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The Companies Acts 1948 – 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

THE CO-OPERATIVE BANK p.l.c. *

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PRELIMINARY

Table A not to apply

1. The regulations in Table A in the First Schedule to the Companies Act 1948 shall not apply to the Company.

Interpretation

2. In these Articles, if not inconsistent with the subject or context (1) words importing the singular number include the plural, and vice versa; (2) words importing the masculine gender include the feminine gender; and (3) the words standing in the first column of the table below shall bear the meanings set opposite to them respectively in the second column thereof.

WORDS

MEANINGS

The Act	The Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
These Articles	These Articles of Association as herein contained or as from time to time altered;
BSA	means the Building Societies Act 1986 (as modified or re-enacted from time to time);
Companies Act 2006	means the Companies Act 2006 (as modified or re-enacted from time to time);
Concert Party Agreement	means an agreement to which section 824 of the Companies Act 2006 applies;
Former Britannia Directors	means Rodney Baker-Bates, Peter Harvey, Chris Jones, Stephen Kingsley, and their successors appointed in accordance with Article 104A;

* Change of name 10 January 1993.

Interest	has the meaning ascribed to it by section 820 of the Companies Act 2006, and "Interested" shall be construed accordingly;
Secretary	The Secretary of the Company and (subject to the provisions of the Act) any assistant or deputy Secretary, and any person appointed by the Directors to perform any of the duties of the Secretary;
Office	The registered office for the time being of the Company;
Permitted Proportion	means, in relation to shares in the Company, 15 per cent. of the Company's issued share capital;
Protective Period	means the period beginning on the date on which articles 35A – 35E take effect, and ending three years after the Vesting Date or, if section 101 of the BSA ceases to apply to the Company, the date on which it ceases to apply;
Seal	The common seal of the Company;
The United Kingdom	Great Britain and Northern Ireland;
Paid up	Paid up or credited as paid up;
Transfer	in relation to shares, does not include a transfer to a person to whom the right to any shares has been transmitted by operation of law;
Vesting Date	means the date specified in or determined under the transfer agreement required by section 97(4)(b) of the BSA in order for Britannia Building Society to transfer its business to the Company on the Vesting Date for the purposes of section 97(6) of the BSA;
In writing	Written or produced by any substitute for writing, or partly one and partly another.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

BUSINESS

3. The Company is formed for the purpose of acquiring from Co-operative Wholesale Society Limited ("CWS") by means of Parliamentary powers the banking business conducted for many years by CWS as a separate department of CWS.

CAPITAL

Share capital

- 4.(A) The Share Capital of the Company is £305,000,000 divided into 75,000,000 9.25 per cent. Non-Cumulative Irredeemable Preference Shares of £1 each (the "Preference Shares") and 4,600,000,000 Ordinary Shares of 5p each (the "Ordinary Shares").

Preference Shares

- (B) The Preference Shares

(a) Dividends

- (aa) (i) The Preference Shares carry the right to a fixed, non-cumulative preferential dividend on the capital for the time being paid up thereon at the rate of 9.25 per cent. per annum, exclusive of any associated tax credit. Such dividends shall be payable half-yearly on 31 May and 30 November in each year.
- (ii) Such dividends shall be payable out of the profits of the Company available for distribution and resolved to be distributed. The holders of the Preference Shares shall be entitled to payment of such dividend in priority to any payment of dividend to the holders of any other class of shares in the capital of the Company. Payments of preferential dividend shall be made to holders on the register at a date selected by the Company up to 42 days prior to the relevant fixed dividend date.
- (iii) If, on any date on which an instalment of the dividend in respect of the Preference Shares would fall to be paid, the distributable profits and reserves of the Company are insufficient to enable payment in full to be made thereof, then no such instalments shall be paid. If it shall subsequently appear that any instalment of dividend in respect of the Preference Shares which has been paid should not, in accordance herewith, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made.
- (iv) Where any instalment of the dividend in respect of the Preference Shares is payable in terms of the foregoing provisions of this paragraph, the Directors shall resolve to make payment of such instalment, provided however that such instalment shall not be payable if in the judgement of the Directors the payment of such instalment, would breach or cause a breach of the Bank of England's capital adequacy requirements from time to time applicable to the Company.

- (bb) (i) The provisions of this sub-paragraph shall apply where any instalment of the dividend in respect of the Preference Shares is, for the reasons specified in sub-paragraph (aa) (iii) or sub-paragraph (aa) (iv) above, not to be payable and the amount (if any) standing to the credit of the profit and loss account, reserves, share premium account or capital redemption reserve fund of the Company are sufficient to enable the allotments of additional preference stock referred to in the further provisions of this sub-paragraph to be made in full.
- (ii) Each holder of Preference Shares shall, on the date for payment of the preference dividend had such instalment been paid in cash, be allotted, credited as fully paid, such additional nominal amount of further Preference Shares as is equal to an amount determined by multiplying the cash amount of the Preference dividend that would have been payable to him, had such instalment been payable in cash, by four-thirds and rounding the resulting sum down to the nearest integral multiple of £1. A shareholder receiving an allotment of additional Preference Shares in terms of this sub-paragraph shall not be entitled to receive any part of the preference dividend.
- (iii) For the purpose of paying up Preference Shares to be allotted on any occasion pursuant to this sub-paragraph, the Directors shall capitalise out of the sums standing to the credit of the profit and loss account of the Company and/or to the credit of the Company's reserve account (including share premium account) and capital redemption reserve fund available for the purpose, as the Directors may determine, a sum equal to the aggregate nominal amount of the additional Preference Shares then to be allotted and apply the same in paying up in full the appropriate amount of unissued Preference Shares.
- (iv) The additional Preference Shares so allotted shall rank *pari passu* in all respects with the fully paid Preference Shares then in issue save only as regards participation in the Preference dividend payable by reference to any dividend payment date prior to their allotment.
- (iv) The Directors may undertake and do such acts and things as they may consider necessary or expedient for the purpose of giving effect to the provisions on this paragraph.

