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THE COMPANIES ACTS 1948 to 1980

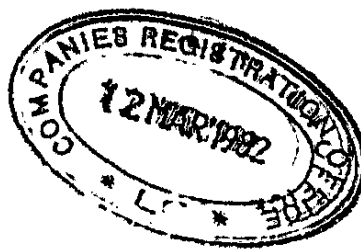
COMPANY LIMITED BY SHARES

**Memorandum
— and —
Articles of Association**

- OF -

FLIGHTSPARES PUBLIC LIMITED COMPANY

Incorporated the 16th day of March, 1962



D & D LAW AGENCY SERVICES LIMITED
LAW STATIONERS, COMPANY REGISTRATION AGENTS AND PRINTERS
50, LINCOLN'S INN FIELDS, LONDON, WC2A 3PF
Telephone 01-405 1082 01-405 7215

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THE COMPANIES ACTS 1948 to 1980

COMPANY LIMITED BY SHARES

Memorandum of Association

- OF -

FLIGHTSPARES PUBLIC LIMITED COMPANY

As altered by Special Resolutions
passed 19th January 1967 and amend-
ed by a Resolution of the Directors
passed 29th January 1982

- * 1. The name of the Company is "FLIGHTSPARES PUBLIC LIMITED COMPANY".
2. The Company is to be a public company.
3. The Registered Office of the Company will be situate in England.
4. The objects for which the Company is established are :-
- (a) To carry on business as manufacturers and repairers of and dealers generally in aircraft, aircraft ground equipment, catering equipment and aircraft catering equipment, paint manufacturers and dealers in paints, cellulose tapes and spares of all descriptions and in motor vehicles or boats or internal combustion engines of every description and of and in component parts and spares thereof, supplies, apparatus, fittings, accessories and lubricants and fuels of every description for the use of or connected in any way with aircraft, motor vehicles or boats or internal combustion engines of all kinds and to maintain, service, provide, let on hire, buy and sell and deal in every way with and in all such articles and supplies before mentioned.
- (b) To establish, maintain, service, test and operate air lines and communications of all kinds and to all places by land, water or air and to carry on business as proprietors of tourist, travel and other agencies and bureaux,
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- * By Special Resolution passed 19th January 1967 the name of the Company was changed from "FLIGHTSPARES SOUTHEND LIMITED" to "FLIGHTSPARES LIMITED".
- * By a Resolution of the Directors passed 29th January, 1982 pursuant to Section 8 of the Companies Act 1980, the name of the Company was changed to "FLIGHTSPARES PUBLIC LIMITED COMPANY".

air, land or water transport contractors, radio, electrical, general and mechanical engineers, carpenters, wood and metal workers, builders and contractors, carriers, hangar and aerodrome, wharf, dock and harbour builders and proprietors, aviation and motoring instruction school proprietors and generally to do all such things and deal in every way with any trade or business connected with aircraft and motor vehicles or boats and catering and transport services by air, land or water.

- (c) To carry on any other business similar to or complementary to the foregoing businesses or which in the opinion of the Company can be conveniently or profitably carried on in conjunction with or subsidiary to any other business of the Company.
- (d) To buy, take on lease or hiring agreement or otherwise acquire, land or any other property, real or personal, movable or immovable, or any interest in such property and to sell, lease, let on hire, develop such property, or otherwise turn the same to the advantage of the Company.
- (e) To take out, apply for and acquire by original grant or by transfer or assignment or otherwise letters patent, brevets d'invention, licences, concessions, secret processes and inventions and to use and exercise the same or to sell, assign and develop the same or grant licences in respect thereof or otherwise turn the same to the advantage of the Company.
- (f) To erect, construct, alter and maintain buildings, erections and works of all kinds, whether on the property of the Company or not.
- (g) To invest the money of the Company in any manner that the Company may think fit.
- (h) To enter into partnership or joint venture agreement with or to make any agreement or arrangement with any other company, firm or person carrying on business similar or complementary to the business of the Company or any part thereof or to amalgamate with any such company, firm or person.
- (i) To sell the whole or any part of the undertaking of the Company for cash, shares, debentures or any other consideration.
- (j) To acquire by purchase or otherwise and either for cash, shares or debentures in the Company or any other consideration any other business or any interest therein which

in the opinion of the Company may be conveniently or profitably combined with the business of the Company.

- (k) To lend money to customers and others and to guarantee the observance and performance of obligations and contracts by customers and others.
- (l) To borrow money and secure the repayment thereof by the creation and issue of mortgages, debentures, debenture stock or other securities.
- (m) To draw, make, endorse, accept, discount and negotiate, bills, notes, warrants and negotiable instruments of all kinds.
- (n) To remunerate any company, firm or person for services rendered in the promotion of the Company or the issue or placing of the shares, stock, debentures, debenture stock or other obligations of the Company and to pay all expenses incurred in connection with such promotion or the creation, issue and placing of any such shares, stock, debentures, debenture stock or other obligation.
- (o) To grant pensions to employees and ex-employees and Directors and ex-Directors or other officers or ex-officers of the Company their widows, children and dependants and to subscribe to benevolent and other funds for the benefit of any such persons and to subscribe to or assist in the promotion of any charitable, benevolent or public purpose or object.
- (p) To promote or assist in the promotion of any company having objects similar to or complementary to the objects of the Company and to subscribe, underwrite, buy or hold the shares, stock, debentures, debenture stock or other obligations of such company.
- (q) To promote the Company's interests by advertising its products and services in any manner and in particular to give prizes or gifts to customers or potential customers and to promote or take part in competitions, displays and exhibitions.
- (r) To distribute all or any of the assets of the Company in specie between the members of the Company in accordance with their rights.
- (s) To do all or any other acts and things which in the opinion of the Company may be conducive or incidental to the objects of the Company.

- (t) To do all such things in any part of the world either as principal or agent and either alone or in conjunction with any other person, firm or company.

All of the foregoing objects shall be read and construed as separate and distinct objects and the generality of any of such objects shall not be abridged or cut down by reference to any other object of the Company.

5. The liability of the members is limited.

* 6. The share capital of the Company is £100 divided into 100 shares of £1 each.

