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The Companies Act 1985

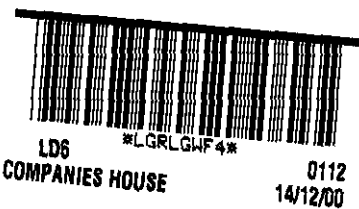
A PUBLIC COMPANY LIMITED BY SHARES

Articles of Association

(as amended by Special Resolution passed 30 May 1990)

of

NORTHERN & SHELL PLC



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TABLE A

- 1 The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 shall not apply to the Company and these Articles alone shall constitute the regulations of the Company.

INTERPRETATION

- 2 In these Articles, unless the subject or context otherwise requires:
- (A) the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:

Words	Meanings
the Company	This Company.
the Statutes	The Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force, and every other Act for the time being in force relating to companies and affecting the Company.
these Articles	These Articles of Association, whether as originally adopted or as from time to time altered by special resolution, in the form which is for the time being in force.
the Office	The Registered Office of the Company.
the Register	The Register of Members of the Company.
the Transfer Office	The place where the Register is situated for the time being.
the Directors	The directors for the time being of the Company or any of them duly acting as the Board of directors of the Company.
the Auditors	The auditors for the time being of the Company.
the Seal	The common seal of the Company.
the United Kingdom	Great Britain and Northern Ireland.

Words	Meanings
member	A member of the Company.
month	Calendar month.
year	Calendar year.
in writing	Written, printed, typewritten or lithographed or visibly expressed in all or any of these or any other modes of representing or reproducing words.

- (B) the expression "dividend" includes bonus;
- (C) the expression "paid up" includes credited as paid up;
- (D) the expressions "debenture" and "debenture-holder" respectively include "debenture stock" and "debenture stockholder";
- (E) the expression "Secretary" includes (subject to the Statutes) any assistant or deputy Secretary of the Company appointed pursuant to Article 128 and any person duly appointed by the Directors to perform any of the duties of the secretary of the Company and, where two or more persons are duly appointed to act as joint secretaries of the Company, includes any one of those persons;
- (F) all of the provisions of these Articles which are applicable to paid up shares shall apply to stock, and the word "share" shall be construed accordingly;
- (G) words importing the singular number only shall include the plural number, and vice versa;
- (H) words importing the masculine gender only shall include the feminine gender;
- (I) words importing persons shall include corporations; and
- (J) references to particular provisions of the Statutes shall be construed as references to those provisions and every statutory modification or re-enactment thereof for the time being in force.

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

The marginal notes (if any) and headings are inserted for convenience only and shall not form part of, or affect the construction of, these Articles.

BUSINESS

- 3** Any branch or kind of business which by the Memorandum of Association of the Company, or these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the directors at such time or times as they shall think fit and, further, may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.
- 4** The Office shall be at such place in England or Wales as the Directors shall from time to time appoint.

SHARE CAPITAL*

5.1 Authorised Share Capital

The share capital of the Company at the date of adoption of these Articles is £1,600,000 divided into 1,100,000 Preferred Ordinary Shares of £1 each ("**Preferred Ordinary Shares**") and 500,000 Ordinary Shares of £1 each ("**Ordinary Shares**").

5.2 Preferred Ordinary Shares

The Preferred Ordinary Shares shall entitle the holders thereof to the following rights:

(a) as regards dividend:

- (i) the Company shall, in priority to payment of any dividend to all other shareholders, pay to the holders of the Preferred Ordinary Shares a fixed cumulative preferential dividend ("**the Preferred Ordinary Dividend**") at the rate of 8 per cent. per annum (not of any advance corporation tax payable by the Company) (or such other rate as the holders of Preferred Ordinary Shares may require if the value of the Preferred Ordinary Shares on issue is different from the value subsequently determined by the Inland Revenue ("**the Adjusted Rate**") accruing on a daily basis on the nominal value of such shares, and payable half yearly in arrears on 1 July and 1 January in each year provided that the first payment of such dividend shall be on 1 July 1993 in respect of the period from the date of issue of such shares to that date;
- (ii) the Company shall pay to the holders of the Preferred Ordinary Shares a participating dividend equal in aggregate amount to 4 per cent. of the aggregate amount of any distribution paid on the Ordinary Shares (payment to be made on the same day as payment of dividend to the holders of Ordinary Shares); and
- (iii) if dividend at the Adjusted Rate is subsequently payable the dividend from the date of issue to the date the Adjusted Rate is set shall be recalculated at the Adjusted Rate: any additional dividend shall be paid immediately and any overpayment shall be a deduction prior to payment of any later Preferred Ordinary Dividend. Interest at the official rate for the purposes of Section 160 of the Income and Corporation Taxes Act 1988 shall be payable immediately by the Company to the holders of Preferred Ordinary Shares on the said additional dividend and by the holders of Preferred Ordinary Shares to the Company on any overpayment;

(b) as regards capital:

on a return of assets on a liquidation, reduction of capital or otherwise, the holders of Preferred Ordinary Shares shall be entitled (in proportion to the number of Preferred Ordinary Shares held by each of them), in priority to all other shareholders, to be paid out of the surplus assets of the Company remaining after payment of its liabilities an amount equal to the nominal value of the Preferred Ordinary Shares together with a sum equal to any Arrears calculated down to the date of the return of capital - for the purposes of this article "**Arrears**" shall mean in

* Article 5 was altered by two special resolutions passed on 16 March 1993.

relation to any share, all accruals, deficiencies and arrears of any dividend payable in respect of such share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient distributable profits to pay such dividend together with all interest and other amounts payable thereon and also together with [•] per cent of the aggregate amount of the surplus assets of the Company remaining after payment of its liabilities;

- (c) as regards voting at general meetings:

the holders of the Preferred Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company; on a show of hands every holder of Preferred Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for every twenty Preferred Ordinary Shares on a show of hands and on a poll every holder of Preferred Ordinary Shares so present shall have one vote for every twenty Preferred Ordinary Shares held by him; and

- (d) as regards redemption, the Preferred Ordinary Shares shall, subject to the Act, be redeemed on and subject to the following terms and conditions:

- (i) the Preferred Ordinary Shares shall be redeemed by the Company on 31 December 2001;
- (ii) on each date on which Preferred Ordinary Shares are to be redeemed pursuant to this Article ("**a Redemption Date**"), each registered holder of Preferred Ordinary Shares to be redeemed shall deliver to the Company at its registered office the share certificates for such Preferred Ordinary Shares and thereupon the Company shall pay to such holder (or, in the case of joint holders, to the holder whose name stands first in the register of members in respect of such shares) the amount due to him in respect of such redemption and shall issue a new share certificate in respect of any unredeemed Preferred Ordinary Shares comprised in the certificate delivered by him;
- (iii) as a condition of any redemption, there shall be paid on each Preferred Ordinary Share redeemed the nominal value of such share together with a sum equal to any Arrears in respect of such Preferred Ordinary Share calculated down to the relevant Redemption Date; and
- (iv) the receipt of the registered holder (or, in the case of joint holders, the holder whose name stands first in the register of members) for the time being of any Preferred Ordinary Shares being redeemed for the moneys payable on redemption of such shares shall constitute an absolute discharge to the Company in respect thereof.