(b) Capital

On a return of capital on a winding-up or other return of capital (other than on redemption of any class of redeemable share capital), the assets of the Company shall be applied in priority to any payments to the holders of any other class of shares in the capital of the Company in repaying to the holders of the Preference Shares a sum equal to (A) the greater of (1) the capital paid up or credited as paid up on the Preference Shares and (2) a sum equal to the average of the middle market quotations (as derived from the Daily Official List of The Stock Exchange) during the three months immediately preceding the date of

the notice convening the meeting to consider the resolution to approve the winding-up or other return of capital and (B) the amount that would have been properly payable by way of dividend within sub-paragraph (aa) (i) calculated at the annual rate thereof and multiplied by a fraction of which the numerator is the actual number of days elapsed on and from whichever of 1 June or 1 December shall have last occurred up to and including the date of the commencement of such winding-up or other return of capital and of which the denominator is 365 or, in a leap year, 366.

(c) Voting and General Meetings

- (i) The holders of the Preference Shares shall be entitled to receive notice of and to attend (either in person or by proxy) all General Meetings of the Company. The holders of the Preference Shares shall have the right to speak and vote at a General Meeting of the Company only if and when, at the date of the notice convening such meeting, the fixed preferential dividend payable to them respectively has been in arrears for six months or more after any date fixed for payment thereof, or if a resolution is to be proposed at such meeting abrogating or varying any of the respective rights or privileges attaching to their shareholding or for the winding-up of the Company or other return of capital and then on such resolution only.
- (ii) Whenever the holders of the Preference Shares are entitled to vote at a General Meeting of the Company upon any resolution proposed at such meeting, on a show of hands every holder who (being an individual) is present in person or (being a corporation) is present by a representative or by proxy shall have one vote and, on a poll, shall have one vote in respect of each Preference Share registered in the name of such holder.

(d) Modification of Rights

The rights attaching to the Preference Shares shall be deemed to be varied by, and accordingly the consent of the holders of three-fourths of the Preference Shares, who are present or by proxy, shall be required in accordance with Article 6 of the Articles of Association of the Company for:

- (i) the issue by the Company of any share capital or the grant by the Company of any rights to subscribe for or to convert shares or other securities into share capital ranking in priority to or pari passu with the Preference Shares as regards participation in the profits or assets of the Company or being capable of being redeemed whilst any of the Preference Shares are in issue or the variation of the rights of any class of shares so as to fall within the foregoing;
- (ii) the repayment or (otherwise than in accordance with these rights and conditions) the reduction of all or any part of the capital paid up on any shares in the capital of the Company for the time being in issue (other than a repayment in the course of a winding-up of the Company) including share premium account

and capital redemption reserve fund or the acquisition by the Company or any of its subsidiaries of any share capital of the Company;

- (iii) the capitalisation for appropriation to the holders of the Ordinary Shares of any part of the sums standing to the credit of the profit and loss account or to the credit of any reserve accounts of the Bank available for distribution if after such capitalisation the aggregate of the sums standing to the credit of the profit and loss account and to the credit of the Bank's reserves available for distribution would be a sum less than five times the aggregate amount of the annual preferential dividend (exclusive of any associated tax credit) payable on the new Preference Shares.
5. Without prejudice to any special rights for the time being conferred on the holders of any class of shares (which special rights shall not be varied or abrogated except with such consent or sanction as is provided for by the next following Article) any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by Ordinary Resolution direct, or failing such direction (but in the case of unclassified shares only) as the Directors shall determine; and any Preference Share may be issued on the terms that it is, or at the option of the Company is to be liable, to be redeemed subject to the provisions of the Act, on such terms and in such manner as may be provided by these Articles.

VARIATION OF RIGHTS

How special share rights may be varied

6. Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of the class, but not otherwise. To every such separate meeting all the provisions of these Articles relating to General Meetings of the Company or to the proceedings thereat shall, mutatis, mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those holders who are present in person or by proxy shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

Creation or issue of further shares

7. The special rights conferred upon the holders of any class of shares issued with preferred or other special rights shall be deemed to be varied by the reduction of the capital paid up on such shares but shall not (unless otherwise expressly provided by these Articles or by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* therewith or subsequent thereto.

SHARES

Shares at disposal of Directors

8. Subject to the provisions of the Act as to authority to allot securities, pre-emption rights and otherwise, of any resolution of the Company relating thereto and to any provision of these Articles, the whole of the unissued shares in the capital of the Company shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of the same to such persons, at such times and upon such terms and conditions as they may determine.

Power to pay commissions

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

Exclusion of equities

10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or recognise any equitable, contingent, future or partial interest in any share, or (except only as by these Articles otherwise provided or as by law required) any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

CERTIFICATES

Right to receive certificate

11. (A) Every person whose name is entered as a member in the register of members shall be entitled without payment to one certificate for all his shares of each class, or upon payment of such fee (if any) not exceeding 1s for every certificate after the first, as the Directors shall from time to time determine, to several certificates, each for one or more of his shares. Every certificate shall be issued within one month after allotment or the lodgement with the Company of the transfer of the shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide, and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon. The Company shall not be bound to register more than four persons as the joint holders of any share or shares and, in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefore, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all. Where a member transfers part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding without charge.

Signatures on Certificates

- (B) The provisions of Article 126 concerning the sealing of certificates shall be complied with whenever share certificates are issued.

Replacement of share certificates

12. If a share certificate be defaced, worn out, lost or destroyed, it may be renewed on payment of such fee (if any) not exceeding 1s. , and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company as the Directors think fit, and (in case of defacement or wearing out) on delivery up of the old certificate.

CALLS ON SHARES

Power to make calls

13. The Directors may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and each member shall (subject to being given at least fourteen days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares.

Provisions relating to calls

14. A call may be made payable by instalments. A call may be postponed and a call may be wholly or in part revoked as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Interest on calls

15. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at the rate of 10 per cent per annum or a such lower rate as the Directors may agree to accept, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

Sums due on allotment to be calls

16. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

Power to differentiate

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

Payment in advance of calls

18. 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 thereon as a payment in advance of calls, and any such payment in advance of calls shall extinguish, so far as the same shall extend but subject as in these Articles provided, the liability upon the shares in respect of which it is advanced; and upon the money so received, or so much

thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may pay interest at such rate as the member paying such sum and the Directors agree.

