

**SEVERFIELD-REEVE Plc ("the Company")**

**Registered Number: 1721262**

**THE COMPANIES ACT 1985**

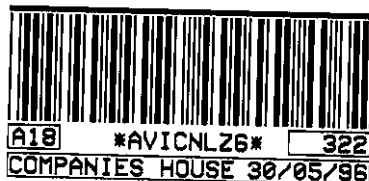
**COPY** resolution of the type and in the terms specified below as passed by the members of the Company at their Annual General Meeting duly convened and held at The Angel Inn, Long Street, Topcliffe, Thirsk, North Yorkshire YO7 3RW on Friday 24 May 1996 at 12 noon.

**SPECIAL RESOLUTION**

**THAT** new Articles of Association in the form described in the Directors' Report on pages 7 to 9 of the 1995 Annual Report of the Company be approved and adopted in substitution for and to the exclusion of the existing Articles of Association of the Company in compliance with undertakings given by the Directors to London Stock Exchange Limited on 6 June 1995.

Signed PS Janson  
**Company Secretary**

Dated: 24 May 1996



1721262

**THE COMPANIES ACT 1985**

**PUBLIC COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**of**

**SEVERFIELD-REEVE Plc**

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**THE COMPANIES ACT 1985**  
**PUBLIC COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

of

**SEVERFIELD-REEVE Plc**

(as amended by a Special Resolution of the members passed on 24 May 1996)

- 1 No regulation set out in any Schedule to the Act or in Table A of the Companies (Tables A-F) Regulations 1985 shall apply as regulations or articles of the Company.
- 2 In these Articles the words standing in the first column of the table next hereinafter contained shall, if not inconsistent with the subject or context, bear the meanings set opposite to them respectively in the second column thereof:-

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**WORDS**

**MEANINGS**

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The Act	The Companies Act 1985 and every other statute and regulation from time to time in force concerning companies in so far as the same apply to the Company.
These Articles	These Articles of Association as originally adopted or as from time to time altered.
Office	The registered office for the time being of the Company.
Register	The Register of Members of the Company.
Board	The Board of Directors of the Company or the Directors present at a meeting of the Directors at which a quorum is present.

Seal	The Common Seal of the Company.
Securities Seal	An official seal kept by the Company by virtue of Section 40 of the Act
United Kingdom	Great Britain and Northern Ireland.
Month	Calendar month.
Auditors	The auditors for the time being of the Company.

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

"Paid up" shall include credited as paid up;

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

Words importing the masculine gender shall include the feminine;

Words importing persons shall include corporations; and the expression "Secretary" shall (subject to the provisions of the Act) include an Assistant or Deputy Secretary and any person appointed by the Board to perform any of the duties of the Secretary.

- 3 Subject to the provisions of the last preceding Article, any words or expressions defined in the Act in force at the date when these Articles or any part thereof are adopted shall, if not inconsistent with the subject or context, bear the same meanings respectively in these Articles.

## **SHARES**

- 4 The authorised share capital of the Company as at the date of the adoption of these Articles as the Articles of Association of the Company is £2,700,000 divided into 27,000,000 Ordinary Shares of 10p each.
- 5 Except as permitted by the Act, the Company shall not give any financial assistance directly or indirectly for the purpose of the acquisition or the proposed acquisition of any shares in the Company or its holding company (if any) nor for the purpose of reducing or discharging any liability incurred for the purpose of such acquisition.

- 6 No share (other than a share allotted in pursuance of an employees' share scheme) shall be allotted except as paid up at least as to one quarter of its nominal value and the whole of any premium on it.
- 7 In addition to all other powers of paying commissions, the Company may exercise any powers conferred by the Act of applying its shares or capital monies in paying commissions to persons subscribing or procuring subscriptions for shares of the Company or agreeing so to do, whether absolutely or conditionally: Provided that the rate per cent or the amount of the commission paid or agreed to be paid, shall be disclosed in the manner required by the Act and shall not exceed 10 per cent of the price at which the shares in respect whereof the commission is paid are issued or any amount equivalent thereto. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 8 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles or by law otherwise provided) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the registered holder.

#### **CERTIFICATES**

- 9 Subject to the provisions of the Act, the Company shall within two months after the allotment of any of its shares or debentures, or of lodgment with the Company of any duly stamped and valid transfer of any of its shares or debentures, complete and have ready for delivery the certificates for the shares or the debentures so allotted or transferred, unless the conditions of issue of the shares or debentures otherwise provide.
- 10 (a) Every certificate for shares or debentures shall be issued under the Seal or under the Securities Seal and, subject as hereinafter provided, if issued under the Seal, shall bear the autographic signatures of at least one Director and the Secretary: Provided that the Board may by resolution determine that such signatures or either of them shall be dispensed with or shall be affixed by some method or system of mechanical signature.
- (b) Certificates for shares or debentures registered in a Branch Register (in the Act called a dominion register) in a place for use in which the Company has an official seal may be issued under such seal, in which event the certificates need not be signed or authenticated except as required by the Act.

- 11 Subject to the provisions of these Articles, every Member other than a Stock Exchange nominee in respect of whom the Company is not by law required to complete and have ready for delivery a Certificate, shall be entitled without payment to one certificate for all his shares of each class, or upon payment of such reasonable sum as the Board shall determine for each additional certificate, to several certificates each for one or more of such shares: Provided that in the case of any share registered in the names of two or more persons the Company shall not be bound to issue more than one certificate in respect thereof to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all. Where a Member transfers part of the shares to which any certificate relates he shall be entitled to a certificate for the balance thereof without payment. Every certificate shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon.
- 12 If at any time all the issued shares of the Company, or all the issued shares of a particular class, are fully paid up and rank *pari passu* for all purposes, none of those shares shall thereafter (subject to any resolution of the Board to the contrary) have a distinguishing number so long as it remains fully paid up and ranks *pari passu* for all purposes with all shares of the same class for the time being issued and fully paid up.
- 13 If any certificate shall be worn out, defaced, destroyed or lost, it shall be replaced free of charge on such evidence being produced as the Board shall require, and in the case of wearing out or defacement on delivery up of the old certificate, and in the case of destruction or loss on execution of such indemnity (if any) as the Board shall require and on payment of any out-of-pocket exceptional expenses which the Company has incurred in connection with the matter.