5.3 Ordinary Shares

The Ordinary Shares shall entitle the holders thereof to the following rights:

- (a) as regards dividend:

after making all necessary provisions for payment in any financial year of the Preferred Ordinary Dividend (including Arrears in respect of any period), the Company shall apply any profits which the Directors resolve thereafter to distribute

in any such year in paying any balance of such profits to the holders of the Ordinary Shares *pari passu* and pro rata to the number of such shares held by each of them and to the holders of the Preferred Ordinary Shares in respect of their participating dividend specified in Article 5.2(a)(ii);

(b) as regards capital:

on a return of assets on a liquidation, reduction of capital or otherwise, the holders of the Ordinary Shares shall, subject to the rights of the holders of the Preferred Ordinary Shares, be entitled (in proportion to the number of Ordinary Shares held by each of them) to the surplus assets of the Company remaining after payment of its liabilities; and

(c) as regards voting in general meetings:

the holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company; on a show of hands every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of Ordinary Shares so present shall have one vote for each Ordinary Share held by him.

5.4 Unless the Company is prohibited by law, the Preferred Ordinary Dividend shall (notwithstanding any provision of these Articles and in particular notwithstanding that there has not been a recommendation of the Directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable on priority to any other dividend.

6 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the capital of the Company for the time being may be issued with such special rights, privileges or restrictions as the Company in general meeting may (before the issue of such shares) from time to time direct and in particular any such shares may be issued with a preferential, deferred or qualified right to dividends or to the distribution of assets and with a special or without any right of voting and (subject to the provisions of the Statute) on the terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the company in general meeting may (before the issue of such shares) determine.

VARIATION OF RIGHTS

7 Whenever the share capital is divided into different classes of shares, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be modified, varied, extended, abrogated or surrendered with the written consent of the holders of three-fourths of nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares. To every such separate general meeting the provisions of these Articles relating to general meetings shall (*mutatis mutandis*) apply, except that:

- (a) 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 in question;
- (b) if any such separate general meeting shall be adjourned by reason of there being no quorum present and at the adjourned meeting a quorum shall not be present

within fifteen minutes after the time appointed for such adjourned meeting, those holders of the shares of the class in question who are present shall be a quorum;

- (c) any holder of shares of the class in question who is present in person or by proxy may demand a poll; and
- (d) on a poll every holder of shares of the class in question who is present in person or by proxy shall have one vote for every share of that class held by him.

- 8 If any class of shares shall have any preferential right to dividend or return of capital, the conferring upon other shares of rights to either dividend or return of capital ranking in point of priority in some or all respects either *pari passu* with or after that class shall not (unless otherwise expressly provided by these Articles or by the terms of issue of the shares of that class) be deemed a variation of the rights of the holders of that class of shares.

INCREASE OF CAPITAL

- 9 The Company may from time to time in general meeting, whether all the shares for the time being authorised shall have been issued, or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation of new shares, such increase to equal such aggregate amount and to be divided into shares of such respective amounts as the general meeting resolving upon the creation thereof shall direct.
- 10 Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association of the company or these Articles, any capital raised by the creation of new shares shall be considered as part of the original capital, and as consisting of ordinary shares, and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.

ALTERATIONS OF CAPITAL

- 11 Subject to the provisions of Article 13, the Company may from time to time in general meeting:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or
 - (b) cancel any shares which at the date of the passing of the relevant resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or
 - (c) by sub-division of its existing shares, or any of them, divide its capital, or any part thereof, into shares of smaller amount than is fixed by its Memorandum of Association or was fixed by the resolution creating such shares provided that in any such sub-division the proportion between the amount paid and the amount, if any, unpaid on each such share of smaller amount shall be the same as it was in the case of the share from which the share of smaller amount was derived. The resolution by which any sub-division is effected may determine that as between the holders of the resulting shares (but subject and without prejudice to any rights for the time being attached to the shares of any special class) one or more of such shares be given such preference, advantage, restriction or disadvantage as

regards dividend, capital, voting or otherwise over the others or any other of such shares as the resolution shall prescribe.

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

- 12** Subject to the provisions of Article 13 the Company may from time to time:
- (a) by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any manner authorised, and with and subject to any incident prescribed or allowed, by the Statutes; and
 - (b) purchase its own shares (including any redeemable shares).
- 13** Anything done in pursuance of either of the last two preceding Articles shall be done in manner provided, and subject to any conditions imposed, by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.

SHARES

- 14** Except as permitted by, and subject to the provisions of, the Statutes, the Company shall not give financial assistance directly or indirectly for the purpose of the acquisition by any person of shares in the capital of the Company (or of its holding company, if any) either before or at the same time as the acquisition takes place or (where such an acquisition has taken place) for the purpose of reducing or discharging any liability by any person for the purpose of any such acquisition (whether by such person or by any other person).
- 15** In addition to all other powers of paying commissions, the Company may at any time and from time to time exercise the power conferred by section 97 of the Companies Act 1985 (but subject to the limit and requirements stipulated by that section) to pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in the capital of the Company. Subject to the provisions of the Statutes, any such commission may be paid in cash or satisfied by the allotment of fully paid shares in the capital of the Company, or partly in one way and partly in the other, as may be arranged. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 16** All unissued shares shall (if and to the extent authorised or permitted by the Statutes, these Articles and any resolution of the Company pursuant thereto and subject to any

directions by the Company in general meeting) be at the disposal of the Directors who may (subject to the provisions of the Statutes, these Articles and any such resolution or directions as aforesaid) allot, grant options over, offer or otherwise deal with or dispose of such shares to such persons, at such times and generally on such terms and conditions as they think proper.

17 The Company may at any time and from time to time pass an ordinary resolution referring to this Article and authorising the Directors to allot relevant securities and, upon the passing of such an ordinary resolution:

- (a) the Directors shall thereupon and without further formality be generally and unconditionally authorised to allot relevant securities (as defined in Section 80 of the Companies Act 1985) provided that, where they are shares, the aggregate of the nominal amount of such securities, and, where such securities are not shares, the aggregate nominal amount of the shares in respect of which such securities confer the right to subscribe or convert, shall not exceed the sum specified in such ordinary resolution (and so that if no sum is specified in any such ordinary resolution, the resolution shall be of no effect);
- (b) any such authority shall, unless it is (prior to its expiry) revoked, varied or renewed by the Company in general meeting pursuant to the Statutes, expire on the date five years after the passing of such ordinary resolution (or on such earlier date which may be specified in such ordinary resolution) save that the Company shall be entitled before such expiry to make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors shall be entitled to allot relevant securities in pursuant of such offer or agreement as if the authority conferred hereby had not expired; and
- (c) the Company shall comply with the requirements of Section 380 of the Companies Act 1985 (dealing with the registration of copies of certain resolutions and agreements) with regard to such ordinary resolution.