FORFEITURE, SURRENDER AND LIEN

Notice to comply with call

19. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued. The notice shall name a further day (not earlier than fourteen days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares on which the call was made will be liable to be forfeited.

Power to forfeit or accept surrender

20. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect, and such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any shares liable to be forfeited hereunder.

Sale of shares forfeited or surrendered

21. A share so forfeited or surrendered may be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit. At any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if they think fit, authorise some person to transfer a forfeited or surrendered share to any other person as aforesaid.

Effect on member

22. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares, but shall not withstanding such forfeiture or surrender remain liable to pay to the company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares, with interest thereon at 10 per cent per annum from the date of forfeiture or surrender until payment, and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender.

Lien

23. The Company shall have a first and paramount lien on every share for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share; and the Company shall also have a first and paramount lien on all shares standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company, and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in any person other than such member and whether the period for the payment or discharge of the same shall have actually

arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not, The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article.

Sale of shares subject to lien

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

Disposal of proceeds of sale

25. The net proceeds of such sale, after payment of the costs thereof, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof.

Title to shares surrendered, forfeited or sold

26. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

Form of transfer

27. All transfers of shares shall be effected by transfer in writing in the usual common form or in any such other form as the Directors may approve, and need not be under seal.

Signing of transfers

28. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register of members in respect thereof.

Power to refuse registration (1)

29. The Directors may, in their absolute discretion, and without assigning any reason therefore, refuse to register any transfer of the Ordinary Shares.

Power to refuse registration (2)

30. The Directors may also decline to recognise any instrument of transfer, unless –
- (A) the instrument of transfer duly stamped is deposited at the Office or such other place as the Directors may appoint, accompanied by the certificate for the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer; and
 - (B) the instrument of transfer is in respect of only one class of share.

Notice of refusal of registration

31. If the Directors refuse to register a transfer of any shares, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Suspension of registration

32. The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that the register of members shall not be closed for more than thirty days in any year.

No fee for registration

33. No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, notice in lieu of distringas or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the register of members affecting the title to any shares.

Retention of transfers

34. All instruments of transfer which shall be registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in any case of fraud) be returned to the person depositing the same.

Renunciation of allotments

35. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

PROTECTIVE ARTICLES

- 35A. Subject always to and in accordance with the provisions of section 101 of the BSA the Company shall not, at any time during the Protective Period:
- (a) offer for sale or invite subscription for any shares in the Company, or allot or agree to allot any such shares in the Company with a view to their being offered for sale; or
 - (b) allot or agree to allot any share in the Company; or
 - (c) register a Transfer of shares in the Company,

if the effect of the offer, the invitation, the allotment or the registration of the Transfer would be that shares in the Company constituting more than the Permitted Proportion would be held by any one person (other than Co-operative Financial Services Limited) or by any two or more persons who are parties to a Concert Party Arrangement which relates to shares in the Company.

- 35B. Any provision (including any altered provision) of these articles which is to any extent inconsistent with articles 35A to 35E or section 101(1) of the BSA (as modified or re-enacted from time to time) shall, to that extent, be void and any allotment or registration of a Transfer of shares in contravention of article 35A or section 101(1) of the BSA (as modified or re-enacted from time to time) shall be void.
- 35C. Article 35A shall cease to apply immediately if:
- (a) a person who is an authorised person within the meaning of s31 of the Financial Services and Markets Act 2000 becomes a subsidiary undertaking (as defined in s736 of the Companies Act 2006) of the Company, or the Company or such an undertaking acquires the whole, or substantially the whole, of the business of such a person; or
 - (b) the Financial Services Authority (or any successor thereto), in accordance with section 101(4)(c) of the BSA, by notice to the Company gives a direction that section 101 of the BSA shall cease to apply to the Company.
- 35D For the purposes of articles 35A – 35E:
- (a) shares in the Company held by a person in a fiduciary capacity shall be treated as not held by him;
 - (b) shares in the Company held by a person as a nominee for another shall be treated as held by the other; and
 - (c) shares in the Company shall be regarded as being held by a person as a nominee for another if any voting rights attaching to them are exercisable only on the instructions or with the consent or concurrence of that other person.
- 35E. Any reference in articles 35A – 35G to shares in the Company includes a reference to:
- (a) any warrant or other instrument entitling the holder to subscribe for shares in the Company; and
 - (b) any certificate or other instrument issued by or on behalf of the Company and conferring a right to acquire shares in the Company otherwise than by subscription;

and for the purposes of article 35A any shares in the Company to which any such instrument relates shall be deemed to be held by the holder of the instrument.

DISCLOSURE OF INTERESTS

- 35F. (1) The Directors may at any time by notice in writing (a "Disclosure Notice") require a registered holder of shares to disclose to the Company such information as the board of directors may request in order to determine whether any person has an Interest in shares which exceeds the Permitted Proportion.
- (2) If a registered holder of shares fails to comply with a Disclosure Notice within twenty one days of service, the Directors shall be entitled to conclude that shares held by that registered holder are held in excess of the Permitted Proportion.
- (3) If, having received a response to a Disclosure Notice, the Directors resolve that they are unable to determine whether or not a person is Interested in any particular shares, the Directors shall be entitled to conclude that an Interest in shares which exceeds the Permitted Proportion exists in relation to shares held by the registered holder on whom the Disclosure Notice was served.

DISPOSAL NOTICE

- 35G. (1) If any person has (or is deemed to have) an Interest in shares which exceeds the Permitted Proportion, the Directors may at any time by notice in writing (a "Disposal Notice") require the registered holder of the shares to which the Interest relates to dispose of sufficient shares as will ensure that the Interest falls below the Permitted Proportion (a "Required Disposal").
- (2) Until a Disposal Notice has been complied with (or withdrawn) the registered holder on whom the Disposal Notice was served will not be entitled to attend or vote at any general meeting of the Company or any meeting of the holders of any class of share capital of the Company.
- (3) If a Disposal Notice has not been complied with (and has not been withdrawn) within twenty one days of service, the Directors shall be irrevocably and unconditionally authorised to make a Required Disposal on behalf of the registered holders on whom the Disposal Notice has been served. In these circumstances, the manner, timing and terms of any Required Disposal (including as to price) shall be such as the Directors in its absolute discretion determine to be fair.

