

No. 1805708



THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

RESOLUTION

of

THE FLEMING GEARED INCOME & ASSETS INVESTMENT TRUST PLC

(Passed 23 October 1997)

At an EXTRAORDINARY GENERAL MEETING of the above-named Company, duly convened and held at 25 Copthall Avenue, London EC2R 7DR on 23 October 1997 at 3.10pm, the following resolution was passed as a Special Resolution.

SPECIAL RESOLUTION

THAT, subject to and conditionally upon the holders of the 6.3-13.3 per cent. cumulative limited participating preferred shares of the Company ("Preferred Shares") and the holders of the ordinary shares of the Company sanctioning the variation or abrogation of the special rights or privileges attached thereto as is or may be effected by or involved in this resolution and the implementation of the capital re-organisation proposals (as such term is defined in the circular to shareholders dated 30 September 1997 ("the Circular"), a copy of which is attached hereto) and subject to the admission to the Official List of the London Stock Exchange Limited of the new ordinary shares and units (as those terms are defined in the Circular) to be issued under the capital re-organisation proposals becoming effective by not later than 31 December 1997:

- (A) the authorised share capital of the Company be increased from £27,000,000 to £30,000,000 by the creation of 6,000,000 ordinary shares of 50p each having the respective rights and being subject to the respective restrictions set out in the Articles of Association of the Company;

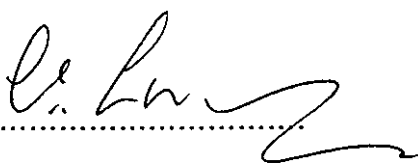
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- (B) the directors of the Company ("the Directors") be and are hereby authorised to capitalise the sum of up to £764,689 being part of the share premium account of the Company and to appropriate and apply such sum in paying up in full at 50p per ordinary share of 50p, up to 1,529,378 ordinary shares of 50p each and distributing such ordinary shares credited as fully paid *pro rata* to the persons who as at 17 November 1997 were the registered holders of Preferred Shares in proportion to the Preferred Shares then held by them respectively, rounding down any fractions of ordinary shares and so that the Articles of Association of the Company shall be amended *pro tanto* by the passing of this resolution;
- (C) the 6.3-13.3 per cent. cumulative limited participating preferred shares of £1 each of the Company be reclassified as 13.3 per cent. cumulative preference shares of £1 each of the Company ("Preference Shares");
- (D) the new Articles of Association produced to the Meeting and initialled for the purpose of identification by the Chairman of the Meeting (a copy of which is attached hereto) be adopted in substitution for, and to the exclusion of, all existing Articles of Association of the Company;
- (E) the Directors be and are generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 ("the Act") (and so that expressions used in this resolution shall bear the same meanings as in the said Section 80) to exercise all the powers of the Company to allot relevant securities (other than Preference Shares) up to an aggregate maximum nominal amount of £2,738,761.50 to such persons and at such times and on such terms as they think proper during the period expiring at the end of five years from the date of the passing of this resolution save that the Company may at any time before the expiry of such authority make an offer or enter into an agreement which would or might require such relevant securities of the Company to be allotted after the expiry of such authority and the Directors may allot such relevant securities of the Company under such offer or agreement as if such authority had not expired, such authority to be in substitution for all existing authorities granted to the Directors in respect of relevant securities; and
- (F) subject to the consent of the Registrar of Companies, the name of the Company be changed to "The Fleming Geared Growth Investment Trust plc".


.....
Chairman

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from a professional adviser authorised under the Financial Services Act 1986. If you have sold or transferred all your shares in The Fleming Geared Income & Assets Investment Trust plc, please pass this document and the accompanying forms of proxy to the purchaser or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected for transmission to the purchaser.

Application will be made to the London Stock Exchange for the new ordinary shares to be issued pursuant to the proposals set out in this document and the units described on page 11 of this document to be admitted to the Official List of the London Stock Exchange. Dealings in the new ordinary shares and units are expected to commence on Monday, 24 November 1997.