18 The Company may at any time and from time to time resolve by a special resolution referring to this Article that the Directors be empowered to allot equity securities for cash and upon such special resolution being passed the directors shall (subject to them being generally authorised to allot relevant securities for the purposes of Section 80 of the Companies Act 1985) thereupon and without further formality be empowered to allot (pursuant to any such authority) equity securities (as defined in Section 94 of the Companies Act 1985) for cash as if Section 89(1) of that Act did not apply to any such allotment provided that such power shall be limited:

- (a) to the allotment of equity securities in connection with a rights issue in favour of the holders of the Ordinary Shares so long as such equity securities are (before and subject to any permitted renunciations of rights or part thereof) allotted in proportion (as nearly as may be and subject to such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with any fractional entitlements which would otherwise arise or with any legal or other difficulties which would otherwise arise under the laws of, or the requirements of any recognised regulatory body in, any territory) to the respective numbers of the Ordinary Shares then held by such holders;
- (b) to the allotment of equity securities pursuant to the terms of any share scheme for employees approved by the Company; and

- (c) to the allotment (otherwise than pursuant to sub-paragraphs (a) or (b) above) of equity securities having, in the case of relevant shares (as defined in Section 94 of the Companies Act 1985), an aggregate nominal value, or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having an aggregate nominal value, not exceeding the sum specified in such special resolution (and so that, if no sum is specified in any such special resolution, the resolution shall be of no effect for the purposes of this paragraph (c) of this Article).

and shall expire on such date or at such time as may be specified in such special resolution save that the Company shall be entitled before such expiry to make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

- 19** The Directors may at any time after the allotment of any share but before any person has been entered in the Register as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose but so that the Directors may refuse to register any renunciation in favour of more than four persons jointly.
- 20** Except as required by law and notwithstanding any information received by the Company pursuant to any statutory provision relating to the disclosure of interests in voting shares or otherwise, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise expressly provided or as by statute required or under an order of a court of competent jurisdiction) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

SHARE CERTIFICATES

- 21** Every share certificate shall be issued under the Seal or an official seal kept by the Company under The Stock Exchange (Completion of Bargains) Act 1976 and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.
- 22** In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.
- 23** Subject to the provisions of Article 22, any person whose name is entered in the Register (except a Stock Exchange nominee in respect of whom the Company is not by law required to register and have ready for delivery a certificate) in respect of any shares of any one class upon the issue or transfer thereof shall be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully paid shares) within fourteen days after lodgement of transfer or (in the case of a transfer of partly paid shares) within two months after lodgement of transfer.

- 24 Where part only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.
- 25 (A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- (B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.
- (C) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the directors may think fit.
- (D) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.
- (E) Where the Company posts share certificates to shareholders or their agents, such share certificates shall be sent at the shareholders' own risk.

CALLS ON SHARES

- 26 The Directors may, subject to the provisions of these Articles and to any relevant terms of issue, from time to time make such calls upon the members in respect of all moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) as they think fit, provided that seven days' notice at least is given of each call, and each member shall be liable to pay the amount of every call so made upon him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments. A call shall be deemed to have been made as soon as the resolution of the Directors authorising such call shall have been passed. A call may be revoked or postponed as the Directors may determine.
- 27 Joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 28 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 receipt for such moneys. The power so delegated may (if expressed so to be) be assignable.
- 29 If a call or instalment payable in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the amount of the call or instalment is due shall pay interest on such amount (at such rate as the Directors may determine but not exceeding ten per cent per annum) from the day appointed for payment thereof to the

time of actual payment, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment but the Directors shall have power to remit such interest, costs, charges and expenses or any part thereof.

- 30** Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date and any instalment of a call shall, for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in cash of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other the relevant provisions of the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.
- 31** The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.
- 32** The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys payable upon his shares (whether on account of the nominal value of the shares or by way of premium) beyond the sum or sums actually called up thereon, and upon all or any of the moneys so advanced the Directors may (until the same would, but for such advance, become presently payable) pay or allow such interest (not exceeding, without the consent of the Company in general meeting, ten per cent. per annum) as may be agreed between them and such member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up. No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

LIEN ON SHARES

- 33** For the purpose of enforcing such a lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until a notice in writing stating the amount due and demanding payment and giving notice of intention to sell in default, shall have been served in such manner as the Directors shall think fit on such member or the persons (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for seven days after such notice.
- 34** The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due, and the residue (if any) shall be paid to the member or the persons (if any) entitled by transmission to the shares; provided always that the Company shall be entitled to such a lien upon that residue in respect of any moneys due to the Company but no presently payable as it had upon the shares immediately before the sale thereof.
- 35** Upon any such sale as aforesaid, the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register as holder of the shares, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by any irregularity or invalidity in, the proceedings or be bound to see to the application of the purchase money, and after his name has been entered in the Register the validity of the sale shall not be impeached by any person, and the remedy of

any person aggrieved by the sale shall be in damages only and against the Company exclusively.

FORFEITURE OF SHARES

- 36** If any member fails to pay the whole or any part of any call on or before the day appointed for the payment thereof, the Directors may at any time thereafter during such time as the call, or any part thereof, remains unpaid, serve a notice on him requiring him to pay such call, or such part thereof as remains unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.
- The notice shall name a further day (being not less than fourteen days after the date of service of such notice) on or before which such call, or such part thereof as aforesaid, and all such interest, costs, charges and expenses as aforesaid, are to be paid.
- 37** It shall also name the place where payment is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.
- 38** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, interest, costs, charges and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect.
- 39** A forfeiture of shares under the preceding Articles shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 40** When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register opposite to the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- 41** Notwithstanding any such forfeiture as aforesaid, the Directors may at any time before the forfeited share has been otherwise disposed of permit the share so forfeited to be redeemed upon the terms of payment of all calls and interest due upon and costs, charges and expenses incurred in respect of the share, and upon any further or other terms they may think fit.
- 42** Every share which shall be forfeited shall thereupon become the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and whether with or without all or any part of the amount previously paid on the share being credited as paid. The Directors may, if necessary, authorise some person to transfer a forfeited share to any such other person as aforesaid.
- 43** A member whose shares have been forfeited shall, notwithstanding, be liable to pay to the Company all calls made and not paid on such share at the time of forfeiture, with interest thereon to the date of payment at such rate, not exceeding ten per cent per annum, as the Directors shall think fit, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have

enforced in respect of the shares at the time of forfeiture without any deduction or allowance for the value of the shares at the time of forfeiture.

