company may, in accordance with section 251 of the Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in Article 156. Where it does so, the statement shall be delivered or sent by post to the member not less than 21 clear days before the meeting before which those documents are to be laid.

### 158. Validity of Auditors' acts

Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regard all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not

qualified for appointment or subsequently became disqualified,

## DESTRUCTION AND AUTHENTICATION OF DOCUMENTS

### 159. Destruction of documents

#### 159.1 The Company may destroy:

- (a) any instrument of transfer after six years from the date on which it is registered;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address after two years from the date on which it is recorded;
- (c) any registered certificate for debentures or representing any other form of securities after one year from the date on which it is cancelled; and
- (d) any other document on the basis of which any entry in the Register is made after six years from the date on which an entry was first made in the Register in respect of it;
- (e) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof; and
- (f) all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded.

Provided that the Company may destroy any such type of document after such shorter period as the Board may determine if a copy of such document is retained on microfilm or other similar means which shall not be destroyed before the expiration of the relevant period and Provided that adequate precautions against falsification and to share reproduction are taken.

#### 159.2 It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was a valid and effective certificate duly cancelled, that every other document so destroyed had been properly dealt with in accordance with its terms and was valid and effective in accordance with the particulars in the records of the Company, provided that:

- (a) this Article 159 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this Article 159 shall be construed as imposing on the Company any

liability in respect of the destruction of any such document or otherwise than as provided for in this Article 159 which would not attach to the Company in the absence of this Article 159; and

- (c) references in this Article 159 to the destruction of any document include references to the disposal of it in any manner.

**160. Authentication of documents**

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee 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 a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company in reliance thereon that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

**NOTICES**

**161. Notice to be in writing**

Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice convening a Board meeting need not be in writing. Nothing in Articles 161 - 167 shall affect any requirements of the Act that any particular offer, notice or other document be served in any particular manner.

**162. Service of notice on members**

- 162.1 The Company may give any notice or document (including a share certificate) to a member, either personally or by sending it by post or other delivery service in a first-class prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of a member registered on an overseas branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.
- 162.2 In the case of joint holders of a share all notices or documents shall be given to the joint holder whose name stands first in the Register in respect of the joint holding. Notice so given shall be sufficient notice to all the joint holders.
- 162.3 Where a member (or in the case of joint holders the person first named in the Register) has a registered address outside the United Kingdom but has notified the Company of an address within the United Kingdom at which notices or other documents may be given to him, he shall be entitled to have notices given to him at that address, but otherwise no such

member shall be entitled to receive any notice or document from the Company.

162.4 If on three consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices.

162.5 Any notice to be given to a member may be given by reference to the Register as it stands at any time within the period of fifteen days before the notice is given and no change in the Register after that time shall invalidate the giving of the notice.

**163. Notice in case of death, bankruptcy or mental disorder**

The Company may, on receipt of such evidence as the Board may reasonably require to show title to that share, give notice to the person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or otherwise by operation of law, by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description at the address (if any) within the United Kingdom supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied a notice may be given in any manner in which it might have been given if the death, bankruptcy, operation of law or other event had not occurred. Such service of notice shall for all purposes be deemed a sufficient service of such notice on all persons interested in the share.

**164. Evidence of service**

164.1 Any member present, in person or by proxy at any meeting of the Company or of the holders of any class of shares of the Company shall be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.

164.2 Any notice certificate or other document, addressed to a member at his registered address or address for service in the United Kingdom shall, if sent by post be deemed to have been given at the expiration of 24 hours after the envelope was posted. In proving such service or delivery it shall be sufficient to prove that the envelope containing the notice or document was properly addressed and put into the post as a prepaid letter. Any notice, certificate or other document not sent by post but delivered or left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day on which it was so delivered or left.

**165. Notice binding on transferees**

Every person who, by operation of law, transfers or by any other means becomes entitled to a share shall be bound by any notice in respect of that share (other than a notice given by the Company under section 212 of the Act) which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.



#### 166. Notice by advertisement

Any notice to be given by the Company to the members or any of them and not otherwise provided for by these Articles shall be sufficiently given if given by advertisement in at least one leading daily national newspaper published in the United Kingdom and, where the Company keeps an overseas branch register, in at least one leading daily newspaper published in the territory in which such register is maintained. Any notice given by advertisement shall be deemed to have been served at noon on the day on which the advertisement first appears.