#### **VARIATION OF RIGHTS**

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

his proxy, and that every holder of shares of the class present in person or by proxy shall, on a poll, have one vote in respect of every share of the class held by him and shall be entitled to demand a poll.

- (b) The rights or privileges conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.
- (c) The rights or privileges conferred upon the holders of any shares or class of shares shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares, ranking in priority thereto for payment of a dividend or repayment of capital.
- (d) The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights whereof are to be varied.

#### **CALLS ON SHARES**

- 15 The Board may from time to time make such calls as the Board may think fit upon the Members in respect of the amounts unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment made payable at fixed times.
- 16 Any call may be made payable either in one sum or by instalments, and each Member upon whom a call is made shall be liable to pay the amount of the call to the person and at the time or times and place appointed by the Board. A call may be revoked or the time fixed for its payment may be postponed by the Board.
- 17 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed, and an entry in the Minute Book of a Resolution of the Board making the call shall be conclusive evidence of the making of the call.
- 18 Joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.

- 19 The Board may make arrangements on the issue of shares for a difference between the allottees or holders of such shares in the amount of calls to be paid and the time of payment of such calls.
- 20 Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date (whether on account of the nominal value of the share or by way of premium) shall for all purposes of these Articles be deemed to be a call duly made and payable on such fixed date, and in case of non-payment all the provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum were a call duly made and notified.
- 21 If any sum in respect of a call is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment, at such reasonable rate as the Board may determine, or failing such determination, at the rate of 10 per cent per annum but the Board may waive payment of such interest in whole or in part.
- 22 The Board may, if they think fit, receive from any Member willing to advance the same all or any part of the monies payable in respect of any shares held by him beyond the amount of the calls actually made thereon; and upon the monies so advanced, or so much thereof as shall from time to time exceed the amount of the calls due upon such shares, the Company may pay interest at such rate not exceeding 10 per cent per annum as the Member and the Board shall agree upon, but no part of such monies shall be included or taken into account in ascertaining the amount of the dividend payable upon the shares in respect of which such advance has been made.

## **FORFEITURE**

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



- 25 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before payment of all calls and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends which shall have been declared on the forfeited shares and not actually paid before the forfeiture.
- 26 A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board think fit, but so that unless such share shall have been previously disposed of the Board shall cancel the same not later than three years from the date of forfeiture.
- 27 A person any of whose shares have been forfeited or cancelled shall cease to be a Member in respect of such shares and shall surrender to the Company for cancellation the certificate for the shares so forfeited or cancelled, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- 28 A statutory declaration that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposition thereof and the Board may authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.
- 29 When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder or to 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 in respect of such share; but the provisions of this paragraph are discretionary only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- 30 The Board may accept a surrender of any share liable to be forfeited hereunder and the provisions of these Articles shall apply to any share surrendered as if it had been forfeited.

- 30A
- (a) If a member or a person appearing to be interested in shares held by a member, has been duly served with a notice under Section 212 of the Act and is in default for the prescribed period in supplying to the Company the required information, the Directors may at any time, by notice ("a Direction Notice") to the member, direct that in respect of the shares in relation to which the default occurred ("the Default Shares") the member is not entitled to attend and vote, either personally or by proxy, at a general meeting or a meeting of the holders of any class of shares of the Company.
  - (b) Where the Default Shares represent at least 0.25% of the issued shares of the relevant class, the Direction Notice may additionally direct that any dividends payable in respect of the Default Shares may be withheld by the Company (and this shall include the withholding of shares issued in lieu of dividends) and the Board may (notwithstanding the provisions of these Articles) decline to register a transfer of the Default Shares except for transfers of Default Shares to bona fide unconnected third parties (such as a sale made through a recognised Investment Exchange (as defined in the Financial Services Act 1986) or upon acceptance of a take over offer (as defined in the Company Securities (Insider Dealing) Act 1985));
  - (c) The Company shall send a copy of the Notice to each other person appearing interested in the Default Shares but the failure or omission by the Company to do so shall not invalidate the notice;
  - (d) The Company may at any time withdraw a Direction Notice by serving on the registered holder of the Default Shares, a notice in writing to that effect. In any event a Direction Notice shall be deemed to have been withdrawn on the seventh day following the earlier of the date upon which the Company is satisfied of due compliance with the Statutory Notice in respect of which the Direction Notice relates or the date of receipt by the Company of notice that the shareholding to which it relates has been transferred to a bona fide unconnected third party (as referred to in (b) above);
  - (e) For the purpose of this Article:
    - (i) a person shall be treated as appearing to be interested in any shares if the member holding the shares has given to the Company a notification under Section 212 which either:
      - (a) names that person as being interested; or

- (b) fails to establish the identities of those interested in the shares and (after taking into account the notification and any other relevant Section 212 notifications) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (ii) the prescribed period is 14 days from the date of service of the Notice under Section 2.1.2.