- 44** The forfeiture of a share shall involve the extension at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the member whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past members.
- 45** A statutory declaration in writing that the declarant is a Director of the Company, and that a share has been duly forfeited in pursuance of these Articles, and stating the time when it was forfeited, shall, as against all persons claiming to be entitled to the share, be conclusive evidence of the facts therein stated and such declaration, together with a duly sealed certificate of proprietorship of the share delivered to a purchaser or allottee thereof, shall (subject to the execution of any necessary transfers constitute a good title to the share, and the new holder thereof shall be discharged from all calls made prior to such purchase or allotment, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any omission, irregularity or invalidity or relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.
- 46** The Directors may accept the surrender of any share which they are in a position to forfeit. The same consequences shall flow from the surrender of such a share as if such share had been effectively forfeited by the Directors, in particular, any share so surrendered may be disposed of in the same manner as a forfeited share.

TRANSFER OF SHARES

- 47** All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may except in the case of a corporation be under hand only. 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 remain the holder of the shares concerned until the name of the transfer is entered in the Register in respect thereof.
- 48** The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The Register shall not be closed for more than thirty days in any year and notice of such closure shall be given by advertisement in accordance with the Statutes.
- 49** The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is deposited at the Transfer Office (or at such other place as the Directors may from time to time determine, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).
- 50** All instruments of transfer which are registered may be retained by the Company.
- 51** No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letter of administration or certificate of marriage or death or stop

notice 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 affecting the title to any shares.

52 Nothing contained 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.

53 The Company shall be entitled to destroy:

- (a) all instruments of transfer which have been registered - at any time after the expiration of six years from the date of registration thereof;
- (b) all dividend mandates and any variations or cancellations thereof and all notifications of change of address - at any time after the expiration of two years from the date of recording thereof;
- (c) all registered share certificates which have been cancelled - at any time after the expiration of one year from the date of such cancellation;
- (d) all paid dividend warrants and cheques - at any time after the expiration of one year from the date of actual payment thereof; and
- (e) any other document on the basis on which any entry in the Register has been made - at any time after the expiration of six years from the date on which an entry in the Register was first made in respect of it

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective document duly and properly cancelled, that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company and that every paid dividend warrant and cheque so destroyed was duly paid Provided always that:

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and
- (iii) references in this Article to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

54 In the case of the death of a member the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in his 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 solely or jointly held by him.

- 55** Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided), upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, either elect to be registered himself as holder of the share by giving to the Company notice in writing of such election or transfer such share to some other 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 of transfer were a transfer executed by such member.
- 56** 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 to show his title to the share) be entitled to receive and may give a discharge for the same dividends and other moneys payable on or in respect of the share as those to which he would be entitled if he were the registered holder of the share but he shall not be entitled in respect thereof to receive notice of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise or enjoy any right or privilege conferred by membership of the Company until he shall have been registered as a member in respect of the share. The Directors may at any time give notice requiring any such person as aforesaid to elect either to be registered himself or to transfer the share and, if the notice is not complied with within sixty days after service thereof, the Directors may thereafter withhold payment of all dividends and other moneys payable on or in respect of the share until the requirements of the notice have been complied with.

CONVERSION OF SHARES INTO STOCK

- 57** The Company may, from time to time, by ordinary resolution convert all or any of its fully paid up shares into stock and may, from time to time, in like manner, reconvert any such stock into fully paid up shares of any denomination.
- 58** When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein, or any part of such interests, in such manner as the Company in general meeting shall direct or, in default of any such direction, in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will admit, but the Company in general meeting may, or failing a resolution of a general meeting, the Directors may, if they think fit, from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum (provided that any such minimum shall not exceed the nominal amount of the shares from which the stock arose) and may prescribe that stock is to be divided and transferable in units of corresponding amount.
- 59** The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock, and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such amount of stock as would not, if existing in shares, have conferred such privilege or advantage.

GENERAL MEETINGS

- 60** An annual general meeting shall be held once in every year at such time (within a period of not more than fifteen months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors.
- 61** All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 62** The Directors may call an extraordinary general meeting whenever they think fit and shall in any event do so when and in the manner required by section 142 of the Companies Act 1985 (which relates to the obligation of the Directors to convene an extraordinary general meeting in the event of serious loss of capital), and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes. If at any time there are not within the United Kingdom sufficient directors capable of acting to form a quorum for a meeting of the Directors, any director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

- 63** An annual general meeting and any general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and any other general meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting is to be held and notice of every general meeting shall be given in manner hereinafter mentioned to all members (other than such as are not under the provisions of these Articles entitled to receive such notices from the Company) and the Auditors. A general meeting notwithstanding that it has been called by shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

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

The accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any general meeting.

- 64** (A) Every notice calling a general meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
- (B) In the case of any annual general meeting the notice shall also specify the meeting as such.

- (C) In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.

65 Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:

- (a) declaring dividends;
- (b) considering the balance sheet and accounts of the Company, the reports of the Directors and the Auditors and other documents required to be attached or annexed to such balance sheet or to be comprised in such accounts;
- (c) appointing the Auditors (except when special notice of the resolution for such appointment is required by the Statutes) and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed;
- (d) appointing or re-appointing directors to fill vacancies arising at the meeting either on retirement by rotation or under Article 109 or otherwise; and
- (e) the voting of remuneration to the Directors.

66 The Directors shall on the requisition of members in accordance with the Statutes, but subject as therein provided:

- (a) give to the 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;
- (b) circulate to the members entitled to have notice of any general meeting, 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.

PROCEEDINGS AT GENERAL MEETINGS

67 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two members present in person or by proxy (or, being a corporation, present by a representative duly appointed pursuant to Article 89) and entitled to vote shall be a quorum for all purposes.

68 If within fifteen minutes from the time appointed for the holding of a general meeting (or such longer time as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such day and at such time and place as the chairman of the meeting 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 member or members present in person or by proxy shall be a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

69 The chairman of the meeting may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) 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. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors.

- 70** Where a meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 71** The chairman of the Directors, failing whom the deputy chairman (if any) of the Directors, shall preside as chairman at a general meeting. If there be no such chairman or deputy chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the directors present shall choose one of their number, or if no director be present or if all the directors present decline to take the chair, the members present shall choose one of their number, to be chairman of the meeting.
- 72** At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (a) the chairman of the meeting; or
 - (b) not less than three members present in person or by proxy and entitled to vote; or
 - (c) a member or members present in person or by proxy and 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) a member or members present in person or by proxy and 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.
- A demand for a poll may be withdrawn.
- 73** Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required it shall be taken in such manner (including the use of ballot or voting papers or dockets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 74** 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 second or casting vote.
- 75** A poll demanded on the election of a chairman of a general meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman of the meeting may direct. No notice

need be given of a poll not taken immediately. 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.