TRANSMISSION OF SHARES

Transmission on death

36. In the case of the death of a member the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

Election of successor

37. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.

Procedure on election

38. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing a transfer of the share in favour of that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by such member.

Rights of unregistered successors

39. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall (upon supplying to the Company such evidence as the Directors may reasonably require as to his title to the share) be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notices of or to attend or vote at meetings of the Company nor, save as aforesaid, to any of the rights or privileges of a member, until he shall have become a member in respect of the share; provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if within sixty days the notice is not complied with such person shall (but only in the case of a share which is fully paid up) be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

STOCK

Power to convert into stock

40. The Company may by Ordinary Resolution convert any paid up shares into stock, and re-convert any stock into paid up shares of any denomination. If and whenever any unissued shares of any class in the capital of the Company for the time being shall have been issued and be fully paid and at that time the shares of that class previously issued shall stand converted into stock such further shares, upon being fully paid, shall ipso facto be converted into stock transferable in the same units as the existing stock of that class.

Transfer of stock

41. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations, as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the Directors may from time to time, if they think fit, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

Rights of holders of stock

42. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

Provisions applicable to stock

43. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock.

POWER TO INCREASE CAPITAL

44. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe.

Disposal of new capital

45. The Company may by Ordinary Resolution direct that the new shares, or any of them, shall be offered in the first instance to the members or to any class thereof for the time being, in proportion (as nearly as circumstances may admit) to the number of shares or shares of the class held by them respectively, or make any other provisions as to the issue of the new shares. In default of any such direction, or so far as the same shall not extend, the new shares shall be at the disposal of the Directors, who may (subject to the provisions of the Act) allot, grant options over, or otherwise dispose of them to such persons and on such terms as they think proper, but so that no share shall be issued at a discount, save in accordance with the provisions of the Act.

Form of new capital

46. All new shares shall (unless the Company shall by resolution otherwise determine) be subject to the provisions of these Articles with reference to payment of calls, forfeiture, surrender, lien, transfer, transmission and otherwise, and unless otherwise provided by or pursuant to these Articles or by the conditions of issue the new shares shall upon issue be Ordinary Shares.

ALTERATION OF CAPITAL

47. The Company may by Ordinary Resolution –

Power to consolidate shares

- (A) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; whenever as a result of any consolidation of shares any member would become entitled to a fraction of a share, the Directors may for the purpose of eliminating such fractions sell the shares representing the fractions for the best price reasonable obtainable and distribute the proceeds of sale in due proportion among the members who would have been entitled to the fractions of shares, and for the purpose of any such sale the Directors may authorise some person to transfer the shares representing the fractions to the purchaser thereof whose name shall thereupon be entered in the register of members as the holder of the shares, and who 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;

Power to cancel shares

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

Power to sub-divide shares

- (C) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless to the provisions of the Act) and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares;

and may by Special Resolution –

Power to reduce capital

- (D) reduce its share capital and any capital redemption reserve fund and any share premium account in any manner subject to the provisions of the Act.

GENERAL MEETINGS

Annual and Extraordinary General Meetings (As substituted by Special Resolution on 25 January, 1971)

48. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next: Provided that so long as the Company holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation, or in the following year. Subject as aforesaid and to the provisions of the Act the Annual General Meeting shall be held as at such time and place as the Directors may determine. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Requisitioned meetings

49. The Directors may whenever they think fit, and shall on requisition in accordance with the Act, proceed to convene an Extraordinary General Meeting.

Notice

50. An Annual General Meeting and a General Meeting for the passing of a Special Resolution shall be called by twenty-one days' notice at the least, and all other General Meetings shall be called by fourteen days' notice at the least. Every notice shall be in writing and shall specify the place, the day and the time of meeting, and in the case of special business the general nature of such business, and in the case of an Annual General Meeting shall specify the meeting as such. Notices shall be given in manner hereinafter mentioned to all the members, other than those who under the provisions of these Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the Directors (including the alternate Directors), and to the Auditors for the time being of the Company; provided that a General meeting of the Company shall, notwithstanding that it is called by a shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed –

- (A) in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and

- (B) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting being a majority together holding not less than 95 per cent in nominal value of the shares giving a right to attend and vote at the meeting.

Content of notice

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

Duty to inform members on requisition

52. It shall be the duty of the Company, subject to the provisions of the Act, on the requisition in writing of such number of members as is specified in the Act and (unless the Company otherwise resolves) at the expense of the requisitionists, (a) to give to members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting and (b) to circulate to members entitled to have notice of any General Meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Omission of notice

53. The accidental omission to give notice of a meeting to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

Form of business at meetings

54. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of the declaration of dividends, the consideration of the accounts and of the reports of the Directors and Auditors and other documents required to be annexed to the accounts, the appointment or re-appointment of Directors in the place of those retiring by rotation or otherwise and the fixing of the remuneration of the Auditors or of the manner in which such remuneration is to be fixed.

Special notice

55. Where, by any provision contained in the Act, 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 Act permits) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Act.

Quorum

56. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as in these Articles otherwise provided, two members entitled to vote at the meeting and being present in person or by proxy shall be a quorum for all purposes.

Adjournment on lack of quorum

57. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, and at such time and place, as the Directors may determine and, if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

Chairman of meeting

58. The Chairman of the Board of Directors, or in his absence a Deputy Chairman (to be chosen, if there be more than one, by agreement amongst them or, failing agreement, by lot), or in his absence some other Director nominated by the Directors, shall preside as Chairman at every General Meeting of the Company, but if at any meeting neither such Chairman nor such Deputy Chairman nor such other Director be present within five minutes after the time appointed for holding the meeting, or if none of them be willing to act as Chairman, the Directors present shall choose some Director present to be Chairman, or if no Director be present, or if all Directors present decline to take the chair, the members present shall choose some member present to be Chairman.