* By Special Resolution passed 19th January, 1967 the Share Capital of the Company was increased from £100 to £50,000 by the creation of £49,900 the additional capital was divided into 299,000 Ordinary Shares of 2s each and 200,000 Convertible Shares of 2s each.

* On 30th April 1977 in accordance with clause 6(B)(ii) of the Company's Articles of Association 100,000 Convertible shares of 10p. each were automatically converted into 100,000 Ordinary Shares of 10p each ranking pari passu in all respects with the existing Ordinary shares in the share capital of the Company.

* On 30th April 1978 in accordance with the Company's Articles of Association 50,000 Convertible shares of 10p each were automatically converted into 50,000 Ordinary shares of 10p, each ranking pari passu in all respects with the existing Ordinary shares in the share capital of the Company.

THE COMPANIES ACTS 1948 to 1980

COMPANY LIMITED BY SHARES

NEW

Articles of Association

OF

FLIGHTSPARES PUBLIC LIMITED COMPANY

(Adopted by Special Resolution passed on the 19th day of January, 1967)

PART I.—PRELIMINARY.

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

“The Act” means the Companies Act, 1948.

“The Statutes” means the Companies Act, 1948, and every statutory modification or re-enactment thereof for the time being in force.

“These Articles” means these Articles of Association or other the articles of association of the Company from time to time in force.

“The Directors” means the Directors of the Company for the time being.

“The Office” means the registered office for the time being of the Company.

“The register” means the register of members to be kept pursuant to section 110 of the Act.

“Month” means calendar month.



" Dividend " includes bonus.

" Paid up " includes credited as paid up.

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

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

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

Words importing the masculine gender only include the feminine gender.

Words importing persons include corporations.

Words and expressions defined in the Statutes have the same meanings in these Articles.

Table " A " not to apply

2. None of the regulations contained in Table " A " in the First Schedule to the Act shall apply to the Company except so far as embodied in any of the following Articles, which shall be the regulations for the management of the Company.

Company's shares not to be purchased

3. The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding company (if any), nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company (if any), but nothing in this Article shall prohibit transactions mentioned in the proviso to section 54 (1) of the Act.

Offer of shares to public

4. If the Company shall offer any of its shares to the public for subscription the Directors shall comply with the requirements of section 47 of the Act if and so far as applicable.

Payment of commission

5. The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares of the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company, at a rate not exceeding the rate of 10 per cent. of the price at which the shares are issued, and such commission may be satisfied in shares of the Company partly or fully paid up. The Company may also on any issue of shares pay such brokerage as may be lawful.

PART II.—DISTRIBUTION OF THE CAPITAL OF THE COMPANY. SHARES.

6. (A) The capital of the Company is £50,000, divided into ^{Capital} 300,000 Ordinary Shares and 200,000 Convertible Shares, all of 2s. each.

(B) The following are the rights, privileges and restrictions attached to the Convertible Shares in the capital of the Company:—

- (i) The Convertible Shares shall not confer upon the holders thereof the right to receive any dividend unless and until such time as they are converted into Ordinary Shares.
- (ii) Whenever the consolidated net profits of the Company (before taxation) as disclosed by the Audited Accounts shall exceed £125,000 in any financial year of the Company, then one-half of the Convertible Shares then in issue shall automatically be converted into the same number of Ordinary Shares and shall thereupon rank *pari passu* in all respects with the then issued Ordinary Shares except that they shall not be entitled to participate in any dividends declared in respect of a financial year or other period of the Company ended prior to the date of such conversion.
- (iii) Whenever the consolidated net profits of the Company (before taxation) as disclosed by the Audited Accounts shall exceed £165,000 in any financial year of the Company, the balance of the Convertible Shares then in issue shall automatically be converted into the same number of Ordinary Shares and such shares shall thereupon rank *pari passu* with the then issued Ordinary Shares subject to the exception referred to in subparagraph (ii) above.
- (iv) In the event of the Company making up accounts for any period other than a period of twelve months the Auditors shall make such adjustment to the amount of the consolidated net profits as shown by the accounts as they consider appropriate, and in making such adjustment they shall be deemed to be acting as experts and their decision shall be final and binding on all members of the Company.
- (v) In a winding up of the Company the Convertible Shares shall rank *pari passu* with the Ordinary Shares with regard to the application of the assets.

7. The unissued shares of the capital of the Company shall be under the control of the Directors, who may allot or otherwise dispose ^{Allotment of shares}

of the same to such persons and for such consideration upon such terms and conditions, and at such times, as the Directors think fit. Shares may be issued at par or at a premium, but no shares shall be issued at a discount except in accordance with section 57 of the Act.

Return of
allotments

8. As regards all allotments from time to time made, the Directors shall duly comply with section 52 of the Act.

Shares may be
issued subject
to different
conditions as
to calls

9. The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and the time of payment of such calls.

Instalments on
shares to be
duly paid

10. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.

Liability of joint
holders of shares

11. The joint holders of a share shall be severally as well as jointly liable for payment of all instalments and calls in respect of such share, and any one of such persons may give effectual receipts for any return of capital payable in respect of such share.

Trusts not
recognised

12. Save as herein otherwise provided or as by the Statutes otherwise required the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not except as ordered by a court of competent jurisdiction or by law required be bound to recognise any equitable, contingent, future, partial or other claim to or interest in any share on the part of any other person.

CERTIFICATES.

Certificates

13. The certificates of title to shares shall be issued under the common seal of the Company.

Members' right to
certificates

14. Every member shall be entitled without payment to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered, and where a member transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares retained by him and registered in his name. Every such certificate of shares shall specify the number and class and the denoting numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon. The Directors shall duly comply with the provisions

of section 80 of the Act as to the time for delivery of certificates. If any member shall require additional certificates he shall pay for each additional certificate such sum not exceeding 1s. as the Directors shall determine.

15. If any certificate be worn out or defaced then upon delivery thereof to the Directors they may order the same to be cancelled, and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity with or without security as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

As to issue of a new certificate in the place of one defaced, lost or destroyed

16. For every certificate issued under the last preceding Article, Fee there shall be paid to the Company the sum of 1s. or such smaller sum as the Directors may determine, together with the costs of the said indemnity and security.

17. The certificates of shares registered in the names of two or more persons shall be delivered to the person first named on the register in respect of such shares.