VOTES OF MEMBERS

- 76.1** Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any special class of shares in the capital of the Company, on a show of hands every member personally present (or, being a corporation, present by a duly appointed representative) shall have one vote only, and in case of a poll every member present in person or by proxy shall (subject as hereinafter provided) have one vote for every ordinary share in the capital of the Company held by him.
- 76.2** No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered or within seven days after the conclusion of that meeting. Any such objection in due time shall be referred to the chairman of the meeting whose decision thereon (unless the vote objected to was given or tendered in connection with a resolution for the election, re-election or removal of the chairman of the meeting whether as such chairman or as a director of the Company shall be final and conclusive.) Every vote not disallowed pursuant to this Article shall be valid for all purposes.
- 77** A member who is a patient within the meaning of the Mental Health Act 1959 or in respect of whom an order has been made by any court having jurisdiction for the protection of persons incapable of managing their affairs may vote, whether on a show of hands or on a poll, by his receiver, *curator bonis* or other person in the nature of a receiver or *curator bonis* appointed by such court, and any such receiver, *curator bonis* 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 Transfer Office at least forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or for the taking of the poll at which such person wishes to vote.
- 78** 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 in respect of the share.
- 79** Subject to the provisions of the Statutes, no member shall, unless the Directors otherwise determine, be entitled (save as proxy for another member) to be present or vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to the meetings of the Company of;
- (a) any call or such other sum as is presently payable by him to the Company in respect of shares in the Company remains unpaid; or
 - (b) he or any other person who is interested or who appears to be interested in shares held by such member has been duly served, pursuant to any provision of the Statutes concerning the disclosure of interests in voting shares, with a notice (a "statutory notice") lawfully requiring the provision to the Company (within such period (not being less than 28 days) as is specified in such notice) of information regarding shares held by such member and he or such other person is in default in complying with such notice.

For the purposes of paragraph (b) of this Article a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification pursuant to a statutory notice which fails to establish the identity of the person or persons interested in such shares and if (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in such shares.

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

81 An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may accept and:

- (a) in the case of an individual shall be signed by the appointor or by his attorney; and
- (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer. The signature on such instrument need not be witnessed.

82 An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly certified copy of such power or authority (or, if such power or authority was executed outside the United Kingdom, a notarially authenticated copy thereof) must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting or in any instrument of proxy issued by the Company therewith (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or for the taking of the poll at which it is to be used, and in default shall be not treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

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

84 An instrument appointing a proxy shall be deemed to give authority for that proxy to demand or join in demanding a poll and generally to act at the meeting for the member making the appointment and shall, unless the contrary is stated thereon, be valid as well for any adjourned meeting as for the meeting to which it relates, but no proxy may as such speak at any meeting or adjourned meeting (save to demand or join in demanding a poll) unless otherwise permitted by the chairman thereof.

85 Any member residing out of or absent from the United Kingdom may by power of attorney executed either before or after leaving the United Kingdom appoint any person to be his attorney for the purpose of voting at any meeting, or a general power extending to all meetings at which such member is entitled to vote. Every such power or a duly certified copy (or, if such power was executed outside the United Kingdom a notarially authenticated copy of such power) shall be produced at the Transfer Office and left there for at least forty-eight hours before being acted upon.

- 86** A vote given in accordance with the terms of an instrument of proxy or power of attorney shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or power of attorney or of the authority under which the appointment was made, or the transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received at the Transfer Office one hour at least before the time fixed for holding the meeting or adjourned meeting or for the taking of the poll at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVES

- 87** Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of the Company or of any class of members thereof; and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder, including power, when personally present, to vote on a show of hands. The Directors may, but shall not be bound to, require evidence of the authority of any person purporting to act as the representative of any such corporation.

DIRECTORS

- 88** Subject to the provisions of Article 107 the Directors shall not be less than two nor more than fifteen in number.
- 89** A director shall not be required to hold any shares in the Company by way of qualification but a director who is not a member of the Company shall be entitled to receive notice of and to attend and speak at all general meetings of the Company and of any class of members of the Company.
- 90** There shall be paid out of the funds of the Company by way of remuneration of directors who are not managing or executive directors appointed under Article 96 fees at such rates as the Directors may from time to time determine provided that such fees do not in the aggregate exceed such figure as the Company may in general meeting from time to time determine.
- 91** The Directors (including alternate Directors) shall also be paid out of the funds of the Company all their travelling, hotels and other expenses properly incurred by them in and about the business of the Company, including their expenses of travelling to and from meetings of the Directors, or committee meetings, or general meetings.
- 92** Any director who devotes special attention to the business of the Company, or 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 additional remuneration as the Directors may determine.
- 93** (A) A director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine, and subject to the provisions of the Statutes no director or intending director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other such office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any director is in any way

interested, be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit realised from any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.

- (B) Any director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a director, provided that nothing herein contained shall authorise a director or his firm to act as auditor of the Company.
- (C) Any director may continue to be or become a director of, or hold any other office or place of profit under, or be or become a member of, any other company in which the Company may be interested, and (unless otherwise provided by his terms of service) no such director shall be accountable for any remuneration, salary, profit or other benefits received by him as a director of, or holder of any other office or place of profit under, or member of any such other company. The Directors may exercise the voting powers conferred by the shares in any company held or owned by the Company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors of or holders of any such office or place of profit under such company, or voting or providing for the payment of remuneration to the directors of such company).

MANAGING AND EXECUTIVE DIRECTORS

- 94** The Directors may from time to time appoint one or more of their number to any executive office or employment under the Company (including, but without limitation, that of managing director or joint managing director) for such period and on such terms as they think fit, and may also authorise any person appointed to be a director to continue in any executive office or employment held by him before he was so appointed but no service contract or contract for services shall be granted by the Company to any director or proposed director except in accordance with the Statutes.
- 95** The remuneration and other terms and conditions of appointment of a director appointed to any executive office or employment under the Company pursuant to the last preceding Article shall from time to time (without prejudice to the provisions of any agreement between him and the Company) be fixed by the Directors, and may be by way of fixed salary, lump sum, commission on the dividends or profits of the Company (or of any other company in which the Company is interested) or other participation in any such profits or otherwise or by any or all or partly by one and partly by another or others of those modes.
- 96** Subject to Article 101, the managing director or joint managing director (if any) for the time being of the Company shall not, while he continues to hold such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year, but he shall otherwise be subject to the same provisions as to resignation and removal as the other directors and, if he should cease to hold the office of director from any cause, he shall (without prejudice to any claim he may have for compensation or damages for breach of any agreement between him and the Company) *ipso facto* and immediately cease to be managing director or joint managing director respectively.