Power to adjourn

59. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, seven days' notice at the least specifying the place, the day and the time of the adjourned meeting shall be given as in the case of an original meeting, 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.

Method of voting

60. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded –
- (A) by the Chairman; or
 - (B) by not less than five members having the right to vote at the meeting; or
 - (C) 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
 - (D) by a member or members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of General Meetings 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.

Proxy's right to demand poll

61. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll, and for the purposes of the last preceding Article a demand by a person as proxy for a member shall be the same as a demand by the member.

Incorrect computation of votes

62. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman of the meeting be of sufficient magnitude to vitiate the result of the voting.

Method of taking poll

63. If a poll is duly demanded, it shall be taken in such manner as the Chairman may direct (including the use of ballot or voting papers or forms), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, in the event of a poll, appoint scrutineers (who need not be members) and may fix some place and time for the purpose of declaring the result of the poll.

Taking of poll

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

Casting vote of Chairman

65. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote.

Other business

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

Withdrawal of poll demand

67. A demand for a poll may be withdrawn and no notice need be given of a poll not taken immediately.

VOTES OF MEMBERS

Voting rights

68. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member, who (being an individual) is present in person or (being a corporation) is present by a representative or proxy not being himself a member, shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

Votes in respect of joint holdings

69. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the share.

Votes of mentally disordered members

70. A member suffering from mental disorder in respect of whom an order has been made or a direction or authority given by a court of competent jurisdiction may vote, whether on a show of hands or on a poll, by his receiver, curator or other person appointed by such court, and such receiver, curator or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

No right to vote when call is unpaid

71. No member shall, unless the Directors otherwise determine, be entitled to vote at any General Meeting either personally or by proxy, or to exercise any privilege as a member, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Objections

72. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

Votes on a poll

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

Proxy need not be a member

74. Any person (whether a member or not) may be appointed to act as a proxy.

Form of proxy

75. The instrument appointing a proxy shall be in writing in the usual common form, or such other form as may be approved by the Directors, and shall be signed by the appointer or by his attorney duly authorised in writing, or if the appointer is a corporation shall be either under its common seal or under the hand of an officer or attorney of the corporation. The Directors may, but shall not be bound to, require evidence of authority of such officer or attorney. An instrument of proxy need not be witnessed.

Deposit of proxy

76. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, shall be deposited at the Office, or at such other place in the United Kingdom as is specified for that purpose in the notice calling the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument

appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.

Incidents affecting validity of proxy

77. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or mental disorder of the principal, revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, provided that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office three hours at least before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

Circulation of proxy forms

78. The Directors may at the expense of the Company send, by post or otherwise, to the members instruments of proxy (with or without provision for their return prepaid) for use at any General Meeting or at any meeting of any class of members of the Company either in blank or nominating in the alternative any one or more of the Directors or the Chairman of the meeting or any other person or persons. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

CORPORATIONS ACTING BY REPRESENTATIVES

Representatives

79. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representatives at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual member of the Company and such corporation shall, for the purposes of these Articles, be deemed to be present in person at such meeting if a person so authorised is present thereat.

DIRECTORS

Number of Directors

80. Subject as hereinafter provided, the Directors shall be not less than six in number, but the Company may by Ordinary Resolution from time to time vary the minimum number and may also fix and from time to time vary a maximum number of Directors. The first Directors shall be the persons who shall be appointed in writing either before or after the incorporation of the Company by the subscribers to the Memorandum of Association or a majority of them.

- 80A At all times during the period of three years commencing on the Vesting Date not less than four Directors shall be Former Britannia Directors.

No share qualification required

81. A Director and an alternative Director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any General Meeting of the

Company and at any separate meeting of the holders of any class of shares in the Company.

Remuneration of Directors

82. The Directors shall be entitled to remuneration at such rates as the Company by Ordinary Resolution may from time to time determine provided that, unless otherwise agreed by the Directors, no such remuneration shall be payable under this Article to a Director for the time being employed by or holding executive office with the Company, or by or with the Company's parent body corporate CWS, or by or with any company which would be a subsidiary of CWS (other than the Company) according to the definition contained in section 736 of the Companies Act 1985, were CWS a company. The Company by Ordinary Resolution may also vote extra remuneration to the Directors, which shall, in default of agreement to the contrary, be divided between the Directors equally. The Directors' remuneration shall be deemed to accrue from day to day. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees of the Directors or General Meetings.

Additional remuneration

83. Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Directors may determine.

Alternate Directors

84. Each Director (other than an alternate Director) may at any time appoint another Director or (subject to the approval of a majority of the Directors for the time being) any other person to be an alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from office and, subject to any requisite approval as aforesaid, appoint another person in his place. An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the Directors and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in the absence of such appointor. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director; provided that if any Director retires whether by rotation or otherwise but is re-appointed, or is deemed to have been re-appointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-appointment as if he had not so retired. All appointments and removals of alternate Directors shall be effected by notice in writing under the hand of the Director making such appointment or removal and sent to or left at the Office.

Remuneration of alternate Directors

85. 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 part (if any) of the latter's remuneration as shall be agreed between them.

Offices of profit

86. A Director, including an alternate Director, may hold any other office or place of profit under the Company, (other than the office of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

Directors' contracts

87. No Director or intending Director, including an alternate Director, shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other office or place of profit, or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way, whether directly or indirectly, interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Directors' interests in associated companies

88. Any Director, including an alternate Director, may continue to be or become a Director or other officer or member of or otherwise interested in any other company promoted by the Company or any subsidiary thereof or in which the Company or any subsidiary thereof may be interested, as a member or otherwise, or in which the Company or any subsidiary thereof has decided not to take any shareholding or other interest whatsoever, and no such Director shall be accountable for any remuneration or other benefits whatsoever received by him as a Director or other officer or member of or from his interest in any such other company. 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, but without limitation, the exercise thereof in favour of any resolution appointing themselves or any of them Directors or other officers of such company, or voting or providing for the payment of remuneration or any other benefits whatsoever to the Directors or other officers of such Company), and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a Director or other officer of such other company, and is or may become interested in the exercise of such voting rights in manner aforesaid.