## **LIEN**

- 31 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies, whether immediately payable or not, called or payable at a fixed time in respect of such share. The Company's lien (if any) on a share shall extend to all dividends and other monies payable thereon or in respect thereof. The Board may resolve that any share shall for some specified period be exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of any share shall operate as a waiver of the Company's lien (if any) on such share.
- 32 The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is immediately payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such sum and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share, or to the person entitled by reason of his death or bankruptcy to the share.
- 33 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of any sum immediately payable in respect whereof the lien exists, and any residue shall (subject to a like lien for any monies not immediately payable as existed on the share prior to the sale) be paid to the person entitled to the share at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share so transferred and shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## TRANSFER OF SHARES

- 34 Shares in the Company shall be transferred by instrument of transfer in any usual or common form, or in such other form as shall be approved by the Board. The instrument of transfer of a share (which need not be under seal) shall be signed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof: Provided that in the case of a partly paid share the instrument of transfer must also be signed by or on behalf of the transferee.
- 35 The Board may, in their absolute discretion and without giving any reason, refuse to register a transfer of any share which is not fully paid up provided that the Board shall only do so where it is satisfied that to do so would not prevent dealings in such shares from taking place on an open and proper basis.
- 36 (a) The Board may also refuse to recognise any instrument of transfer unless:-
- (i) It is duly stamped, is deposited at the Office or such other place as the Board may appoint, and is accompanied by the certificate for the shares to which it relates, (save a transfer by a Stock Exchange Nominee to whom no certificate was issued) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (ii) It is in respect of only one class of shares; and
  - (iii) It is in favour of not more than four transferees.
- (b) If the Board refuse to register a transfer of any share they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal. Any instrument of transfer which the Board refuse to register shall (except in the case of fraud) be returned to the person depositing the same.
- 37 The Company shall not charge any fee in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice, order of court or other document relating to or affecting the title to any share.
- 38 The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, and either generally or in respect of any class of

shares, provided always that such registration shall not be suspended for more than thirty days in any year.

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

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

- (a) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;
- (c) References herein to the destruction of any document include references to the disposal thereof in any manner; and
- (d) Any document referred to in this Article may be destroyed at a date earlier than that authorised provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Board shall take adequate precautions for guarding against falsification and for facilitating its production.

## TRANSMISSION OF SHARES

- 41 In the case of the death of a Member the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in any share; but nothing contained in this Article shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with any other person.
- 42 Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon such evidence of his title being produced as may from time to time be required by the Board (but subject to the provisions hereinafter contained) elect either to be registered himself as a Member in respect of the share or to have some person nominated by him registered as transferee thereof.
- 43 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing a transfer of the share to that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
- 44 A person entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to receive and may give a discharge for all dividends and other monies payable in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or (save as aforesaid) to exercise any of the rights and privileges of a Member, unless and until he shall have become registered as a Member in respect of the share: Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends or other monies payable in respect of the share until the requirements of the notice have been complied with.

## STOCK

- 45 The Company may from time to time by Ordinary Resolution convert any paid up shares into stock, and reconvert any stock into paid up shares of any denomination. If and whenever any unissued shares of any class in the capital of the Company for the time being shall have been

issued and be fully paid and at that time the shares of that class previously issued stand converted into stock such further shares upon being fully paid and ranking pari passu in all respects with the shares representing such stock shall ipso facto be converted into stock transferable in the same units as the existing stock of that class.

- 46 The holders of stock may transfer the same or any part thereof 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 admit; and the Board may from time to time fix the minimum amount of stock transferable, provided that the minimum amount of stock transferable shall not exceed the nominal amount of the shares from which the stock arose.
- 47 Unless otherwise determined by Ordinary Resolution, the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose, but no such right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right, privilege or advantage.
- 48 All such provisions of these Articles as are applicable to paid up shares shall apply to stock, and accordingly in all such provisions the words "share" and "shareholder" shall include respectively "stock" and "stockholder".

#### **ALTERATION OF CAPITAL**

- 49 The Company may by Ordinary Resolution increase its capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
- 50 All new shares except as otherwise provided by these Articles or the conditions of issue shall be considered part of the existing capital of the Company with reference to allotment, the payment of calls, forfeiture, lien, transfer, transmission and otherwise.
- 51 Without prejudice to any rights or privileges for the time being conferred on the holders of any existing shares or class of shares, any shares in the present capital of the Company and any new shares may be issued with such preferred, deferred or other rights or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine. Any share may be issued on terms that it is, or at the option of the Company or the holder is to be liable, to be redeemed on such terms and in such manner as the Company may in accordance with the provisions of the Act prescribe.

52      The Company may by Ordinary Resolution:-

- (a) Consolidate and divide any shares into shares of larger amount; upon any consolidation of fully paid up shares into shares of larger amount, the Board may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any Members shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed shall stand authorised to transfer the shares so sold to the purchaser thereof, and the validity of such transfer shall not be questioned. The net proceeds of such sale shall be distributed among the Members who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interest;
- (b) Subject to the provisions of the Act, sub-divide any shares into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, one or more of such shares may have such preferred, deferred or other special rights or be subject to any such restrictions, compared with the other share or shares, as the Company has power to attach to new shares;
- (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

And the Company may also by Special Resolution:-

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

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

- (e) Purchase its own shares (including any redeemable shares) in any manner authorised by the Act provided that
  - (i) no purchase by the Company of its own Shares will take place unless it has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of any class of convertible securities; and



- (ii) purchases by the Company of its own redeemable shares shall, where such shares are listed by London Stock Exchange Limited, be limited to a maximum price which, in the case of purchases through the market by private treaty or by tender, will not exceed the average of the middle market quotations taken from London Stock Exchange Limited's Daily Official List for the 10 business days before the purchase is made or in the case of a purchase through the market, at the market price, provided that it is not more than 5% above such average. If such purchases are by tender, tenders shall be made available to all holders of such shares alike.