- 97 A director holding any executive office or employment under the Company other than that of managing director or joint managing director shall not (by reason only thereof) be exempt from retirement by rotation, and his tenure of such executive office or employment shall not be determined by reason only of his ceasing for any reason to be a director, but (without prejudice to any claim he may have for compensation or damages for breach of any agreement between him and the Company and subject to the provisions of any such agreement) may be determined at any time thereafter by resolution of the Directors.
- 98 The Directors may, from time to time, entrust to and confer upon a director appointed to any executive office or employment pursuant to Article 96 such of the powers exercisable under these Articles by the Directors (other than the power to make calls, forfeit shares, borrow money or issue debentures) as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they may consider expedient, and may confer such powers collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 99 (A) Each director shall retire from office pursuant to Section 293 of the Companies Act 1985 at the conclusion or adjournment of the annual general meeting commencing next after he attains the age of seventy years and, subject to the provisions of Section 293(5) of that Act, shall be eligible for re-appointment.
- (B) A director who retires at an annual general meeting pursuant to this Article and at the same time pursuant to Article 103 may be re-appointed by a single resolution and, if so re-appointed, shall, for the purposes of Article 104, be treated as having been last appointed at that meeting.
- (C) Except as provided by paragraph (B) of this Article, a person re-appointed a director on retirement pursuant to this Article, shall, for the purposes of Article 104, be treated as if he had become a director on the day upon which he was appointed or was last re-elected before his retirement pursuant to this Article.
- (D) Section 293(6) of the Companies Act 1985 shall not apply to the Company.
- Any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a director or liable to vacate office a director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any director over a specified age shall not apply to the Company.
- 100 The office of a director shall *ipso facto* be vacated in any of the following events, namely:
- (a) if he is prohibited by law from being or acting as a director; or
 - (b) if (not being a person holding for a fixed term an executive office) he shall resign by writing under his hand left at the Office or if (being such a person) he shall tender his resignation and the Directors shall resolve to accept the same; or
 - (c) if he becomes bankrupt or shall have a receiving order made against him or shall compound with his creditors generally; or

- (d) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect of a guardian or for the appointment to his property or affairs; or
- (e) if he shall be 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 shall resolve that his office be vacated; or
- (f) if he is removed from office in accordance with Article 108.

101 At the annual general meeting in every year any directors bound to retire under Article 101 and one-third of the other directors (excluding any director holding the office of managing director or joint managing director) for the time being, or, if their number is not a multiple of three, then the number nearest to one-third, 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.

102 The directors to retire by rotation 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 of the other directors subject to retirement by rotation (and excluding any bound to retire under Article 109) who have been longest in office since their last re-election or appointment, and so that as between persons who became or were last re-elected directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring director shall be eligible for re-election.

103 The Company at the meeting at which a director retires under any provision of these Articles may by ordinary resolution fill up the office being vacated by electing thereto the retiring director or some other person eligible for appointment. In default the retiring director shall be deemed to have been re-elected except in any of the following cases:

- (a) where at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such director is put to the meeting and lost; or
- (b) where such director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where the default is due to the moving of a resolution in contravention of the next following Article; or
- (d) where such director has attained any retiring age applicable to him as director.

The retirement shall not have effect until the conclusion of the meeting where a resolution is passed to elect some other person in the place of the retiring director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

104 (A) A resolution for the appointment of two or more persons as directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being

given against it; and any resolution moved in contravention of this provision shall be void.

- (B) No person other than a director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a director at any general meeting unless not less than seven nor more than forty-two days before the day appointed for the meeting there shall have been left at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.
- 105** The Company in general meeting may from time to time increase or reduce the limits on the number of directors specified in Article 90 and may also determine in what rotation such increased or reduced number is to go out of office and may make any appointments required for making any such increase.
- 106** The Company may by extraordinary resolution or, in accordance with and subject to the provisions of the Statutes, by ordinary resolution of which special notice has been given remove any director from office notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement, and appoint another person in place of a director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director in whose place he is appointed was last elected or re-elected a director. In default of such appointment the vacancy arising upon the removal of a director from office may be filled as a casual vacancy pursuant to the provisions of Article 109.
- 107** (A) 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 fixed by or in accordance with these Articles. Any director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.
- (B) Without prejudice to paragraph (A) of this Article but subject to the provisions of Article 106, the Company may from time to time by ordinary resolution appoint any person or persons to be a director of the Company either to fill a casual vacancy or as an additional director.

ALTERNATE DIRECTORS

- 108** (A) Any director may at any time appoint any other director or any other person approved by the Directors to be his alternate director and may at any time terminate such appointment. Any such appointment or termination shall be in writing and shall be effective upon delivery at the Office or at a meeting of the Directors.
- (B) Any person appointed as an alternate director shall vacate his office as such alternate director if and when the director by whom he has been appointed vacates his office as director otherwise than by retirement and re-election at the same

meeting and upon the happening of any event which, if he were a director, would cause him to vacate such office.

- (C) An alternate director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a director; at any such meeting he shall have one vote for each director for whom he acts as alternate director (in addition to his own vote if he is himself a director). To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing sentence shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability, an alternate director's signature to any resolution in writing of the Directors or of a committee of the Directors shall be as effective as the signature of his appointor. An alternate director shall not (save as aforesaid) have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles.
- (D) An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a director but he shall not be entitled to receive from the company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

PROCEEDINGS OF DIRECTORS

- 109 The Directors may meet together for the despatch 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 of the meeting shall have a second or casting 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 the Directors to any director for the time being absent from the United Kingdom but the alternate director (if any) in the United Kingdom acting in his place shall be entitled to notice of such meeting.
- 110 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 of whom one may be an alternate director not being himself a director. A duly convened meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Directors.
- 111 A director who is in any way, whether directly or indirectly and whether for himself or through a person connected with him, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company shall declare the nature of his interest in accordance with the Statutes.