To which of joint holders certificates to be issued

CALLS ON SHARES.

18. The Directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of the allotment thereof made payable at fixed times, provided that fourteen days' notice at least be given of each call and that no call shall exceed one-fourth of the nominal amount of a share or be made payable within one month after the last preceding call was payable, and each member shall pay the amount of each call so made on him to the person and at the time and place appointed by the Directors.

Calls

19. A call may be made payable by instalments, a date fixed for payment may be postponed and a call may be wholly or in part revoked.

May be payable by instalments, etc.

20. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.

When call deemed to have been made

21. If by the terms of any prospectus or by the conditions of issue any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a call duly made by the Directors of which due notice had been given. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

Instalments to be treated as calls and power to differentiate

When interest on
call or instalment
payable

22. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made, or the instalment shall be due, shall pay interest for the same at such rate not exceeding 10 per cent. per annum as the Directors shall from time to time determine, from the time appointed for payment thereof until the actual payment thereof, and shall not receive any dividend in respect of the amount unpaid.

Payment of calls
in advance

23. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up; and upon the money paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance shall have been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company given by Ordinary Resolution, 6 per cent. per annum) as the member paying such sum in advance and the Directors agree upon.

FORFEITURE AND LIEN.

If call or
instalment be not
paid notice may
be given

24. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or instalment or any part thereof remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses incurred by the Company by reason of such non-payment.

Form of notice

25. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

If notice not
complied with
shares may be
forfeited

26. If the requirements of any such notice as aforesaid be not complied with, any shares in respect of which such notice shall have been given may at any time thereafter, and before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

27. Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit, and either with or without any past or accruing dividends, and in the case of re-allotment, with or without any money paid thereon by the former holder being credited as paid up thereon.

Forfeited shares
to become the
property of
Company

28. The Directors may at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture upon such conditions as they think fit.

Power to annul
forfeiture

29. Any member whose shares have been forfeited shall, notwithstanding, be liable to pay, and shall forthwith pay to the Company all calls, instalments, interest, and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon, from the time of forfeiture until payment, at the rate of 10 per cent. per annum, and the Directors may enforce payment thereof if they think fit.

Arrears to be paid
notwithstanding
forfeiture

30. The Company shall have a first and paramount lien upon all the shares, other than fully paid-up shares, registered in the name of each member (whether solely or jointly with other persons) for his debts, liabilities and engagements, solely or jointly with any other person to or with the Company, whether the period for payment, fulfilment, or discharge thereof shall have actually arrived or not. And such lien shall apply to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.

Company's lien on
shares

31. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto, in such manner as they think fit, but no such sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators, and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities, or engagements for seven days after such notice.

As to enforcing
lien by sale

32. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the member or the person (if any) entitled by transmission to the shares.

Application of
proceeds of sale

Validity of sale
after forfeiture or
for enforcing lien

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

TRANSFER OF SHARES.

Form of transfer

34. The instrument of transfer of any share in the Company shall be in the usual common form or in such other form as shall be approved by the Directors, and shall be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share by the transferee) and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof, and when registered the instrument of transfer shall be retained by the Company.

Restraint on
transfer

35. The Directors may decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. The Directors may also decline to register any transfer unless the same is in respect of only one class of share. In the event of the Directors so declining or refusing in any case they shall duly comply with section 78 of the Act.

Registration of
transfer

36. Every instrument of transfer must be left at the office, or at such other place as the Directors may from time to time determine, to be registered, accompanied by the certificate of the shares comprised therein, and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer, and with such fee (if any), not exceeding 2s. 6d., as the Directors may from time to time determine; and thereupon the Directors, subject to the power vested in them by the last preceding Article, shall register the transferee as a shareholder.

Fees on
registration

37. The Company may not charge a fee for registering any probate, letters of administration, certificate of marriage or death, power of attorney, or other document relating to or affecting the title to any shares or the right to transfer the same.

38. The transfer books and the register and any register of holders of debentures of the Company may be closed at such time or times as the Directors shall deem expedient so that the same be not closed for any greater period in the whole than thirty days in the year. Closing of transfer books

TRANSMISSION OF SHARES.

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

40. Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon such evidence being produced as may be required by the Directors, either be registered as a member (in respect of which registration the Company may require payment of such fee not exceeding 2s. 6d. as the Directors may from time to time determine) or, without being so registered, execute a transfer to some other person who shall be registered as a transferee of such share; but the Directors shall in either case have the like power of declining or refusing to register such transfer as is provided with respect to ordinary transfers. Evidence in case of death or bankruptcy

41. Any person becoming entitled to a share in consequence of the death or bankruptcy of any member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a member in respect of the share, be entitled in respect of it to receive notices of or to exercise any rights conferred by membership in relation to meetings of the Company. Rights as to dividends and voting

CONSOLIDATION AND SUB-DIVISION OF SHARES.

42. The Company may by Ordinary Resolution consolidate its shares, or any of them, into shares of a larger amount. Consolidation

43. The Company may by Special Resolution sub-divide its shares, or any of them, into shares of a smaller amount, and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting or otherwise over or as compared with the other or others. Sub-division

Fractions

44. Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation or sub-division and consolidation of shares members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which members are so entitled in fractions for the best price reasonably obtainable and pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the members so entitled to the purchaser thereof and may cause the name of the purchaser to be entered in the register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

CONVERSION OF SHARES INTO STOCK.**Paid up shares convertible into stock**

45. The Company may by Ordinary Resolution convert any fully paid up shares into stock of the same class as the shares which shall be so converted, and reconvert such stock into fully paid up shares of the same class and of any denomination.

Transfer of stock

46. When any shares have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulations as and subject to which any shares in the capital of the Company may be transferred, or as near thereto as circumstances admit, but the Directors may from time to time fix the minimum amount of stock transferable (which minimum shall not exceed the nominal amount of the shares from which the stock arose), and direct that fractions of that minimum shall not be transferred, but with power at their discretion to waive such rules in any particular case.

Privilege of stockholders

47. The several holders of such stock shall be entitled to participate in the dividends and profits of the Company according to the class of stock and the amount of their respective interests in such stock and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as would have been conferred by shares of the same class of equal amount in the capital of the Company, but so that none of such privileges or advantages, except the participation in the dividends and

profits of the Company and in the assets of the Company on a winding up shall be conferred by any such amounts of stock as would not, if existing in shares, have conferred such privileges or advantages.