Declaration of interest

89. Without prejudice to the requirements of the Act, a Director, including an alternate Director, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of Directors. In the case of a proposed contract the declaration shall be made at the meeting of the Directors at which the question of entering into the contract is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract, at the next meeting of Directors held after he became so interested. In a case where the Director becomes interested in a contract after it is made the declaration shall be made at the first meeting of the Directors held after the Director becomes so interested. In a case where the Director is interested in a contract which has been made before he was appointed a Director the declaration shall be made at

the first meeting of the Directors held after he is so appointed. For the purposes of this Article a general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with the company or firm, shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

Directors' interests in relation to quorum (1)

90. A Director, including an alternate Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or body corporate or unincorporated or whereat the terms of any such appointment are arranged, varied or abrogated, and he may vote on any such appointment, arrangement, variation or abrogation other than his own appointment or the arrangement, variation or abrogation of the terms thereof.

Directors' interests in relation to quorum (2)

91. Subject to the last preceding Article a Director, including an alternate Director, shall not as a Director vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted nor, save as herein provided, shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to –

- (A) any contract or arrangement giving the Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company or of any subsidiary of the Company; or
- (B) any contract or arrangement giving any security or guarantee to a third party in respect of a debt or obligation of the Company or of any subsidiary of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or
- (C) any contract or arrangement by a Director to subscribe for or underwrite shares, debentures or other securities or rights of the Company, or of any other company which the Company may promote or be interested in; or
- (D) any contract or dealing with any other body corporate in which the Director is interested only in any one or more of the capacities of officer, creditor, employee, or holder of shares, debentures or other securities or rights of that other body corporate; or
- (E) any matter referring to any existing or proposed pension, superannuation, life assurance or insurance fund, scheme or arrangement of which or in which a Director may be or be about to become a member, or have or be about to have any other interest;

and these prohibitions may at any time be suspended or relaxed to any extent, and either generally or in any particular case or class of cases, by Ordinary Resolution of the Company.

Power to run pension schemes

92. The Directors may establish, maintain, participate in or contribute to or procure the establishment, maintenance of, participation in and contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company, or any of its predecessors in business, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid and who hold or have held executive positions or agreements for service with the Company or any such other company, and the wives, widows, families and dependants of any such persons, and also establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such person as aforesaid, and make payments for or towards the insurance of any such person as aforesaid, and to establish and contribute to any scheme for the purchase by trustees of shares in the Company or its holding company to be held for the benefit of the Company's employees and to lend money to the Company's employees to enable them to purchase such shares, and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by the Company by Ordinary Resolution, any Director who holds or has held any such executive position or agreement for services shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance, benefit or emolument.

BORROWING POWERS

Power to borrow and secure borrowings

93. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

GENERAL POWERS OF DIRECTORS

General power to run business

94. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

Power to delegate locally

95. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Power to appoint attorneys

96. The Directors may from time to time, and at any time, by power of attorney under the Seal, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney of the Company for such purposes, with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles), for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

Power to establish branch register

97. The Company, or the Directors on behalf of the Company, may cause to be kept in any part of Her Majesty's Dominions outside the United Kingdom, the Channel Islands or the Isle of Man (and, if the Act shall so permit, in any other country, territory or area) in which the Company transacts business, a branch register or register of members resident therein, and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such register.

Delegation of power to make calls as part of security

98. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

Negotiable instruments

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

DIRECTORS HOLDING EXECUTIVE OFFICE

Directors holding executive office

100. The Directors may from time to time appoint any one or more of their body to be holder of any executive office for such period and on such terms and with or without such title or titles (whether as Chairman, Deputy Chairman, Vice-Chairman, Managing Director, Joint or Deputy or Assistant Managing Director or otherwise) as they think fit. A Director so appointed shall not, whilst holding any such office, be subject to retirement by rotation or be taken into account in determining the retirement by rotation of Directors, but he shall (subject to the terms of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he shall vacate the office of Director or (subject as aforesaid) if the Directors resolve that his term of office as holder of such executive office as aforesaid be determined, his appointment as such shall ipso facto determine.

Executive emoluments

101. A Director appointed to any such office shall receive such remuneration (whether by way of salary, commission, participation in profits, provision for retirement or insurance benefit, or partly in one way and partly in another, or otherwise) as the Directors may determine.

Grant of powers to Directors

102. The Directors may entrust to and confer upon any Director appointed to any such office any of the powers exercisable by them as Directors, other than the power to make calls of forfeit shares, upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

RETIREMENT OF DIRECTORS

Continuation in office of Directors over seventy

103. Unless and until otherwise determined by the Company by Ordinary Resolution either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being re-appointed or appointed, as the case may be, as a Director notwithstanding that at the time of such re-appointment or appointment he has attained the age of seventy, and no special notice need be given of any resolution for the re-appointment or appointment or for approving the appointment as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be re-appointed or appointed as such. For the purposes of this Article the expression "Director" shall include an alternative Director.

Vacation of office

104. The office of a Director shall be vacated in any of the following events, namely:-
- (A) if (but in the case of a Director holding any executive office subject to the terms of any contract between him and the Company) he resigns his office by notice in writing under his hand sent to or left at the office;
 - (B) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;

- (C) if he becomes of unsound mind;
 - (D) if he is absent from meetings of the Directors for six successive months without leave, and his alternate Director (if any) shall not during such period have attended in his stead, and the Directors resolve that his office be vacated;
 - (E) if he ceases to be a Director by virtue of or becomes prohibited from being a Director by reason of any order made under any provisions of the Act;
 - (F) if he shall be removed from office by notice in writing served upon him signed by all his Co-Directors, but so that in the case of a Director holding an executive office subject to termination if he cease to be a Director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office.
- 104A If any Former Britannia Director ceases, for whatever reason, to be a Director during the period of three years commencing on the Vesting Date, no person will be appointed as a Former Britannia Director to fill that vacancy without the prior approval of a majority of the Former Britannia Directors who are still Directors (which consent shall not be unreasonably withheld or delayed.)