- 112 (A) Save as provided in this Article, a director shall not as a director vote in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal whatsoever in which he has to his knowledge any material interest (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company), and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting.
- (B) A director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:
- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries 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 proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof; or
 - (d) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder (otherwise than as a nominee for the Company or any of its subsidiaries) of or beneficially interested in 1 per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances); or
 - (e) any proposal concerning the adoption, modification or operation of a superannuation fund, retirement benefits scheme, share incentive scheme, share option scheme or any other arrangement to provide benefits under which he may benefit and which is unapproved or which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; or
 - (f) any proposal concerning the adoption modification or operation of a share incentive scheme, share option scheme or any other arrangement for the benefit of employees (including full time executive directors of the Company and/or any subsidiary of the Company) which does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom such scheme or arrangement relates.
- (C) A director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company

or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

- (D) Where proposals are under consideration concerning the appointment (including fixing or varying the term of appointment) of two or more directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such cases each of the directors concerned (if not debarred from voting under the proviso to paragraph (B)(d) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
 - (E) If any question shall arise at any meeting as to the materiality of a director's interest or as to the entitlement of any director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any director (other than himself) shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned has not been fairly disclosed.
 - (F) The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
- 113** The continuing directors may act notwithstanding any vacancies, but if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing directors or director may act for the purpose of filling up such vacancies or of summoning general meetings, 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.
- 114** The Directors may elect a chairman of their meetings and a deputy chairman and determine the period for which each is to hold office. If no chairman or deputy chairman shall have been elected, or if at any meeting neither be present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
- 115** A resolution in writing signed or approved by letter, telex or otherwise in writing by all the Directors (or by all the members of a committee of the Directors) for the time being in the United Kingdom (provided that the number thereof would be sufficient to form a quorum for a meeting of the Directors) shall be as effective as a resolution passed at a meeting of the Directors or of such committee (as the case may be) duly convened and held and may consist of several documents in the like form, each signed or approved by one or more of the Directors or committee members (as the case may be) Provided that, where a director has appointed an alternate director but is not himself in the United Kingdom, the signature of such alternate director (if in the United Kingdom) shall be required.
- 116** The Directors may from time to time appoint committees consisting of such member or members of their body as they think fit, and may delegate any of their powers to any such committee, and from time to time revoke any such delegation and discharge any such committee wholly or in part. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors.

- 117** 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 made by the Directors under the last preceding Article.
- 118** All acts done by the Directors or by a committee of the Directors or by any person acting as a director shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any 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 had continued to be a director and had been entitled to vote.

BORROWING POWERS

- 119** (A) Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its holding company (if any) or any subsidiary of the Company or its holding company or of any third party.
- (B) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (as regards subsidiaries so far as by such exercise they can secure) that the aggregate of the amount for the time being remaining undischarged of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not without the previous sanction of an ordinary resolution of the Company exceed an amount equal to ten times the Adjusted Capital and Reserves as herein defined.
- (C) The certificate of the Auditors for the time being as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding upon all concerned.
- (D) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions be concerned to see or inquire whether this limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the limit hereby imposed had been or would thereby be exceeded.
- (E) For the purposes of this Article:
- (1) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):
- (a) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
- (b) the outstanding amount of the acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house

under any acceptance credit opened on behalf of and in favour of any member of the Group;

- (c) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;
 - (d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which, or borrowed moneys the indebtedness in respect of which, is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or partly secured by any member of the Group; and
 - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;
- (2) moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;
- (3) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed moneys;
- (4) moneys borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and moneys borrowed and owing to a partly-owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion and for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of the partly-owned subsidiary which is not attributable to the Company;
- (5) borrowed moneys of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be converted into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group or, if the relevant currency was not therein included, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve;
- (6) the expression "Adjusted Capital and Reserves" shall mean at any material time a sum equal to the aggregate of:
- (a) the amount paid up or credited as paid up on the issued share capital of the Company; and
 - (b) the aggregate amount standing to the credit of the consolidated capital and revenue reserves of the Company and its subsidiaries (including any share

premium account or capital redemption reserve) after adding thereto any balance standing to the credit of profit and loss account

all based on a consolidation of the then latest available audited balance sheets of the Company and its subsidiaries but after:

- (i) excluding any sums set aside for taxation (including deferred taxation);
- (ii) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose share capital allotted or unconditionally agreed to be allotted shall be deemed to have been issued and share capital already called up or payable at any fixed future date within the following six months shall be treated as already paid up and if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (iii) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (iv) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;
- (v) if the calculation is required for the purposes or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, making all such adjustments as would be appropriate if such transaction had been carried into effect;
- (vi) excluding minority interests in subsidiaries;
- (vii) deducting all amounts (if any) attributable to goodwill or otherwise attributable to intangible assets shown as such on such consolidation and any debit balance on profit and loss account or any reserve account;
- (viii) excluding such part of the interests of the Company or a subsidiary in an Associated Company (as defined below), not being a subsidiary, as shall be attributable to any post-acquisition

undistributed profits and reserves but including such interests at original cost or, if lower, book value; and

- (ix) after making such other adjustments (if any) as the Auditors may consider appropriate.

For the purpose of the above definition "Associated Company" means any company or partnership which shall be treated by the Auditors as an associated company or partnership for the purpose of the Statement of Standard Accounting Practice for the time being in issue relating to accounting for the results of associated companies published by the Institute of Chartered Accountants in England and Wales.

GENERAL POWERS OF DIRECTORS

- 120** The business of the Company shall be managed by the Directors who may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting, but no regulations so made by the Company 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.
- 121** 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 (other than their power to make calls, forfeit shares, borrow money or issue debentures) with power to sub-delegate, and may authorise the members of any local boards, 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. The Directors may exercise all the powers of the Company under section 39 of the Companies Act 1985 (relating to an official seal for use abroad) and under section 362 of that Act (relating to the keeping of dominion registers).
- 122** The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and 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.

- 123** 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.
- 124** (A) The Directors may establish or concur or join with other companies (being subsidiaries of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's moneys to any schemes or funds for providing pensions, annuities, sickness or compassionate allowances, life assurance benefits, donations, gratuities or other benefits for employees (which expression as used in this Article shall include any director who may hold or have held any office or place of profit) and ex-employees of the Company and of any such other companies and their wives, widows, relatives, families or dependants, or any class or classes of such persons.
- (B) The Directors may pay, enter into agreements to pay or make grants (revocable or irrevocable and either subject or not subject to any terms or conditions) of pensions or other retirement, superannuation, death or disability benefits to employees and ex-employees and their wives, widows, relatives, families or dependants, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or any such persons are or may become entitled under any such scheme or fund as aforementioned. Any such pension or benefit may, as the Directors consider desirable, be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement.
- (C) The Directors may also procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid, or its members, and payments for or towards the insurance of any such person as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (D) The Directors may also sanction the exercise of any power conferred upon the Company by Section 719 of the Companies Act 1985 (relating to the making of provision for employees on cessation or transfer of business).

SECRETARY

- 125** The Secretary shall be appointed by the Directors for such terms, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them. If thought fit, two or more persons may be appointed as joint secretaries.
- 126** The Directors may at any time and from time to time appoint any person to be an assistant or deputy secretary of the Company and anything authorised or required by these Articles or by law to be done by or to the Secretary may be done by or to any such assistant or deputy secretary. Any assistant or deputy secretary so appointed may be removed by the Directors.

- 127** A provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a director and the Secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the Secretary.

THE SEAL

- 128** The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed autographically by one director and the Secretary or some other person appointed by the Directors for the purpose or by two directors save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

AUTHENTICATION OF DOCUMENTS

- 129** 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; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.
- 130** A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting 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 extract is a true and accurate record of proceedings at a duly constituted meeting.