## **GENERAL MEETINGS**

- 53 Except as provided by the Act, the Company shall in each year hold a General Meeting as its Annual General Meeting in accordance with the requirements of the Act.
- 54 Any General Meeting other than an Annual General Meeting shall be called an Extraordinary General Meeting.
- 55 All General Meetings shall be held at such time and place as the Board shall determine.
- 56 The Board may, whenever they think fit, convene an Extraordinary General Meeting, and an Extraordinary General Meeting shall also be convened upon any requisition made in accordance with the Act, or in default may be convened by such requisitionists as thereby provided. Any meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board.
- 57 In the case of the Annual General Meeting or of a meeting convened for the purpose of passing a Special Resolution, twenty one clear days' notice at the least; and in any other case fourteen clear days' notice at the least, shall be given to all the Members (other than those who under the provisions of these Articles or the terms of issue of the shares held by them are not entitled to receive notices of General Meetings of the Company) and to the Auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business, and such notice shall be given in manner hereinafter mentioned. Every notice of an Annual General Meeting shall specify the meeting as such and every notice of a meeting convened for passing a Special or Extraordinary Resolution shall state the intention to propose such Resolution as a Special or Extraordinary Resolution as the case may be.

- 58 A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is so agreed by such number of Members entitled or having a right to attend and vote thereat as is prescribed by the Act.
- 59 In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him, and that a proxy need not also be a Member.
- 60 Subject to the provisions of the Act, it shall be the duty of the Company, on the requisition in writing of such number of Members as is specified in the Act and (unless the Company otherwise resolves) at the expense of the requisitionists:-
- (a) To give to Members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
  - (b) To circulate to Members entitled to have notice of any General Meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Notice of any such resolution shall be given, and any such statement shall be circulated, to Members of the Company entitled to have notice of the meeting sent to them, and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in accordance with the provisions of the Act.

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

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 62 All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of the receipt and consideration of the profit and loss account, the balance sheet and group accounts (if any) of the Company and the reports of the Board and Auditors and other documents required to be annexed to the balance sheet, the declaration of dividends, the

election of Directors in the place of those retiring, the fixing of fees payable to Directors the re-appointment of the retiring Auditors, the fixing of the remuneration of the Auditors and the taking of authority by the Board to allot relevant securities pursuant to Section 80 of the Act.

- 63 When by any provision contained in the Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty eight days (or such shorter period as the Act may allow) before the meeting at which it is moved, and the Company shall give to the Members notice of any such resolution as required by and in accordance with the provisions of the Act.
- 64 (a) Save as in these Articles otherwise provided, two Members present in person or by proxy (and in the case of a Member which is a corporation by its duly authorised representative) and entitled to vote shall be a quorum. No business shall be transacted at any General Meeting unless a quorum is present.
- (b) Subject to the provisions of the Companies Act 1985, a resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representative) shall be as valid and effective as if the same had been passed at a General Meeting of the Company.
- 65 If within half an hour after the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. If otherwise convened it shall stand adjourned to the same day in the next week (or if that day be a public holiday, then to the next business day following such public holiday), at the same time and place or to such other day and at such other time and place as the Board may determine, and no notice of such adjournment need be given. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for the meeting, the meeting shall be dissolved.
- 66 The Chairman of the Board (if any), or in his absence the Deputy Chairman of the Board (if any), shall preside as Chairman at every General Meeting, but if there is no such Chairman or Deputy Chairman, or if neither of them is present within ten minutes after the time appointed for holding the meeting or if neither of them shall be willing to act as Chairman, the Directors present shall choose one of their number to act as Chairman of the meeting, and if there be no Director chosen who shall be willing to act, the Members present and entitled to vote shall choose one of their own number to act as Chairman at the meeting.

- 67 The Chairman may, with the consent of the meeting, and if directed by the meeting shall, adjourn the meeting from time to time or sine die and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for thirty days or more or sine die seven days' notice at the least of the adjourned meeting shall be given in like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
- 68 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, any error in such ruling shall not invalidate the proceedings on the substantive resolution. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on.
- 69 Every question submitted to a General Meeting shall be determined in the first instance by a show of hands of the Members present in person, but subject to the provisions of the Act, a poll may be demanded (before or upon the declaration of the result of the show of hands) by the Chairman or by:-
- (a) Not less than two Members having the right to vote at the meeting; or
  - (b) A Member or Members representing not less than one tenth of the total voting rights of all the Members having the right to vote at the meeting; or
  - (c) A Member or Members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

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

70 If:-

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

the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same may have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

- 71 If a poll is duly demanded it shall be taken in such manner as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may appoint scrutineers for the purposes of a poll, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 72 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken at once. A poll demanded on any other question shall be taken either at once or at such time and place as the Chairman directs, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.
- 73 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.
- 74 The demand for a poll may be withdrawn, and no notice need be given of a poll not taken immediately.
- 75 In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or in respect of which the poll is demanded, as the case may be, shall have a second or casting vote in addition to the vote to which he may be entitled as a Member.

## VOTING

- 76 Subject to any rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by representative or proxy not being himself a Member shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for every ordinary share held by him.
- 77 Any corporation which is a Member of the Company may, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.
- 78 Where there are joint holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto: Provided that if more than one of such joint holders be present at any meeting, personally or by proxy, that one of the said persons so present in person or by proxy whose name stands first in the Register in respect of such share shall alone be entitled to vote in respect thereof.
- 79 A Member in respect of whom an order has been made by any competent court by reason of mental disorder may vote, whether on a show of hands or on a poll, by a person authorised in that behalf by that court, who may, on a poll, vote by proxy: Provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office (or at such other place within the United Kingdom as is specified for the deposit of instruments of proxy in accordance with these Articles) not less than forty eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.
- 80 No Member shall, unless the Board otherwise determine, be entitled to be present or to vote, either personally or by proxy or otherwise, at any General Meeting or upon any poll, or to exercise any other right conferred by membership in relation to meetings of the Company if any call immediately payable by him to the Company in respect of any share of which he is the holder remains unpaid.
- 81 On a poll votes may be given either personally or by proxy, and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