ROTATION OF DIRECTORS

Retirement by rotation

105. Subject to the provisions of these Articles, at the first Annual General Meeting and at the Annual General Meeting in every subsequent year one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office; provided always that if in any year the number of Directors who are subject to retirement by rotation shall be two, one of such Directors shall retire, and if in any year there shall be only one Director who is subject to retirement by rotation, that Director shall retire. A Director retiring at a meeting as aforesaid shall retain office until the conclusion of that meeting.
- 105A No Former Britannia Director shall be required to retire by rotation during the period of three years commencing on the Vesting Date.

Ascertainment of Directors to retire

106. Subject to the provisions of the Act and of these Articles, the Directors to retire in every year shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last appointment or re-appointment but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Subject as aforesaid, a retiring Director shall be eligible for re-appointment.

Filling of office vacated by rotation

107. The Company at the meeting at which a Director retires in manner aforesaid may fill up the vacated office by appointing a person thereto, and in default the retiring Director, if willing, to act, shall be deemed to have been re-appointed, unless at

such meeting it is expressly resolved not to fill the vacancy, or a resolution for the re-appointment of such Director shall have been put to the meeting and lost.

Eligible Directors

108. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of a Director at any General Meeting unless, not less than seven nor more than forty-eight days before the day appointed for the meeting, there shall have been given to the Company notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

Method of appointment

109. At a General Meeting a motion for the appointment of two or more persons as Directors by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

Company's powers to alter numbers and determine rotation

110. Subject to article 80A, the Company may from time to time by Ordinary Resolution increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to retire from office.

Power to appoint additional Directors

111. Subject to article 104A, the Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these Articles. Subject to the provisions of the Act and of these Articles, any Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting, and shall be eligible for re-appointment at that meeting. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Power to remove Directors

112. Without prejudice to the provisions of the Act the Company may by Extraordinary Resolution remove a Director before the expiration of his period of office (but such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company) and may, by Ordinary Resolution, appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or re-appointed a Director.

Board Meetings

113. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. 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. A Director who is also an alternate Director shall be entitled to a separate vote of behalf of the Director he is representing and in addition to his own vote. A Director may, and the Secretary on the requisition of a Director shall at any time summon a meeting of

the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom.

Proxy votes at Board Meetings

114. A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote. Any such authority must be in writing or by cable, telex, radiogram or telegram, which must be produced at the meeting at which the same is to be used, and be left with the Secretary for filing.

Quorum at Board Meetings

115. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. For the purposes of this Article an alternate Director shall be counted in a quorum, but so that not less than two individuals shall constitute the quorum. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

Minimum number

116. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, or below the number fixed by or pursuant to these Articles as the quorum of Directors, the continuing Directors or Director may act for the purpose of filling up vacancies in their body or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

Chairman of Board

117. The Directors may, from their number, from time to time elect and remove a Chairman and, if thought fit, one or more Deputy Chairmen and/or Vice-Chairmen and determine the period for which they are to hold office. The Chairman, or in his absence the Deputy Chairman (to be chosen, if there be more than one, by agreement amongst themselves, or, failing agreement, by lot), or in the absence of any Deputy Chairman the Vice-Chairman (to be chosen, if there be more than one, as aforesaid), shall preside at all meetings of the Directors, but if no such Chairman, Deputy Chairman or Vice-Chairman be elected, or if at any meeting the Chairman and no Deputy Chairman or Vice-Chairman be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the Chairman of the meeting.

Written Board Resolution

118. A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of Directors, shall be as effective as a resolution 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; and so that any such resolution or document signed by an alternate Director shall be deemed to have been signed by the Director who appointed such alternate Director.

Committees

119. The Directors may delegate any of their powers to committees consisting of such members or member of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations imposed by the Directors under this Article.

Defects in appointment

120. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director, or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote.

EXECUTIVE AND OTHER DIRECTORS

Appointment of Non-Board Directors

121. The Directors may from time to time, and at any time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of Director (whether as executive, group, divisional, departmental, deputy, assistant, local, advisory director or otherwise) as the Directors may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties, and subject to any contract between him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of these Articles or of the Act, and accordingly shall not be a member of the Board of Directors or of any committee thereof, nor shall he be entitled to be present at any meeting of the Board of Directors or of any such committee, except at the request of the Board of Directors or of such committee, and if present at such request he shall not be entitled to vote thereat.

MINUTES AND BOOKS

Minutes and books

122. The Directors shall cause minutes to be made –
- (A) of all appointments of officers made by the Directors;
 - (B) of the names of the Directors present at each meeting of Directors and of any committee of Directors;
 - (C) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.

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

Loose-leaf books

123. Subject as required by law any register, index, minute book, book of account or other book required by these Articles or by law to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

SECRETARY

Secretary

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

Absence of secretary

125. Anything by the Act required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors; provided that any provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

THE SEAL

Seal

126. (A) The Directors shall provide for the safe custody of the seal and the seal shall not be affixed to any instrument, except by the general or special authority of a resolution of the Directors, or of a committee of the Directors authorised in that behalf. The Directors may from time to time make such regulations as they think fit (subject to the provisions of these Articles) determining the persons and the number of such persons who shall sign every instrument to which the Seal is affixed. Until otherwise so determined, every such instrument shall be signed by a Director and countersigned by the Secretary or another Director, and in favour of any purchaser or person bona fide dealing with the Company, the signatures of such persons shall be conclusive evidence of the fact that the Seal has been properly affixed.
- (B) Every certificate of shares, debentures, debenture stock or representing any other form of security of the Company (other than letters of allotment, receipts for securities or certificates of deposit) shall be issued under the Seal or under any official seal kept by the Company pursuant to Section 40 of the Act.
- (C) Each certificate to which the Seal shall be affixed shall bear the autographic signatures of at least one Director and the Secretary or other person acting in the place of the Secretary, provided that the Directors may by resolution determine (either generally or in any particular case or cases) that such signatures shall be dispensed with, or shall be affixed by means of some method or system of mechanical signature.

- (D) Each certificate to which such official seal as is referred to in paragraph (B) of this Article shall be affixed need not bear any signatures.