Persons receiving this document should note that, in connection with the proposals, NatWest Securities Limited, which is regulated by The Securities and Futures Authority Limited and is a member of the London Stock Exchange, is acting for The Fleming Geared Income & Assets Investment Trust plc and for no-one else and will not be responsible to any other person for providing the protections afforded to customers of NatWest Securities Limited or advice in connection with the proposals.



THE FLEMING GEARED INCOME & ASSETS INVESTMENT TRUST PLC

Proposals for
Capital restructuring
Change of name

Amendments to Articles of Association

Notices convening a separate meeting of preferred shareholders, a separate meeting of ordinary shareholders and an extraordinary general meeting of the Company for 3.00 p.m., 3.05 p.m. and 3.10 p.m. respectively (or as soon thereafter as the immediately preceding meeting shall have been concluded or adjourned) on Thursday, 23 October 1997 and an extraordinary general meeting of the Company for 3.00 p.m. on Wednesday, 19 November 1997 are set out at the end of this document.

To be valid, the appropriate enclosed forms of proxy should be completed and returned to the Company's Registrars, Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DB, so as to arrive not later than 48 hours prior to the relevant meeting. Completion and return of a form of proxy will not preclude members from attending and voting in person should they so wish.

In view of the voting and quorum requirements for the separate meetings, shareholders are particularly requested to complete and return the relevant forms of proxy.

30 September 1997

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EXPECTED TIMETABLE

Latest time for receipt of forms of proxy for the separate meeting of preferred shareholders	3.00 p.m. on 21 October 1997
Latest time for receipt of forms of proxy for the separate meeting of ordinary shareholders	3.05 p.m. on 21 October 1997
Latest time for receipt of forms of proxy for the first extraordinary general meeting	3.10 p.m. on 21 October 1997
Separate meeting of preferred shareholders	3.00 p.m. on 23 October 1997
Separate meeting of ordinary shareholders	3.05 p.m. on 23 October 1997
First extraordinary general meeting	3.10 p.m. on 23 October 1997
Record date for the bonus issue of new ordinary shares and for payment of the half yearly dividend on preferred shares	17 November 1997
Latest time for receipt of forms of proxy for the second extraordinary general meeting	3.00 p.m. on 17 November 1997
Second extraordinary general meeting	3.00 p.m. on 19 November 1997
Effective Date, commencement of dealings in new ordinary shares and units, CREST stock accounts credited with new ordinary shares and posting of certificates for ordinary shares, preference shares and units	24 November 1997
Half yearly dividend payment on preferred shares	30 November 1997

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"Act"	Companies Act 1985 (as amended)
"Articles"	the existing Articles of Association of the Company
"bonus issue"	the capitalisation issue of new ordinary shares to preferred shareholders under the capital re-organisation proposals
"capital re-organisation proposals"	the proposed capital re-organisation of the Company and the other changes proposed in this document to be considered at the first extraordinary general meeting
"Company"	The Fleming Geared Income & Assets Investment Trust plc
"Directors" or "Board"	the board of directors of the Company
"dividend proposals"	the proposed reduction in the fixed rate of dividend on the preference shares from 13.3 per cent. to 13.0 per cent. per annum with effect from 1 December 1997 to be considered at the second extraordinary general meeting
"Effective Date"	the date, expected to be Monday, 24 November 1997, when the proposals will become effective and dealings in the new ordinary shares and units will commence
"first extraordinary general meeting"	the extraordinary general meeting of the Company convened for 23 October 1997 by the notice set out on pages 17 and 18 of this document
"London Stock Exchange"	London Stock Exchange Limited
"Manager" or "FITM"	Fleming Investment Trust Management Limited, the manager and secretary of the Company
"NatWest Securities"	NatWest Securities Limited
"new Articles"	the new Articles of Association of the Company to be adopted under the capital re-organisation proposals
"new ordinary shares"	the new ordinary shares to be allotted to holders of preferred shares pursuant to the bonus issue
"ordinary shares"	ordinary shares of 50p each in the Company
"ordinary shareholders"	holders of ordinary shares
"PEP"	Personal Equity Plan
"preference shares"	the preferred shares following their reclassification as 13.3 per cent. cumulative preference shares of £1 each under the capital re-organisation proposals and, subject to implementation of the dividend proposals, their reclassification as 13.0 per cent. cumulative preference shares of £1 each under those proposals
"preferred shareholders"	holders of preferred shares
"preferred shares"	the existing 6.3-13.3 per cent. cumulative limited participating preferred shares of £1 each in the Company
"proposals"	the dividend proposals and the capital re-organisation proposals taken together
"Record Date"	the close of business on 17 November 1997
"second extraordinary general meeting"	the extraordinary general meeting of the Company convened for 19 November 1997 by the notice set out on page 19 of this document
"units"	the units comprising 100 preference shares and 9 ordinary shares into which shareholders will be able to combine their holdings of preference shares and ordinary shares under a facility which the Directors intend to make available if the capital re-organisation proposals are implemented.