- 82 A Member may appoint more than one proxy to attend on the same occasion. A proxy need not be a Member of the Company. If a Member appoints more than one person to act as his proxy the instrument appointing each such proxy shall specify the shares held by the Member in respect of which each such proxy is to vote and no Member may appoint more than one proxy (save in the alternate) to vote in respect of any one share held by that Member.
- 83 Every instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if such appointor is a corporation, either under its common seal or under the hand of some officer of the corporation duly authorised in that behalf. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary is shown, that such officer was duly authorised to sign such instrument on behalf of the corporation without further evidence of the fact.
- 84 The instrument appointing a proxy and, if required by the Company, the authority (if any) under which it is signed or a copy notarially certified or certified in some other way approved by the Board shall be deposited at the Office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting or in any instrument of proxy sent by the Company in relation to the meeting, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument shall not be treated as valid.
- 85 No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.
- 86 Instruments of proxy shall be in any common form or in such other form as the Board may approve. The instrument of proxy, which need not be witnessed, shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

- 87 (a) The Board shall at the expense of the Company send with all notices convening General Meetings or Separate Meetings of the holders of any class of shares to the Members entitled to vote thereat instruments of proxy (with or without prepaid postage) with provision for two way voting on all resolutions intended to be proposed, other than resolutions which are merely procedural.
- (b) Such instruments of proxy shall be issued to all the Members entitled to be sent a notice of the meeting and to vote thereat by proxy, and not to some only of such Members.
- (c) The accidental omission to send out an instrument of proxy, whenever necessary, to any Member or the non-receipt of such instrument by any Member shall not invalidate any resolution passed or proceedings at the meeting to which the instrument of proxy relates.
- 88 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, bankruptcy or unsoundness of mind of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, provided that no notice in writing of such death, bankruptcy, unsoundness of mind or revocation shall have been received by the Company at the Office (or at such other place within the United Kingdom as is specified for the deposit of instruments of proxy in accordance with these Articles) before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

#### **UNTRACED SHAREHOLDERS**

- 89 The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:-
- (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or other 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 provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and



- (ii) the Company has at the expiration of the said period of twelve years by advertisement in both a national daily newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (i) of this Article is located giving notice of its intention to sell such share or stock; and
- (iii) 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
- (iv) the Company has first given notice in writing to the Quotations Department of London Stock Exchange Limited of its intention to sell such shares or stock.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock 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 or stock. The Company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies 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.

## **DIRECTORS**

- 90 Unless and until otherwise determined by the Company by Ordinary Resolution the number of Directors shall not be less than two nor more than nine.
- 91 A Director shall not be required to hold any shares of the Company by way of qualification. A Director shall, notwithstanding that he may not be a Member of the Company, be entitled to receive notice of and attend and speak at General Meetings or Separate Meetings of the holders of any class of shares.
- 92 Any Director may at any time appoint any other Director or any other person approved by the Board to be his alternate, and may at any time remove any such alternate and (subject to such approval as aforesaid) appoint another in his place. An alternate shall not be entitled to receive any remuneration from the Company, nor to appoint an alternate, nor shall it be necessary for him to acquire or hold any share qualification, but he shall be entitled (subject to his giving to the Company an address within the United Kingdom at which notices may be

served on him) to receive notice of meetings of the Board and to attend and vote as a Director at any meeting at which his appointor is not present, and generally at such meeting to exercise all the powers, rights, duties and authorities of his appointor. A Director who is also an alternate shall be entitled, in addition to his own vote, to a separate vote on behalf of his appointor. An alternate may be removed from office by a resolution of the Board, and shall ipso facto cease to be an alternate if his appointor ceases for any reason to be a Director or if any of the events referred to in Article 96 (other than in sub-paragraph (c)) occur in relation to him: Provided that if any Director retires at a General Meeting but is re-elected by the meeting or is, pursuant to the provisions of these Articles, deemed to be re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after such re-election as if he had not so retired. Every person acting as an alternate shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for his appointor. All appointments and removals made in pursuance of this Article shall be in writing under the hand of the appointor and shall be sent to or left at the Office.

- 93 Each of the directors will be paid a fee at such rate as may from time to time be determined by the Board provided that the aggregate of all such fees so paid to each director (excluding amounts payable under any other Article) will not exceed £50,000.00 per annum, or such higher amount as may from time to time be determined by the Company in General Meeting.
- 94 The Directors shall be entitled to be paid all expenses properly incurred by them in attending General Meetings or Separate Meetings of the holders of any class of shares or meetings of the Board or Committees of the Board or otherwise in or with a view to the performance of their duties.
- 95 If any Director, being willing and having been called upon to do so, shall render or perform extra or special services of any kind, including services on any Committee of the Board, or shall travel or reside abroad for any business or purposes of the Company, he shall be entitled to receive such sum as the Board may think fit for expenses, and also such remuneration as the Board may think fit, either as a fixed sum or as a percentage of profits or otherwise, and such remuneration may, as the Board shall determine, be either in addition to or in substitution for any other remuneration he may be entitled to receive.
- 96 Without prejudice to the provisions for retirement by rotation hereinafter contained the office of a Director shall be vacated in any of the following events, namely:-

- (a) If (not being an executive Director holding office for a fixed term) he resigns his office by notice in writing delivered to the Office or submitted to a meeting of the Board;
- (b) If an order is made by a court of competent jurisdiction by reason of mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs;
- (c) If, without leave, he is absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for six consecutive months, and the Board resolve that his office is vacated;
- (d) If he becomes bankrupt or compounds with his creditors;
- (e) If he is prohibited by law from being a Director;
- (f) If he ceases to be a Director by virtue of the Act or is removed from office pursuant to these Articles;
- (g) If all the other Directors unanimously resolve that he be removed as a Director.
- (h) If the Company resolves by Ordinary Resolution to remove any Director (including a Managing or other Executive Director, but without prejudice to any claim for damages under any contract).

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

98 (a) 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 at a meeting of the Board in accordance with the Act.