#### 167. Suspension of postal services

If at any time by reason of the threat of or of the suspension, interruption or curtailment of postal services within the United Kingdom, the Company is or would be unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least two leading daily national newspapers (at least one of which shall be published in London) and, where the Company keeps an overseas branch register, in at least one leading daily newspaper published in the territory in which such register is maintained. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the first of such advertisements appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

### WINDING UP

#### 168. Division of assets

168.1 The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

168.2 If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. This Article 168 is subject to the rights attached to any shares which may be issued on special terms or conditions.

168.3 If the Company is wound up the Liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to

section 110 of the Insolvency Act 1986. The Liquidator may with the like sanction vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

**169. Transfer or sale under section 110 Insolvency Act 1986**

A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section 110 of the Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

**INDEMNITY**

**170. Right to indemnity**

Subject to the provisions of the Act but without prejudice to any indemnity to which he may be otherwise entitled, every Director, alternate Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or exercise of his powers or otherwise in relation thereto including (without prejudice to the generality of the foregoing) any liability incurred defending any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as an officer, auditor, or employee of the Company and in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by any court of competent jurisdiction from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

**171. Power to insure**

Subject to the provisions of the Act, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer or employee of the Company or of any other company which is a subsidiary, subsidiary undertaking or holding company of the Company or in which the Company has an interest whether direct or indirect or which otherwise is in any way allied to or associated with the Company or of any subsidiary undertaking or holding company of the Company or of any such company or who is or was at any time a trustee of any pension fund or employee benefits trust in which any employee of the Company or of any such other company or subsidiary undertaking is or has been interested indemnifying such person against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer, employee or trustee.

the 5p Ordinary Shares  
into 20 pence Ordinary  
Shares and cancelling  
the deferred shares  
(subject to Court  
approval - given on  
20 June 1988)

12 April 1988

Ordinary Resolution  
increasing the  
authorised share  
capital

£366,000 divided into  
1,830,000 Ordinary Shares of  
20p each

9 June 1989

Ordinary Resolution  
increasing the  
authorised share  
capital

£700,000 divided into  
3,500,000 Ordinary Shares of  
20p each

11 January 1994

Special Resolution  
increasing the  
authorised share  
capital

£1,690,000 divided into  
8,450,000 Ordinary Shares  
of 20p each

GWR GROUP PLC  
CHANGES TO THE AUTHORISED SHARE CAPITAL

DATE	EVENT	AUTHORISED SHARE CAPITAL
12 February 1962	Incorporated	£100 divided into 100 Ordinary Shares of £1 each
20 March 1972	Ordinary Resolution passed increasing the authorised share capital	£100,000 divided into 100,000 Ordinary Shares of £1 each
11 June 1979	Special Resolution passed converting the issued share capital	£100,000 divided into 2,350 'A' Ordinary Shares of £1 each and 97,650 Ordinary Shares of £1 each
24 March 1980	Special Resolution passed re-converting the issued share capital	£100,000 divided into 100,000 Ordinary Shares of £1 each
17 November 1980	Special Resolution passed increasing and converting the authorised share capital	£740,000 divided into 40,000 Voting Ordinary Shares of £1 each 700,000 Non-Voting Ordinary Shares of £1 each
22 February 1984	Special Resolution passed approving a scheme of arrangement dated 30 January 1984 cancelling part of the authorised share capital, to reduce the authorised share capital to 20 pence shares, sub-dividing the issued shares into 20 pence shares and increasing the number of authorised Voting Ordinary Shares	£507,161 divided into 1,863,870 Voting Ordinary Shares of 20 pence each and 671,935 Non-Voting Ordinary Shares of 20 pence each
14 August 1985	Special Resolution increasing the authorised share capital and converting Non-Voting Ordinary Shares into Voting Ordinary Shares	£582,161 divided into 2,910,805 Ordinary Shares of £1 each
24 June 1987	Special Resolution sub-dividing each Ordinary Share of 20p each into one 5p Ordinary Share and three 5p deferred shares, increasing the authorised share capital, consolidating	£326,000 divided into 1,630,000 Ordinary Shares of 20p each and 1 Ordinary Share of 5p