For the purposes of this document, references to, examples using and statements based on asset values are based on unaudited figures as at 8 and 25 September 1997 used to supply information to the Association of Investment Trust Companies Limited.

PART I

**THE FLEMING GEARED INCOME & ASSETS
INVESTMENT TRUST PLC**

*(An investment company within the meaning of Section 266 of the Companies Act 1985:
registered in England and Wales No. 1805708)*

Directors:

L E Linaker (Chairman)
Sir Hugh Bidwell, GBE
B G Hill
C R Tracey
J G Tregoning

Registered Office:

Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ

30 September 1997

To preferred shareholders and ordinary shareholders



Proposed Capital Restructuring

Introduction

Shareholders will recall that last year your Directors put forward proposals designed to re-organise the Company's capital structure with the intention of increasing its attractions to investors. Those proposals did not gain the acceptance of shareholders generally and they were withdrawn. Your Directors have, however, continued to seek a way of simplifying the existing capital structure of the Company and have appointed NatWest Securities to assist them in achieving this objective. I am pleased to inform you that your Directors have now formulated new proposals which they are now able to lay before you for your approval at shareholders' meetings to be held on 23 October 1997 and 19 November 1997.

The proposals are being presented in the context of current changes in the implementation of the Company's investment policy. Historically, the Company has maintained a dividend yield on its portfolio significantly in excess of that of its benchmark index, the FTSE All-Share Index. The Company now intends to maintain a portfolio with a yield similar to that of its benchmark index. Your Board believes that this change will result in a portfolio which is better placed to benefit in the future.

Your Board believes that this change in the implementation of the Company's investment policy combined with the implementation of the proposals is likely to enhance significantly the attractions of the Company to both existing and potential new investors. Your Board believes that no other form of capital restructuring is likely to be acceptable to shareholders now or in the near future.

Background to the Proposals

Before describing the new proposals it may be helpful to summarise the existing position and the reasons why your Board is proposing a change. The Company's present capital structure comprises equal numbers of preferred and ordinary shares. The preferred shares carry a high rate of annual dividend (13.3p net per share) and, on a return of capital, are entitled to £1 per preferred share and a 10 per cent. participation in the surplus assets of the Company (excluding any revenue

reserves) after repayment of the sums of £1 per share to preferred shareholders and ordinary shareholders. The ordinary shares are entitled to receive all of the income of the Company (after payment of the preferred dividend) and, on a return of capital, £1 per ordinary share, the remaining 90 per cent. of such surplus assets and 100 per cent. of any revenue reserves. The Company is currently classified in the stock market as a split capital investment trust. The Articles presently provide for it to be wound up between 1 January 2008 and 31 December 2010 (unless the holders of both the preferred and ordinary shares as separate classes agree otherwise).

The combined market value of the preferred shares and ordinary shares is, and has for some time been, significantly less than the value of the Company's net assets. As at 8 September 1997 (the day before the preliminary announcement of the proposals), the overall discount of the combined market value to net assets was 16 per cent. The middle market price of the ordinary shares at that date was 265p, whilst their net asset value (calculated on the basis of deducting the theoretical repayment value of the existing preferred shares of 129.35p) was 382.14p. Accordingly, on this basis, the discount to net asset value for the ordinary shares was 31 per cent. Even if the net asset value had been calculated on the basis of deducting the market value of the existing preferred shares of 165.25p, the discount for the ordinary shares would still have been 23 per cent.