- (b) Save as otherwise provided, a Director shall not, as a Director, vote in respect of any contract, transaction, arrangement or proposal in which he has an interest which (together with any interest of any person connected with him) is to his knowledge a material interest (otherwise than by virtue of an interest in shares, debentures or other securities of or otherwise in or through the Company) and if he shall so vote, his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but none of these prohibitions shall apply where the interest arises in respect of a resolution:-
- (i) relating to the giving of any security guarantee or indemnity in respect of money lent by him or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries; or
  - (ii) relating to the giving of any security guarantee or indemnity 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
  - (iii) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate; or
  - (iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as defined in sections 198 to 211 of the Act) representing one per cent or more of either any class of the equity share capital of such company or of the voting rights available to members of such company; or
  - (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any benefit not generally awarded to the employees to whom the arrangement relates; or
  - (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.
- (c) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested,

such proposals may be divided and considered in relation to each Director separately, and in such case each of the Directors concerned (if not debarred from voting under paragraph (b)(iv) 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.

- (d) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned as known to such Director have not been fairly disclosed.
- (e) Subject to the provisions of the Act, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (f) Any Director may himself or by his firm act in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director: Provided that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.
- (g) For the purpose of this Article an interest of a person who is for the purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Company) connected (within the meaning of section 346 of the Act) with a Director shall be treated as an interest of the Director, and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.

## **POWERS OF THE BOARD**

- 99 The business of the Company shall be managed by the Board, who may exercise all such powers of the Company and do on behalf of the Company all such acts as are within the scope of the Memorandum and Articles of Association of the Company and as are not, by the Act or by these Articles, required to be exercised or done by the Company in General Meeting, subject, nevertheless, to the provisions of the Act and to these Articles and to such directions (whether or not consistent with these Articles) as may be prescribed by the Company by Special Resolution, but so that no such direction and no alteration to these Articles shall invalidate any prior act of the Board which would have been valid if that direction or alteration had not been given or made.
- 100 The Board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any salaried office or place of profit with the Company or any subsidiary or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance and may make payments for or towards the insurance of any such person.

## **LOCAL MANAGEMENT**

- 101 (a) The Board may establish any committee, local board or agency for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may lay down, vary or annul such rules and regulations as they may think fit for the conduct of the business thereof, and may appoint any person to be a Member of any such committee or local board or any manager or agent, and may fix their remuneration, and may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the Members of any such committee or local board, or any of them, to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- (b) The Board may by power of attorney or otherwise appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (including power to sub-delegate) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board think fit) be made in favour of any of the Directors or of

the Members or any one or more of the Members of any such committee or local board established as aforesaid, or in favour of any company, or of the Members, directors, nominees, or managers of any company or firm, or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Board think fit.

- 102 The Company or the Board on behalf of the Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad and with regard to the keeping of a Branch Register in any place.

### **BORROWING**

- 103 (a) Subject as hereinafter provided, the Board on behalf of the Company may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking property and uncalled capital and (subject to the provisions of the Act regarding authority to allot debentures convertible into shares) to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (b) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate amount for the time being remaining undischarged of all monies borrowed by the Group (which expression in this Article means the Company and its subsidiaries for the time being) and owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed a sum equal to three times the aggregate of the Adjusted Capital and Reserves. For the purposes of this Article the "Adjusted Capital and Reserves" shall mean the amount paid up on the issued share capital for the time being of the Company and the amounts standing to the credit of reserves of the Group (including any share premium account, capital redemption reserve and the amount standing to the credit of the profit and loss account but after deducting any deficit on the profit and loss account) all as shown by the latest audited Balance Sheet of the Group but adjusted as may be necessary in respect of any variation in the paid up share capital of the Company and the reserves of the Group (including any share premium account, capital redemption reserve and profit and loss account) since the date of such Balance Sheet and:-

- (i) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such capital reserves subsequent to the relevant balance sheet date; and so that for the purpose of making such adjustments, 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 6 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);
- (ii) making such adjustments as may be appropriate in respect of any dividends or other distributions declared, recommended, paid 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 its subsidiaries (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (iii) 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;
- (iv) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, making such adjustments as would be appropriate if such transaction had been carried into effect;
- (v) excluding minority interests in subsidiaries;
- (vi) excluding any amount for goodwill or other intangible assets (not being an amount representing part of the cost of an acquisition of shares or other property) incorporated as an asset in the audited balance sheet;
- (vii) after making such other adjustments (if any) as the Auditors consider appropriate



Provided that no such sanction shall be required for the borrowing of any sum of money applied or intended to be applied within six months of the date of borrowing in the repayment (with or without premium) of any monies then already borrowed and remaining undischarged notwithstanding that the same may result in the said limit being exceeded: Provided further that for the purpose of the said limit:-

- (i) Subject as hereinafter provided, there shall be deemed to have been borrowed and to be outstanding as moneys borrowed 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 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 or 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 moneys borrowed 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;
  - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other moneys borrowed falling to be taken into account;
- (ii) 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 moneys borrowed;

- (iii) 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; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of such partly-owned subsidiary which is not attributable to the Company; and
  - (iv) moneys borrowed of any Member of the Group expressed in or calculated by reference to a currency other than Sterling shall be translated 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 thereby involved) 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.
- (c) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions of this Article be concerned to see or enquire whether the said limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or recipient of the security had at the time when the debt was incurred or security given express notice that the said limit had been or would thereby be exceeded.
- (d) A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed or secured or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article. For the purposes of their computation, the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless for the purposes of this Article the Board may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence such limit is inadvertently exceeded an amount of moneys borrowed equal to the excess may be disregarded until the expiration of 60 days after the date on which (by reason of a determination of the Auditors or otherwise) the Board becomes aware that such a situation has or may have arisen.

- 104 The Board shall cause a proper register to be kept in accordance with the provisions of the Act of all charges specifically affecting property of the Company and of all floating charges on the undertaking or any property of the Company and shall duly comply with the requirements of the Act in regard to the registration of charges therein specified.