48. All such provisions of these Articles relating to shares as are applicable to fully paid-up shares shall apply to stock, and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder". No such conversion shall affect or prejudice any preference or other special privilege.

Definition

INCREASE OR REDUCTION OF CAPITAL.

49. The Company may, from time to time, by Ordinary Resolution, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject to such privileges, priorities, or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects as if they had been part of the original capital.

Increase of capital

50. Any new shares in the capital of the Company may be issued with such preferential right to dividend and such priority in the distribution of assets, or subject to such postponement of dividends or in the distribution of assets, and with or subject to such preferential or limited or qualified right of voting at General Meetings as the Company may from time to time by Ordinary Resolution determine, or, if no such determination be made, as the Directors shall determine, but so that the preferential or special rights attached to any issued shares as a class shall not be varied except with the consent of the holders thereof duly given under the provisions of these Articles. Any Preference Share may, with the sanction of a Special Resolution, be issued on the terms that it is, or, at the option of the Company, is liable to be redeemed.

Power to attach rights

51. The Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any manner authorised by law. The Company may also by Ordinary Resolution cancel any shares not taken or agreed to be taken by any person.

Reduction of capital

PART III.—GENERAL MEETINGS.

52. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that

Annual General Meeting

year, and not more than fifteen months shall elapse between the date of one Annual General Meeting and the next. Annual General Meetings shall be held at such time and place as may be determined by the Directors.

Distinction
between
Ordinary and
Extraordinary
General
Meetings

53. All General Meetings of the Company other than the Statutory General Meeting and Annual General Meeting shall be called Extraordinary General Meetings.

When
Extraordinary
General Meeting
to be called

54. The Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company, and Extraordinary General Meetings shall also be convened on such requisition or in default may be convened by such requisitionists as provided by the Statutes. Any meeting convened under this Article by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

Notice of
meetings

55. An Annual General Meeting and a meeting called for the passing of a Special Resolution shall be called by twenty-one clear days' notice in writing at the least, and a General Meeting of the Company other than an Annual General Meeting or a meeting for the passing of a Special Resolution shall be called by fourteen clear days' notice in writing at the least. The notice shall specify the place, the day and hour of meeting, and in case of special business the general nature of such business, and shall be given, subject rs and in manner herein mentioned, to the members, to the Directors and to the Auditors. A notice calling an Annual General Meeting shall specify the meeting as such.

Meetings^a at
short notice

56. A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the immediately preceding Article, be deemed to have been duly called if it is so agreed by such members as are prescribed in that behalf by the Statutes.

Proxies

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

Omission to
send notice

58. The accidental omission to send a notice to or the non-receipt of any notice by any member or the Auditors shall not invalidate the proceedings at any General Meeting.

59. The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and reports of the Directors and of the Auditors, and the documents required by law to be annexed to the balance sheet, to elect Directors and officers in the place of those retiring by rotation or ceasing to hold office pursuant to Article 87 and to fix their remuneration if required, to declare dividends, to appoint and to fix or determine the manner of the fixing of, the remuneration of the Auditors, and to transact any business brought before the meeting by the Directors' report and any other business which under these Articles ought to be transacted at an Annual General Meeting. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.

Business of
Annual General
Meeting

Special business

60. Where by any provision contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Statutes permit) before the meeting at which it is moved, and the Company shall give to its members, subject as in these Articles provided, notice of any such resolution as provided by the Statutes.

Special notice

61. For all purposes the quorum for a General Meeting shall be not less than three members present in person.

Quorum

62. No business shall be transacted at any General Meeting unless the quorum requisite shall be present when the meeting proceeds to business.

Quorum to
be present

63. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such time and place as the Chairman shall appoint. At any such adjourned meeting, the members present and entitled to vote, whatever their number, shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

Proceeding if
quorum not
present

64. The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman, or if at any meeting he be not present within fifteen minutes after the time appointed for holding the meeting, or be unwilling to act, the Directors present shall select one of their number to be Chairman, and that failing, the members present and entitled to vote shall choose some one of their number to be Chairman.

Chairman

Power to adjourn

65. The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place, and without such consent he may adjourn any meeting at which a proposal of importance is made for the consideration whereof in his judgment (which shall not be challenged) a larger attendance of members is desirable. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When notice of
adjourned
meeting to be
given

66. Whenever a meeting is adjourned for fourteen days or more, seven clear days' notice in writing at the least specifying the place, the day and hour of the adjourned meeting shall be given to the members subject as and in manner herein mentioned, to the Directors and to the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment.

How questions
to be decided
at meetings

67. At any General Meeting, a resolution put to the vote of the meeting shall be decided by a show of hands unless (before, or upon the declaration of the result of, the show of hands) a poll be duly demanded, in accordance with the provisions of these Articles, and unless a poll be so demanded a declaration by the Chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Casting vote

68. In the case of an equality of votes the Chairman shall, both on a show of hands and at a poll have a casting vote in addition to the votes to which he may be entitled as a member.

Who may
demand a poll

69. A poll may be demanded upon any question by the Chairman or by not less than five members present in person or by proxy and entitled to vote or by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Poll demanded
by proxy

70. A valid instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of the immediately preceding Article a demand by a proxy for a member or other person entitled to vote shall be deemed to be a demand by that member or other person.

71. Subject to the provisions of the next succeeding Article hereof, if a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment (but not more than thirty days after the date of the meeting or adjourned meeting at which the poll was demanded), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. No notice need be given of a poll not taken immediately.

How poll to be taken

72. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

In what cases poll taken without adjournment

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

Business may proceed notwithstanding demand of a poll

VOTING.

74. Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held every member present in person shall upon a show of hands have one vote and every member present in person or by proxy shall upon a poll have one vote for every share held by him. Any corporation holding shares conferring the right to vote may by resolution of its Directors, or other Governing Body authorise such person as it thinks fit to act as its representative at any General Meeting of the Company or at any meeting of holders of any class of shares of the Company and such representative shall be entitled to exercise the same powers on behalf of such corporation as if it were an individual shareholder of the Company.

Votes of members

75. If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the member whose name stands first on the register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.