RESERVES

- 131** The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits.

DIVIDENDS

- 132** The Company may by ordinary resolution declare dividends but no dividend shall be payable except out of the profits of the Company available for distribution in accordance with the provisions of the Statutes, or in excess of the amount recommended by the Directors.

- 133** Subject to any rights or privileges for the time being attached to any shares in the capital of the Company having preferential or special rights in regard to dividend, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls and so that all dividends shall be apportioned and paid *pro rata* according to the portion or portions of the period in respect of which the dividend is paid during which any such amount or amounts were paid up. Provided that if any share be issued upon terms providing that it shall rank for dividend as from or after a particular date, or be entitled to dividends declared after a particular date, such share shall rank for or be entitled to dividend accordingly.
- 134** If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and subject thereto may also from time to time pay interim dividends of such amounts and on such dates as they think fit.
- 135** Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
- 136** Subject to the provisions of and save as provided by the Statutes, if the Company shall issue shares at a premium, whether for cash or otherwise, the Directors shall transfer a sum equal to the aggregate amount or value of the premiums to an account to be called "Share Premium Account" and any amount for the time being standing to the credit of such account shall not be applied in the payment of dividends.
- 137** No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
- 138** 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 in the Company.
- 139** The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- 140** All unclaimed dividends may be invested or otherwise made use of by the Directors as they shall think fit until the same be claimed and so that the Company shall not thereby be constituted as a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
- 141** With the sanction of an ordinary resolution of the Company any dividend may be paid and satisfied, either wholly or in part, by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, or partly in one way and partly in the other, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution the Directors may settle the same as they think expedient and

in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

- 142** If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
- 143** Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the shares in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the bank upon whom it is drawn 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.
- 144** Any resolution declaring or resolving to pay a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that such dividend shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and in such event such dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall *mutatis mutandis* apply to capitalisations to be effected in pursuance of the next following Articles.

CAPITALISATION OF PROFITS AND RESERVES

- 145** The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of any amount whether for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise which is available for distribution and not required for paying the fixed dividends on any shares entitled to fixed preferential dividends, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution; provided that a share premium account and a capital redemption reserve may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to members of the Company as fully paid shares.

- 146** The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid bonus shares to those members of the Company who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions), and the Directors shall give effect to such resolution.
- 147** Whenever a resolution is passed in pursuance of Articles 146 or 147 the Directors shall make all appropriations and applications of the undivided profits 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 on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

MINUTES AND BOOKS

- 148** The Directors shall cause minutes to be made in books to be provided for the purpose:
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the directors present at each meeting of the Directors and of any committee of the directors; and
 - (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 the Directors
- and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such appointments were made, or such directors were present, or such resolutions were passed or proceedings held (as the case may be), or by the chairman of the next succeeding meeting of the Company or the Directors or committee (as the case may be), shall be sufficient evidence without any further proof of the facts therein stated.
- 149** The Directors shall duly comply with the provisions of the Statutes and in particular the provisions in regard to registration of charges and in regard to keeping a register of members, a register of directors and secretaries, a register of charges, a register of directors' interests and a register for recording information relating to interests in the share capital of the Company, and to the production and furnishing of copies of or extracts from such registers, and in regard to keeping and making available for inspection copies and memoranda of directors' service contracts.
- 150** Any register, index, minute book, book of account or other book required by these Articles or the Statutes 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.

ACCOUNTS

- 151** The Directors shall cause proper books of account of the Company to be kept and the provisions of the Statutes in this regard shall be complied with.
- 152** The books of account shall be kept at the Office, or at such other place within Great Britain as the Directors think fit, and shall always be open to the inspection of 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.
- 153** The Directors shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.
- 154** A printed 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 thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and 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 Statutes or of these Articles. Provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holders or to any person 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 any of the shares, debentures or other securities of the Company are listed on The Stock Exchange or any other recognised stock exchange, 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.

AUDITORS

- 155** The provisions of the Statutes as to the appointment, powers, rights, remuneration and duties of the Auditors shall be complied with.
- 156** Subject to the provisions of the Statutes, 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.
- 157** The Auditors shall be entitled to attend any general meeting and to receive all 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 them as auditors.

NOTICES

- 158** Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it by post in a pre-paid cover

addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

- 159** In respect of joint holdings all notices shall be given to that one of the joint holders (if any) described in the Register as having an address for service in the United Kingdom whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.
- 160** A person 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 to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices) be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid 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 has notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or joint holder.
- 161** A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for service of notices shall not be entitled to receive notices from the Company.
- 162** Any member present, either personally or by proxy, at any meeting of the Company or class of members 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.
- 163** If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers in London with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 164** Any notice required to be given by the Company to members and not expressly provided for by these Articles or the Statutes shall be sufficiently given if given by advertisement. Any notice required to be or which may be given by advertisement pursuant to this Article shall be advertised once in at least two leading newspapers in London and shall be deemed to have been duly served (on all members entitled thereto) on the day when the advertisement appears.

- 165** Every person who, by operation of law, transfer or any other means whatsoever, shall become entitled to any shares, shall be bound by every notice (other than such a notice as is described in paragraph (b) of Article 81) in respect of such shares which previously to his name and address being entered in the Register shall be duly given to the person from whom he derives his title to such shares.
- 166** The signature to any notice to be given by the Company may be written or printed.

UNTRACED SHAREHOLDERS

- 167** Where the registered address of any member appears to the Directors to be incorrect or out of date such member may, if the Directors so resolve, be treated as if he had no registered address, and the Company will not thereafter be obliged to send to such member notices of meetings or copies of the documents referred to in Article 155 or any of them; provided that no resolution as aforesaid shall be moved by the Directors until notices or other documents sent to the registered address of such member have been returned by the Post Office on at least three consecutive occasions.
- 168** The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:
- (a) for a period of twelve years no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the member or to the person entitled by transmission to the share at his address on the Register or otherwise the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission; and
 - (b) the Company has at the expiration of the said period of twelve years by advertisement in both a leading London newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located given notice of its intention to sell such share; and
 - (c) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
 - (d) the Company has first given notice in writing to the Quotations Department of The Stock Exchange in London of its intention to sell such shares.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by the transmission to such share. The Company shall account to the member or other person entitled to such share for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any moneys not accounted for to the member or other person entitled to such share shall be carried to a separate account and shall be a permanent debt of the Company. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

WINDING UP

- 169** Subject to any special rights for the time being attached to any class of shares on a return of assets on liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be distributed in proportion to the amounts paid up or deemed to be paid up on the shares of the Company then in issue.
- 170** If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of an extraordinary resolution, divide among the members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose 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 contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

INDEMNITY

- 171** Subject to the provisions of and so far as may be permitted by the Statutes, every director, alternate director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.