#### **RETIREMENT AND APPOINTMENT OF DIRECTORS**

- 105 Any provisions of the Act which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the Company provided that in the case of the appointment of a Director who has attained the age of seventy his age shall be stated in the notice convening the General Meeting (or in any document accompanying the same) at which he is proposed to be elected or re-elected.
- 106 Subject to the provisions of these Articles and in particular Article 115(b), at the Annual General Meeting in each year one third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. A retiring Director shall retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire.
- 107 Subject to the provisions of the Act and of these Articles and until otherwise determined by the Company by Ordinary Resolution, the Directors to retire in every year shall be the Directors who have been longest in office since their last election or appointment. As between Directors of equal seniority, the Directors to retire shall (unless such Directors of equal seniority shall agree otherwise amongst themselves) be selected from among them by lot. A retiring Director shall be eligible for re-election.
- 108 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto. If at any such meeting the place of a retiring Director is not filled, the retiring Director shall, if willing to act, be deemed to have been re-elected, unless at such meeting it is resolved not to fill such vacated office, or unless a motion for the re-election of such Director shall have been put to the meeting and lost.
- 109 No person, not being a Director retiring at the meeting or a person recommended by the Board, shall be eligible for election as a Director at any General Meeting unless not less than seven nor more than forty two days before the day appointed for the meeting there has been delivered to the Office notice in writing signed by a Member (not being the person to be

proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected.

- 110 Without prejudice to the next following Article, the Company may from time to time by Ordinary Resolution appoint any person to be a Director, either to fill a casual vacancy or as an addition to the board, and may also determine in what rotation such Director is to retire from office.
- 111 The Board shall have power at any time, and from time to time, to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Subject to the provisions of these Articles, any Director so appointed shall retire at the next Annual General Meeting but shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
- 112 The Company may by Extraordinary Resolution, or by Ordinary Resolution of which special notice has been given in accordance with the Act, remove any Director before the expiration of his period of office as Director (including an executive Director but without prejudice to any claim he may have for damages for breach of any contract between him and the Company) and may by Ordinary Resolution appoint another person to be a Director in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed a Director.
- 113 Every Resolution of a General Meeting for the appointment or election of a Director shall relate to one named person and a single Resolution for the appointment or election of two or more persons as Directors shall be void, unless a Resolution that it shall be so moved has first been agreed to by the Meeting without any vote being given against it.
- 114 The Company shall keep at the Office a register containing such particulars with respect to the Directors and Secretary of the Company as are required by, and shall from time to time notify the Registrar of any change in such register and of the date of such change in manner prescribed by, the Act.

#### **EXECUTIVE DIRECTORS**

- 115 (a) The Board may from time to time appoint one or more of their number to be the holder of any executive office (including that of executive Chairman or Deputy Chairman or

Chief Executive) on such terms and for such period as they think fit and, subject to the terms of any contract between him and the Company, may at any time revoke any such appointment, but so that no service contract or contract for services shall be granted by the Company or any subsidiary of the Company to any Director or proposed Director otherwise than in accordance with the Act.

- (b) The appointment of any Director as Chairman or Deputy Chairman or Managing or Joint Managing Director or Chief Executive shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract between him and the Company. An executive Director of the Company shall not, while holding office as such, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

- 116 The remuneration of an executive Director shall be fixed by the Board, and may be by way of salary or commission or participation in the profits or by any or all of those modes or otherwise.
- 117 The Board may entrust to and confer upon any executive Director any of the powers, authorities and discretions exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke or vary all or any of such powers.

#### **PROCEEDINGS OF THE BOARD**

- 118 The Board may meet together for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit and determine the quorum necessary for the transaction of business. Until otherwise determined two Directors shall be a quorum. Questions arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.
- 119 The continuing Directors may act notwithstanding any vacancy in their number: Provided that if the Directors shall at any time be reduced in number to less than the minimum number fixed by or in accordance with these Articles, it shall be lawful for the continuing Director or Directors to act for the purpose of filling vacancies or summoning a General Meeting, but not for any other purpose.
- 120 A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from the United Kingdom save for the Chairman of the

Board

- 121 The Board may from time to time elect a Chairman and Deputy Chairman of the Board and determine the period for which they are respectively to hold office. The Chairman so elected, or in his absence the Deputy Chairman, shall preside at all meetings of the Board, but if no such Chairman or Deputy Chairman be elected, or if at any meeting the Chairman or Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to act as Chairman of the meeting.
- 122 A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretions by or under these Articles vested in or exercisable by the Directors generally.
- 123 The Board may delegate all or any of their powers to Committees consisting of such person or persons (whether of their number or not) as they think fit. All Committees so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed upon them by the Board. The meetings and proceedings of any such Committee consisting of two or more persons shall be governed by the provisions in these Articles contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under this Article.
- Provided that where any such Committee includes co-opted persons not being directors, the number of such co-opted persons will be less than one half of the total number of the Committee and no resolution of the Committee shall be effective unless a majority of the Members of the Committee present at the meeting are directors.
- 124 All acts done by any meeting of the Board or of a Committee of the Board or by any person acting as a Director, shall, as regards all persons dealing with the Company, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified or had continued to be a Director and had been entitled to vote.
- 125 A resolution in writing signed or approved by letter, telex or cable by all the Directors for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as a resolution passed at a meeting of the Board duly convened and held, and may consist of several documents in like form each signed or approved by one or more Directors.
- 126 Any Director or the Secretary or any person appointed by the Board for the purpose shall have

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

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

#### **MINUTES AND RECORDS**

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

- (a) All appointments of officers made by the Board;
- (b) The names of the Directors present at each meeting of the Board and of any Committee of the Board;
- (c) All resolutions and proceedings at all meetings of the Company, and of the Board, and of Committees of the Board;

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

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

- 129 The Company shall keep and make available for inspection as required by the Act:-

- (a) A register of the Directors and Secretary;
- (b) Copies and memoranda of Directors' service contracts with the Company and any of

its subsidiaries;

- (c) A register of Directors' interests in shares or debentures of the Company or its associated companies (which register shall be produced and remain open at each Annual General Meeting); and
- (d) A register for recording information relating to interests in the share capital of the Company.