Joint owners

76. No member shall be entitled to be present or to vote at any General Meeting or upon any poll, or to exercise any privilege as a member unless all calls or other moneys due and payable in respect of any share of which he is the holder have been paid.

No member in arrears with call to vote

Voting personally
or by proxy

77. On a poll votes may be given personally or by proxy. The instrument appointing a proxy shall be in writing in the usual form, or such other form as shall be approved by the Directors, under the hand of the appointor or his duly constituted attorney; or if such appointor is a corporation, under its common seal or signed on its behalf by an attorney or officer of the corporation. A proxy need not be a member of the Company.

As to deposit
of proxy

78. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed, or a notarially certified or office copy thereof, shall be deposited at the office or at such other place within the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default such instrument shall not be treated as valid.

When votes by
proxy valid,
though authority
revoked

79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at the office before the time for holding the meeting or adjourned meeting at which such vote is given.

VARIATION OF RIGHTS.

Consent to
variation

80. If at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may, subject to the provisions of section 72 of the Act, be varied or abrogated either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a Separate General Meeting of the holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking *pari passu* with the shares of any class carrying preferential or special rights shall not (unless otherwise expressly provided by these Articles or the conditions of issue of such last mentioned shares) be deemed to be a variation of the rights of such shares.

Proceedings at
meetings of
classes of
members

81. Any meeting for the purpose of the last preceding Article shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company, provided that no member, not being a Director, shall be entitled to notice thereof or to attend thereat unless he be a holder of shares of

the class the rights or privileges attached to which are intended to be varied or abrogated by the resolution, and that no vote shall be given except in respect of a share of that class, and that the quorum at any such meeting shall, subject to the provisions as to an adjourned meeting hereinbefore contained, be two persons at least present holding or representing by proxy at least one-third of the issued shares of the class, and that a poll may be demanded in writing by any member present in person or by proxy and entitled to vote at the meeting.

PART IV.—DIRECTORS AND OTHER OFFICERS.

DIRECTORS.

82. The number of Directors shall not be more than ten. nor less than two but the continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors be less than the prescribed minimum the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a General Meeting of the Company for the purpose of making such appointment. If there be no Director or Directors able or willing to act then any two shareholders may summon a General Meeting for the purpose of appointing Directors. Any additional Director so appointed shall (subject to the provisions of section 184 of the Act and these Articles) hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

Number of
Directors

83. Each of the Directors shall be paid out of the funds of the Company by way of remuneration for his services a sum at the rate of £500 per annum with an additional sum at the rate of £1,000 per annum for the Chairman. The Directors shall also receive by way of additional remuneration such further sum (if any) as the Company in General Meeting may from time to time determine. Such additional remuneration shall be divided among them in such proportions and manner as the Directors may determine and in default of determination equally.

Remuneration of
Directors

84. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expense incurred in attending meetings of the Board or of committees of the Board or General Meetings and if in the opinion of the Directors it is desirable that any of their number should make any special

Travelling and
hotel expenses
and Special
Remuneration

journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.

Qualification

85. A Director shall not require share qualification.

Directors entitled to attend at General Meetings and separate General Meetings

86. A Director shall be entitled to receive notice of and attend and speak at all General Meetings of the Company and at all Separate General Meetings of the holders of any class of shares in the capital of the Company.

Directors to have power to fill casual vacancies

87. The Directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not exceed the maximum number fixed as above. Subject to the provisions of section 184 of the Act and of these Articles, any Director so appointed shall hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting, and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

ALTERNATE DIRECTORS.

Appointment and revocation

88. Any Director may by writing under his hand appoint (1) any other Director, or (2) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him: Provided always that no appointment of a person other than a Director shall be operative unless and until the approval of the Board of Directors by a majority consisting of two-thirds of the whole Board shall have been given. A Director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid where requisite appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine, provided always that if any Director retires by rotation or pursuant to the immediately preceding Article hereof but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this

Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. The appointment of an alternate Director shall cease and determine on the happening of any event which if he was a Director, would render him legally disqualified from acting as a Director or if he has a receiving order made against him or if he compounds with his creditors generally or if he becomes of unsound mind. An alternate Director need not hold a share qualification and shall not be counted in reckoning the maximum number of Directors allowed by the Articles of Association for the time being. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.

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

Alternate to be responsible for his own acts, etc.

Remuneration of alternate

MANAGING AND EXECUTIVE DIRECTORS.

90. The Directors may from time to time appoint one or more of their body to be Managing Director or joint Managing Directors of the Company or to hold such other Executive Office in relation to the management of the business of the Company as they may decide either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any service contract between him and the Company and without prejudice to any claim for damages he may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.

Appointment

91. A Managing Director or such Executive Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors, but he shall (subject to the provisions of Article 106 (i) hereof and without prejudice to any claim for damages any such Managing Director or Executive Director may have for breach of any service contract between him and the Company) be subject to the same provisions as to removal and as to vacation of office as the

Managing Director not to retire by rotation

other Directors of the Company, and if he ceases to hold the office of Director from any cause he shall *ipso facto* and immediately (but without prejudice as aforesaid) cease to be a Managing Director or such Executive Director.

Remuneration

92. The salary or remuneration of any Managing Director or such Executive Director of the Company shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, or may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as the Directors determine.

Powers

93. The Directors may from time to time entrust to and confer upon a Managing Director or such Executive Director for the time being such of the powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

POWERS AND DUTIES OF DIRECTORS.

Directors to have entire superintendence and control of business of Company

94. The business of the Company shall be managed by the Directors who in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them may exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and as not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to such directions (being not inconsistent with any regulations of these Articles or the provisions of the Statutes) as may be given by the Company in General Meeting. Provided that no direction given by the Company in General Meeting shall invalidate any prior act of the Directors, which would have been valid if such direction had not been given, and the provisions contained in these Articles as to any specific power of the Directors shall not be deemed to abridge the general powers hereby given.

95. The Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise) and may vote as a Director in respect of the exercise of any of the powers by this Article conferred upon the Directors, notwithstanding that he is or may be or become interested therein.

Power to award
pensions

96. A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. No Director shall be disqualified by his office from contracting with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract nor any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established, but the nature of his interest shall be disclosed by him in accordance with the provisions of section 199 of the Act.