Foreign seal

127. The Company may have an official seal for use abroad under the provisions of the Act where and as the Directors shall determine, and the Company may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

Authentication

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

DIVIDENDS

Power to apply profits

129. The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in General Meeting may declare dividends accordingly.

Limits on dividend

130. No dividend shall be payable except out of the profits of the Company, and no dividend shall exceed the amount recommended by the Directors.

Quantification of dividend

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

Interim dividends

132. The Directors may if they think fit from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the

Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and the Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of opinion that the profits justify the payment. Provided that Directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.

Pre-acquisition profits

133. Subject to the provisions of the Act or as otherwise required by law, where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company, the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

Deduction from dividend

134. The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.

Retention of dividends

135. The Directors may retain the dividends payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

Unclaimed dividends

136. All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the payment of any such dividend into a separate account or the investment of such dividend shall not constitute the Company a trustee in respect thereof. No dividend shall bear interest as against the Company. Any dividend which has remained unclaimed for a period of twelve years from the date of declaration thereof shall at the expiration of that period be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

Method of paying dividends

137. Any dividend or other moneys payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto and in the case of joint holders to any one of such joint holders or to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be a good

discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Joint holders

138. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

Dividends paid in specie

139. A General Meeting declaring a dividend may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures or other securities or rights of any other company, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution they 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 shall be made to any members upon the footing of the value so fixed in order to adjust the rights of members, and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates or any part thereof and otherwise as they think fit.

RESERVES

Reserves

140. The Directors may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities or rights of the Company) such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the company or its holding company, if any) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think it prudent not to divide.

DISTRIBUTION OF CAPITAL GAINS

Capital gains

141. Notwithstanding anything in any other of these Articles, the Company may by Ordinary Resolution on the recommendation of the Directors determine that any realised accretion of capital assets shall be divided among the members in proportion to the amounts paid up on the Ordinary Shares held by them respectively.

CAPITALISATION

Capitalisation of reserves

142. The Company may by Ordinary Resolution, upon the recommendation of the Directors, resolve that it is desirable to capitalise any undivided profits of the Company standing to the credit of profit and loss account or otherwise available for distribution (not being required for paying the fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in

profits) or any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) and accordingly that the Directors be authorised and directed to appropriate the profits or sum resolved to be capitalised to the members in the proportion in which such profits or sum would have been divisible amongst them had the same been applicable and had been applied in paying dividends, and to apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, such shares or debentures to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other; provided that the share premium account and the capital redemption reserve fund may, for the purposes of the Article, only be applied in the paying up of unissued shares to be issued to members as fully paid.

Procedure on capitalisation

143. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the profits or sum resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, or to make provision whereby the benefit of fractional entitlements accrue to the Company rather than to the members concerned, and also to authorise any person to enter on behalf of all the members entitled to the benefit of such appropriations and applications into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, and any agreement made under such authority shall be effective and binding on all such members.

ACCOUNTS

Books of account

144. The Directors shall cause proper books of account to be kept in accordance with the Act. The books of account shall be kept at the office, or (subject to the provisions of the Act) at such other place as the Directors think fit, and shall always be open to inspection by the Directors. No member (other than a Director) 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.

Accounts

145. The Directors shall from time to time, in accordance with the provisions 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 specified in the Act.

Auditors' report

146. The Auditors' report shall be read before the Company in General Meeting and shall be open to inspection as required by the Act.

Right to receive accounts

147. A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be attached or annexed to the accounts) shall not less than twenty-one days before the date of the meeting be sent to every member and to every holder of debentures of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Act or of these Articles; provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the office. Whenever quotation on any Stock Exchange in the United Kingdom for all or any of the shares or debentures of the Company shall for the time being be in force, there shall be forwarded to the appropriate officer of such Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

Accuracy of accounts

148. Every account of the Company, when audited and approved by an Annual General Meeting, shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever such an error is discovered within that period, the account shall forthwith be corrected and thereupon shall be conclusive.

AUDITORS

Auditors

149. Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Act. Subject to the provisions of the Act, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

Periodic accounts

150. Once at least in every year after the year in which the Company is incorporated the accounts of the Company shall be examined and the correctness of the balance sheet, profit and loss account and group accounts (if any) ascertained by an Auditor or Auditors.

Rights of Auditors

151. The Auditor or Auditors shall be entitled to attend any General Meeting and to receive notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him or them as Auditor or Auditors.

NOTICES

How notice is given

152. Any notice or document may be given or served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his address as appearing in the register of members. In the case of joint holders of a share, all notices shall be given to that one of the joint

holders whose name stands first in the register of members in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

Members without UK addresses

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

Assumption that notice received

154. Any member present, either in person or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

Successors bound

155. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by any notice in respect of such share which previously to his name and address being entered on the register of members shall have been duly given to a person from whom he derives his title to such shares.

Advertisement

156. Any notice required to be given by the Company to the members or any of them, and not provided for by or pursuant to these Articles, shall be sufficiently given if given by advertisement which shall be inserted once in at least one leading daily newspaper published in London.

Timing of notices

157. Save as otherwise provided by the Act or by these Articles, any notice shall be exclusive of the day on which it is served or deemed to be served, and of the day for which it is given. Any notice or other document, if served by post, shall be deemed to have been served at the time when the letter, envelope, card or cover containing the same is posted, and in proving such service it shall be sufficient to prove that the letter, envelope, card or cover containing the notice or document was properly addressed and duly posted. A notice to be given by advertisement shall be deemed to have been served on the day which the advertisement appears.

Dead or bankrupt members

158. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles, shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder, unless his name shall, at the time of the service of the notice or document, have been removed from the register of members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

WINDING UP

Powers on winding up

159. If the Company shall be wound up (whether the liquidation is altogether voluntary, under supervision or by the court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members in specie 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 may for such purposes 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 the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares in respect of which there is a liability.

INDEMNITY

Indemnity

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

NAMES. ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

G V TEW
20 Copthall Avenue
London EC2
Solicitor

P S O ROBERTS
20 Copthall Avenue
London EC2
Solicitor

Dated this 17th day of September, 1970.

Witness to the above signatures -
T P LEE
20 Copthall Avenue
London EC2
Solicitor

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