#### **THE SECRETARY**

- 130 (a) Subject to the provisions of the Act, the Secretary shall be appointed by the Board on such terms and for such period as they think fit. Any Secretary so appointed may at any time be removed from office by the Board but without prejudice to any claim for damages for breach of any contract between him and the Company.
- (b) Anything required or authorised by the Act to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any Assistant or Deputy Secretary or, if there is no Assistant or Deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board: Provided that any provision of these Articles or the Act 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**

- 131 The Board shall provide for the safe custody of the Seal and any Securities Seal which shall only be used by the general or special authority of the Board or of a Committee of the Board authorised by the Board in that behalf, and every instrument to which any such Seal shall be affixed shall (subject to the provisions of these Articles as to certificates for shares or debentures) be signed by a Director and shall be countersigned by a second Director or the Secretary or some other person duly authorised by the Board provided that as regards certificates for shares or debentures the Board may by Resolution determine that the presence of such persons and the signatures thereof or of either of them shall be dispensed with and/or that such signatures shall be affixed by some method or system of mechanical signature.



## RESERVES

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

## DIVIDENDS

- 133 The profits of the Company available for dividend in accordance with the provisions of the Act and determined to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities. The Company may by Ordinary Resolution declare dividends accordingly.
- 134 No dividend shall be payable except in accordance with the provisions of the Act or in excess of the amount recommended by the Board.
- 135 Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid upon the shares in respect whereof the dividend is paid, but no amount paid upon a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date such share shall rank for dividend accordingly.
- 136 If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half yearly or other dates prescribed for the payment thereof, and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

- 137 The Board may deduct from any dividend or other monies payable to any Member on or in respect of a share all sums of money (if any) immediately payable by him to the Company on account of calls in relation to the shares of the Company held by him.
- 138 All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. If any dividend shall have remained unclaimed for at least twelve years after the same became payable the Board may forfeit the same, and after such forfeiture no Member or other person shall have any right to or claim in respect of such dividend. No dividend shall bear interest against the Company.
- 139 Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.
- 140 Any dividend or other monies payable on or in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the Member or person entitled thereto or, in the case of joint holders, to the registered address of the joint holder who is first named in the Register, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder, or joint holders, may in writing direct, and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
- 141 Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to the distribution they may settle the same as they think expedient, and in particular may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Board.

#### **CAPITALISATION OF RESERVES**

- 142 The Company may by Ordinary Resolution, upon the recommendation of the Board and subject as hereinafter provided, resolve that it is desirable to capitalise any part of the undivided profits of the Company (whether or not the same are available for distribution) or any part of any sum for the time being standing to the credit of any of the Company's reserve

accounts (including share premium account and capital redemption reserve) and that the Board be accordingly authorised and directed to appropriate the profits or sum so resolved to be capitalised to the Members in the proportion in which such profits or sum would have been divisible amongst them had the same been applied or been applicable in paying dividends on the shares held by them on such date as shall be fixed by or in accordance with such resolution, and to apply such profits or sum on their behalf, either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively, or in the paying up in full of unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, such shares or debentures to be allotted and distributed credited as fully paid up to and among such Members in the proportion aforesaid, or partly in one way and partly in the other: Provided always that the share premium account and the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members as fully paid.

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

## **ACCOUNTS**

- 144 The Board shall cause proper accounting records to be kept in accordance with the provisions of the Act.
- 145 The accounting records shall be kept at the Office or, subject to the provisions of the Act, at such other place as the Board shall think fit, and shall at all times be open to the inspection of the officers of the Company but no Member (not being such an officer) shall have any right to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the Board or by an Ordinary Resolution of the Company.

- 146 The Board shall from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Act.
- 147 The Auditors' report shall be open to inspection as required by the Act. Every account of the Company when audited and approved by an Annual General Meeting, shall be conclusive.
- 148 A copy of the Directors' and Auditors' reports accompanied by copies of the balance sheet, profit and loss account and other documents required by law to be annexed to the balance sheet, shall, not less than twenty one clear days before the Annual General Meeting at which they are to be laid, be delivered or sent by post to the registered address of every Member and holder of debentures of the Company and to the Auditors, and the required number of copies of each of these documents shall at the same time be forwarded to London Stock Exchange Limited and to any other stock exchange on which all or any of the shares of the Company have been admitted for listing.

#### **AUDIT**

- 149 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

#### **NOTICES**

- 150 A notice or other document may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register.
- 151 All notices required to be given to the Members with respect to any share to which person are jointly entitled shall be given to whichever of such persons is named first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.
- 152 Any Member described in the Register by an address not within the United Kingdom who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but (save as aforesaid) no Member other than a Member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.
- 153 Any notice required to be given by the Company to the Members or any of them shall be sufficiently given if given by advertisement.

- 154 Any notice required to be or which may be given by advertisement shall be advertised once in at least one national daily newspaper.
- 155 Any notice or other document, if served by post, shall be deemed to have been served at the time when the letter containing the same is put into a post office situated within the United Kingdom, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into such post office. A notice to be given by advertisement shall be deemed to have been served on the day on which the advertisement appears.
- 156 Any notice or document delivered or sent by post to, or left at, the registered address of any Member shall, if such Member be then deceased or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served on his legal personal representative or trustee in bankruptcy as the case may be.
- 157 Every person who by operation of law, transfer, transmission, or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share (other than a notice requiring information with respect to interests in the share) which, previously to his name and address being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives the title to such share.

#### **WINDING UP**

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

## INDEMNITY

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