Directors may
contract with
Company

97. No Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so his vote shall not be counted, nor shall he be counted for the purpose of a quorum in such case; but this prohibition shall not apply to and every Director may vote or otherwise act as a Director in respect of—

- (i) any contract listed or proposed to be listed in any prospectus or offer for sale or notice for public information relating to shares of the Company or in any statement in lieu of prospectus of the Company which is published or delivered for registration not more than thirty days after the date of incorporation of the Company; and

- (ii) any contract or arrangement by a Director to subscribe for, guarantee or underwrite shares or debentures of the Company or of any other company which the Company may promote or be interested in ; and
- (iii) any contract or resolution to give to a Director any security or indemnity in respect of advances made by him or obligations undertaken by him for the benefit of the Company ; and
- (iv) any contract or dealing with a corporation or firm where the sole interest of a Director of this Company is that he is a director, officer, member, creditor or partner ; and
- (v) any contract or arrangement with any company or companies in which the Company has a controlling interest (whatever the interest of a director in such other company or companies) ; and
- (vi) any matter referred to in the last preceding Article or the next succeeding Article hereof ;

and such prohibition may at any time or times be suspended or relaxed to any extent by a General Meeting.

98. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers or servants of such company or voting or providing for the payment of remuneration to such officers or servants) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he is or may become interested in the exercise of such voting rights in manner aforesaid.

Directors may
join boards of
other companies

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

LOCAL MANAGEMENT.

Local
management

100. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any

specified locality, whether at home or abroad, in such manner as they think fit, and the provisions contained in the three next following sub-clauses shall be without prejudice to the general powers conferred by this Article :—

- (A) The Directors from time to time, and at any time, may Local Board establish any Local Board or agencies for managing any of the affairs of the Company in any such specified locality, and may appoint any persons to be members of such Local Board, or any Managers or Agents, and may fix their remuneration ; and the Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than Delegation the power of making calls, and may authorise the members for the time being of any such Local Board, or any of them, to fill up the vacancies therein, and to act notwithstanding vacancies ; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.

- (B) The Directors may at any time and from time to time by Powers of attorney power of attorney under the seal of the Company, appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents), and for such period and subject to such conditions as the Directors may from time to time think fit ; and any such appointment may (if the Directors think fit) be made in favour of the members or any of the members of any Local Board established as aforesaid, or in favour of any company, or of the members, directors, nominees or managers of any company or firm, or in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors ; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such Attorney or Attorneys as the Directors may think fit.

- (c) Any such delegates or Attorneys as aforesaid may be Sub-delegation authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

BORROWING POWERS.

Power to raise
money

101. (A) The Directors may borrow or raise from time to time such sums of money as they think necessary for the purposes of the Company. The aggregate amount at any one time owing by the Company and all its subsidiaries in respect of moneys borrowed by it or them or any of them (exclusive of moneys borrowed by the Company or any of its subsidiaries from any other of such companies) shall not at any time, without the previous sanction of the Company in General Meeting exceed a sum equal to two and one-half times the aggregate of :—

- (i) the nominal capital of the Company for the time being issued and paid-up ;
- (ii) the amounts standing to the credit of the Consolidated Capital and Revenue Reserves (including Share Premium Account Capital Redemption Reserve Fund and Profit and Loss Account) of the Company and its subsidiary companies

all as shown in a consolidation of the then latest audited Balance Sheets of the Company and each of its subsidiary companies but after :—

- (a) making such adjustments as may be appropriate in respect of any variation in the issued and paid-up share capital the Share Premium Account and the Capital Redemption Reserve Fund of the Company since the date of its latest audited Balance Sheet ;
- (b) excluding therefrom (i) any sums set aside for future taxation ; (ii) amounts attributable to outside shareholders in subsidiaries ;
- (c) deducting therefrom (i) an amount equal to any distribution by the Company out of profits earned prior to the date of its latest audited Balance Sheet and which have been declared, recommended or made since that date except so far as provided for in such balance sheet ; (ii) goodwill and other intangible assets ; (iii) any debit balances on Profit and Loss Account.

(B) A report by the Auditors for the time being of the Company as to the aggregate amount which may at any one time in accordance with the provisions of paragraph (A) of this Article be owing by the Company and its subsidiaries without such sanction as aforesaid shall be conclusive in favour of the Company and all persons dealing with the Company.

(c) No such sanction shall be required to the borrowing of any sum of money intended to be applied and applied within three months

after such borrowing in the repayment (with or without premium) of any moneys then already borrowed and outstanding notwithstanding that the same may result in such limit being exceeded.

(D) No debt incurred or security given in respect of moneys borrowed in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice at the time when the debt was incurred or security given that the limit hereby imposed had been exceeded.

(E) The Directors shall take all necessary steps (including the exercise of all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies) for securing that the aggregate amount at any one time outstanding in respect of moneys borrowed by all the subsidiaries of the Company exclusive as aforesaid, shall never (without such sanction as aforesaid) when added to the amount (if any) for the time being owing in respect of moneys borrowed by the Company exceed the said limit.

102. The Directors may borrow or raise any such moneys as aforesaid upon or by the issue or sale of any bonds, debentures, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures, or securities, to exchange the same for shares in the Company of any class authorised to be issued.

Mode of
borrowing

103. Subject as aforesaid the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security, and the Directors may confer upon any mortgagees or persons in whom any debentures or security is vested, such rights and powers as they think necessary or expedient, and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or raised, and confer upon the trustees or any receiver to be appointed by them or by any debenture-holder such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof or the making, receiving, or enforcing of calls upon the members in respect of unpaid capital, and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

Security for
payment of
moneys
borrowed or
raised

Security for
payment of
moneys

104. The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of money borrowed or raised, but in such case the amount shall for the purposes of the above limitation be reckoned as part of the money borrowed.

Register of
mortgages to be
kept

105. The Directors shall cause a proper register to be kept at the office in accordance with section 104 of the Act of all mortgages and charges specifically affecting the property of the Company and all floating charges on the undertaking or any property of the Company, and shall duly comply with the requirements of the Statutes in relation to the registration of mortgages and charges with the Registrar of Companies and otherwise. The fee to be paid by any person other than a creditor or member of the Company for each inspection of the register of mortgages to be kept under the Act shall be the sum of 1s.

DISQUALIFICATION OF DIRECTORS.

Office of Director
to be vacated

106. The office of a Director shall be vacated—

If he resigns

(i) If not being a Managing Director or Executive Director holding office as such for a fixed period he delivers to the Board or to the Secretary a notice in writing of his resignation of his office of Director.

Ceases to be a
Director

(ii) If he becomes prohibited from being a Director under section 188 of the Act.

Becomes bankrupt

(iii) If he becomes bankrupt, or compounds with his creditors generally.

Or lunatic

(iv) If he becomes of unsound mind.

Fails to attend
meetings

(v) If not having leave of absence from the Directors he or his alternate (if any) fail to attend the meetings of the Directors for six successive months unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient and the Directors resolve that his office be vacated.

RETIREMENT, ELECTION AND APPOINTMENT OF DIRECTORS.

Rotation and
retirement of
Directors

107. At each Annual General Meeting, one-third of the Directors, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a meeting shall retain office until the dissolution of such meeting.

108. The Directors to retire at the Annual General Meeting in every year shall be one-third or other nearest number who have been longest in office. As between two or more who have been in office an equal length of time, the Director to retire shall in default of agreement between them be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election.

Which Directors
to retire

109. The Company at any General Meeting at which any Directors retire in manner aforesaid may, subject to any resolution reducing the number of Directors, fill up the vacated offices by electing a like number of persons to be Directors and may fill up any other vacancies.

Meeting to fill
up vacancies

110. If at any General Meeting at which an election of Directors ought to take place the places of the retiring Directors are not filled up, then, subject to any resolution reducing the number of Directors, the retiring Directors, or such of them as have not had their places filled up, shall, if willing, continue in office until the dissolution of the Annual General Meeting in the next year, and so on from year to year until their places are filled up, unless as regards any particular Director, a resolution for his re-election shall have been put to the meeting and lost.

Retiring Director
to remain in office
until successor
appointed

111. A resolution for the appointment of two or more persons as Directors by a single resolution shall be void unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it.

Appointment of
Directors to be
voted upon
individually

112. No person except a retiring Director shall be elected a Director (unless recommended by the Directors for election) unless notice in writing shall be sent to the Secretary not more than twenty-one days and not less than five days before the day of the meeting at which the election is to take place, signed by a member duly qualified to attend and vote at each meeting stating the name and address of the person who offers himself or is proposed as a candidate, together with a notice in writing signed by such person of his willingness to be elected.

Notice to propose
new Directors

113. The Company in General Meeting may from time to time as special business and within the limits hereinbefore provided increase or reduce the number of Directors then in office, and may also determine in what rotation such increased or reduced number is to

Power of General
Meeting to increase
or reduce the
number of Directors

go out of office, and upon passing any resolution for an increase may appoint the additional Director or Directors necessary to carry the same into effect.

Power to remove
Director by
Extra ordinary
Resolution

114. Without prejudice to the provisions of section 184 of the Act, the Company may by Extraordinary Resolution remove any Director before the expiration of his term of office. The Company may by Ordinary Resolution appoint another person in place of the Director so removed, and the person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed, but this provision shall not prevent him from being eligible for re-election.

No Director to
retire on account
of age

115. No person shall be or become incapable of being appointed a Director by reason of his having attained the age of seventy or any other age, nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person and no Director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age.

PROCEEDINGS OF DIRECTORS AND COMMITTEES.

Meetings of
Director.

116. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall constitute a quorum. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. One Director may, and the Secretary shall at the request of a Director, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not within the United Kingdom.

Chairman of
Board

117. The Directors may elect a Chairman of their meetings, and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

Board may act
if quorum present

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

119. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as effective for all purposes as a resolution of the Directors passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Provided that such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him.

120. The Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit. Directors may appoint committees

121. All committees shall in the exercise of the powers delegated to them, and in the transaction of business, conform to any mode of proceedings and regulations which may be prescribed by the Directors, and subject thereto may regulate their proceedings in the same manner as the Directors may do. Committees subject to control of Directors

122. The Directors shall cause minutes to be made of the following matters, namely :— Minutes of proceedings

- (A) Of all appointments of officers and committees made by the Directors, and of their salary or remuneration.
- (B) Of the names of Directors present at every meeting of the Board or of committees of Directors, and all business transacted at such meetings.
- (C) Of all orders, resolutions and proceedings of all General Meetings and of the Directors and committees of Directors.

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

123. The Company shall keep a register of Directors' share-holdings as required by the Statutes, which shall be kept at the office and shall be open to the inspection of any person entitled under the Statutes to inspect the same between the hours of 10 a.m. and noon on each day during which the same is to be open for inspection pursuant to the Statutes. The said register shall also be produced at the Register of Directors' Shareholdings

commencement of the Annual General Meeting in each year and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.

Defective
appointment
of Directors
not to invalidate
their acts

124. All acts done by a meeting of the Directors, or of a Committee, or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, or that they or any of them were or was disqualified, or had in any way vacated their or his office be as valid as if every such person had been duly appointed, and were duly qualified and had continued to be a Director.

SECRETARY.

Secretary

125. The Secretary shall be appointed by the Directors.

Acts to be done
by Director and
Secretary

126. A provision of the Statutes or 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.

PART V.—RESERVES, DIVIDENDS, ACCOUNTS, AUDIT, COMMON SEAL, NOTICES.

RESERVES.

Reserves out of
profits

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

DIVIDENDS.

128. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, but no larger dividend shall be declared than is recommended by the Directors. Declaration of dividends
129. No dividend shall bear interest as against the Company. Dividends not to bear interest
130. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no account paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid: but if any share is issued on terms providing that it shall rank for dividend in whole or in part as from a particular date such share shall rank for dividend accordingly. Dividends how payable
131. In case several persons are registered as joint holders of any share, any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share. Dividends to joint holders
132. The Directors may from time to time declare and pay an interim dividend to the members. Interim dividends
133. No dividends shall be payable except out of profits. Dividends payable only out of profits
134. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company. Unclaimed dividends
135. Every dividend shall belong and be paid (subject to the Company's lien) to those members who shall be on the register at the date fixed by the Directors for the purpose of determining the persons entitled to such dividend (whether the date of payment or some other date) notwithstanding any subsequent transfer or transmission of shares. To whom dividends belong
136. The Directors may deduct from the dividends payable to any member all such sums as may be due from him to the Company on account of calls or otherwise. Calls or debts may be deducted from dividends

Loss in
transmission
by post

137. The Company may remit any dividend by cheque, dividend warrant, or money order, to be sent by post to the members or persons entitled thereto, and in case of joint holders, to the member whose name stands first in the register, or to such person and address as the holder or joint holders may direct, and the Company shall not be responsible for any loss of any such cheque, warrant or order. Every such cheque, warrant or order shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders may direct, and the payment of the cheque, warrant or order shall be a good discharge to the Company.

Payment of
dividends in specie

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

CAPITALISATION OF RESERVES.

Capitalisation of
reserves, etc.

139. The Company in General Meeting may upon the recommendation of the Directors from time to time and at any time pass a resolution to the effect that any sum for the time being standing to the credit of any of the Company's reserve funds or to the credit of the profit and loss account or of any capital redemption reserve fund or share premium account be capitalised and that accordingly such sum be appropriated to the members in accordance with their rights and interests in the profits on the footing that the members become entitled thereto as capital and that all or any part of such capitalised fund be applied either in or towards paying up amounts for the time being unpaid on any shares held by them respectively or in paying up in full unissued shares or debentures of the Company, and that such shares or debentures be allotted and distributed among the members in accordance with their rights and interests in the profits or partly in one way and partly in another. Provided that the only purpose for which sums standing to the credit of any capital redemption reserve fund or share premium account shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and

distributed as aforesaid. When such resolution has been passed on any occasion the Directors may allot and issue the shares or debentures therein referred to credited as fully paid up to the members according to their rights and interests in the profits with full power to make such provision as they think expedient for the case of shares or debentures becoming distributable in fractions (and in particular but without prejudice to the generality of the foregoing to sell the shares or debentures represented by such fractions and distribute the net proceeds of such sale amongst the members otherwise entitled to such fractions in due proportions) and also to authorise any person to enter into an agreement on behalf of the members with the Company providing for the allotment to the members of such shares credited as fully paid up, and any agreement made under any such authority shall be effective. Any proceeds of sale of shares or debentures arising under this Article shall, until distributed, be available to the Company for its own use free of interest and without any liability to account for any profit arising therefrom.

ACCOUNTS.

140. The Directors shall cause to be kept proper books of account (being such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions) with respect to :— Proper accounts to be kept

- (A) All sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place.
- (B) All sales and purchases of goods by the Company.
- (C) The assets and liabilities of the Company.

The books of account shall be kept at the Office or (subject to the provisions of section 147 of the Act) at such other place or places as the Directors think fit.

141. The Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of the members, and no member shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting. The register shall be open for inspection by any member or other person entitled to inspect the same, and any person other than a member inspecting the same shall pay a fee of 1s. Inspection of accounts and books and register of members

Accounts to be
laid before the
Company in
General Meeting

142. The Directors shall from time to time in accordance with sections 148, 150 and 157 of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.

Copy to be sent
to members

143. A printed copy of every profit and loss account and balance sheet, including all documents required by law to be annexed to the balance sheet, which is to be laid before the Company in General Meeting, together with a copy of the Auditors' report, shall (in accordance with and subject as provided by section 158 of the Act) not less than twenty-one clear days before the date of the meeting be sent to every member (whether he is or is not entitled to receive notices of General Meetings of the Company) and every holder of debentures of the Company (whether he is or is not so entitled) and the Auditors and all other persons, being persons so entitled, and four copies of these documents shall at the same time be forwarded to the appropriate officer of any stock exchange in the United Kingdom on which any of the share capital or securities of the Company is for the time being quoted or the subject of permission to deal.

AUDIT.

Auditors

144. Auditors shall be appointed and their duties regulated in accordance with sections 159 to 162 of the Act.

COMMON SEAL.

Provision for
common seal

145. The Directors shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

Where deposited
and how fixed

146. The common seal of the Company shall be deposited ^{at} the Office and shall never be affixed to any document except by the authority of a resolution of the Directors and subject as in this Article provided two Directors or one Director and the Secretary shall sign autographically every instrument to which the common seal shall be affixed and in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the common seal has been properly affixed. Notwithstanding the foregoing provisions of this Article any certificate for shares, stock or debenture or loan stock (except where the Trust Deed constituting any debenture stock or loan stock provides to the contrary) or representing any other form of security of the Company to which the common seal of the Company is required to be affixed need not be signed by any persons.

147. The Company may exercise the powers conferred by section 35 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

Official seal for use abroad

BILLS, NOTES, CHEQUES AND RECEIPTS.

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

Signature of negotiable instruments

NOTICES.

149. A notice may be served by the Company upon any member, either personally or by sending it through the post in a prepaid letter addressed to such member at his registered place of address, or at any other address in the United Kingdom which the member shall have in writing given to the Company as his address for service.

Service of notice on members

150. Members whose registered place of address shall not be in the United Kingdom and who shall not have given to the Company an address for service of notices in the United Kingdom, shall not be entitled to receive any notices whatsoever, but the Directors may, if they think proper, serve any notice upon such member in manner above mentioned.

When registered address not in the United Kingdom

151. A notice or other document addressed to a member at his registered place of address or address for service in the United Kingdom shall, if served by post, be deemed to have been served at the latest within twenty-four hours after the same shall have been posted, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed and put into a post office.

Evidence of service

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

Notice to joint holders

153. Service of a notice at the registered place of address or the address for service in the United Kingdom of any person whose name remains registered as the holder or joint holder of any share, shall notwithstanding the death of such person and whether or not the

Notice in case of death

Company have notice of his decease be deemed to be sufficient notice to his executors or administrators, and to the survivor or survivors of the joint holders, and to all other persons entitled to such share.

DIVISION OF ASSETS IN SPECIE.

Division in specie

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

INDEMNITY.

Indemnity

155. Every Director, Managing Director, Agent, Auditor, Secretary ^{and} other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as such Director, Managing Director, Agent, Auditor, Secretary or other officer in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 448 of the Act in which relief is granted to him by the court.