Your Directors believe that the relatively low rating accorded to your Company's ordinary shares may be substantially influenced by the fact that the unconventional nature of the existing capital structure makes the Company less attractive to potential new investors than alternative investments.

The Proposals

For tax reasons, it is necessary to consider the capital re-organisation proposals and the dividend proposals at separate extraordinary general meetings of the Company.

Under the capital re-organisation proposals:

- The preferred shares will no longer participate in the capital growth of the Company and will become cumulative preference shares entitled to a fixed rate of annual dividend and to a fixed £1 per share on a return of capital.
- Holders of preferred shares on the register at the Record Date will receive a bonus issue of new ordinary shares in the ratio of 9 new ordinary shares for every 100 preferred shares then held. This will enable holders of the preferred shares to continue to participate in the capital growth of the Company. The new ordinary shares will rank in full for all dividends declared, made or paid after their issue but will otherwise rank *pari passu* in all respects with the existing ordinary shares.
- The winding-up date of the Company will be fixed at 30 November 2010 (unless on or prior to that date the holders of both preference and ordinary shares as separate classes otherwise agree).
- The name of the Company will be changed to The Fleming Geared Growth Investment Trust plc.

Under the dividend proposals, the fixed rate of dividend on the preference shares will be reduced from 13.3p to 13.0p (net) per annum with effect from 1 December 1997 (the economic effect of the reduction, if the capital re-organisation proposals are also implemented, should substantially correspond to the additional income which preferred shareholders should receive if they retain the new ordinary shares to be issued to them under the bonus issue, based on the total ordinary dividend per share for the year ended 31 May 1997).

If the capital re-organisation proposals are implemented, the Directors intend making a facility available to shareholders to hold combinations of 100 preference and 9 ordinary shares (representing the combination of preference and ordinary shares which preferred shareholders will hold following the bonus issue) in the form of units, as described on page 11 below.

Implementation of the capital re-organisation proposals is conditional upon the relevant shareholder resolutions being passed and upon the new ordinary shares and units being admitted to the Official List of the London Stock Exchange. If the relevant shareholder resolutions are passed, the capital re-organisation proposals are expected to become effective on 24 November 1997 when the bonus issue will be implemented and dealings in the new ordinary shares and units will commence.

Other than the relevant shareholder resolutions being passed, there are no conditions attaching to the dividend proposals. Shareholders will be able to consider their voting intentions in respect of the dividend proposals after the results of the first extraordinary general meeting and the separate class meetings are known.

Benefits and Effects of the Proposals

In the opinion of the Directors, if all the relevant shareholder resolutions are passed and the proposals implemented, the benefits of the proposals will be:

For both classes of shareholder:

- **Reclassification as a conventional trust:** the capital structure of the Company will be greatly simplified and will become more conventional. As a result, the Company will satisfy the requirements for re-classification by the stock market as a conventional, rather than split capital, investment trust. The Directors believe that this should improve the attractions of both classes of the Company's shares to potential investors, since a broader range of investors is generally prepared to invest in the conventional sector, and should lead to a decrease in the overall discount to asset value at which its shares trade in aggregate.
- **Certainty over the duration of the Company:** the certain winding-up date of 30 November 2010 will enable shareholders more easily to analyse their potential returns and give preferred shareholders access to dividend income for longer than might otherwise have been the case under the existing Articles.

For preferred shareholders:

- **Increased flexibility:** the capital re-organisation proposals will, in effect, separate the two elements of the capital entitlements of the existing preferred shareholders (namely the fixed £1 per preferred share and the 10 per cent. participation in surplus assets on a return of capital). Existing preferred shareholders will hold preference shares and new ordinary shares in which they will be able to deal separately. The combined holding will therefore continue to participate in both the income and capital growth of the Company.
- **Enhanced market recognition of the component parts of the preferred shares:** the Directors expect that preferred shareholders should benefit from greater market values for their aggregate holdings of preference shares and ordinary shares as a result of the restructuring than would be the case for their preferred shares without the restructuring. The increase in the market value of the preferred shares from 165.25p per share at the close of business on 8 September 1997 (the day before the preliminary announcement of the proposals) to 177.5p at the close of business on 25 September 1997 (the last practicable day before the printing of this document) may be evidence of support for this view.
- **Potential for income growth:** assuming that the total ordinary dividend per share for this and future financial years is not less than the total ordinary dividend for the financial year ended 31 May 1997, annual income for preferred shareholders will be substantially unchanged if they retain the new ordinary shares they receive through the bonus issue, notwithstanding that the dividend proposals are implemented. This annual income has the potential for growth if the dividend on the ordinary shares is subsequently increased.

- **Potential to sell new ordinary shares and re-invest in primarily income yielding investments:** preferred shareholders who have invested primarily for income yield will be free to sell the new ordinary shares they receive through the bonus issue and re-invest in further preference shares or other higher income investments.
- **Maintenance of net asset value:** the aggregate net asset value for preferred shareholders who retain the new ordinary shares they receive through the bonus issue is likely to be substantially unchanged as compared with the present structure.

For ordinary shareholders:

- **Opportunity for fundamental re-rating of the shares:** the Directors expect that the more conventional nature of the ordinary shares, which will be entitled to the whole of future increases (or decreases) in the Company's net asset value, together with the reclassification of the Company as a conventional trust, will be likely to improve the marketability of the ordinary shares, presenting an opportunity for their re-rating.
- **Enhancement of market value:** ordinary shareholders will suffer a modest dilution of their net asset value as a result of the bonus issue. However, the Directors expect that the discount to net asset value on the ordinary shares is likely to be smaller after the re-organisation than it would be without the re-organisation. The decrease in the discount on the ordinary shares (calculated on the basis of deducting the theoretical repayment value of the preferred shares) from 31 per cent. at the close of business on 8 September 1997 (the day before the preliminary announcement of the proposals) to 27 per cent. at the close of business on 25 September 1997 (the last practicable day before the printing of this document) may be evidence of support for this view.

The Directors consider that the Company will continue to enjoy a relatively high level of gearing in relation to both capital and income. Following the implementation of the proposals, every movement of 1 per cent. in the value of the Company's total net assets over that on 31 May 1997 will produce a movement of 1.26 per cent. in the net asset value per ordinary share. Any increases in the Company's gross income will also result in amplified rates of increase in earnings per ordinary share.

In the absence of unforeseen circumstances, your Directors are confident that there will be no significant change in the total dividend per ordinary share in the year ending 31 May 1998 as a result of the proposals, compared with the present structure.

If the capital re-organisation proposals are implemented, the wording of the Company's investment objective will be changed to "Growth of income and capital from investment in the UK through a geared capital structure over the Company's remaining life".

The Company's issued share capital is expected to increase to 16,993,099 preference shares and 18,522,477 ordinary shares following the bonus issue. This change will have a consequential effect on the aggregate voting rights attributable to each class of share on shareholder resolutions proposed at general meetings where both classes of share are entitled to vote.

Taxation

Under current tax legislation both the preference shares and the new and existing ordinary shares (whether or not comprised in units) will constitute, or continue to constitute, qualifying investments for inclusion in a general PEP. Both classes of share in the Company will continue to be eligible for inclusion in the Fleming Investment Trusts Personal Equity Plan.

The attention of shareholders is drawn to Part III of this document which summarises the advice received by your Directors in relation to the tax position of shareholders in respect of the proposals and, in particular, the proposed reclassification of the preferred shares as preference shares and the accompanying bonus issue of new ordinary shares. You will note that your Directors have been advised that such reclassification and bonus issue will not constitute a disposal of the existing preferred shares for the purposes of United Kingdom tax on chargeable gains.

Meetings

For tax reasons, it is necessary to hold two separate extraordinary general meetings of shareholders in order to approve the capital re-organisation proposals and the dividend proposals. Accordingly, notices convening extraordinary general meetings of the Company for 3.10 p.m. on Thursday, 23 October 1997 and 3.00 p.m. on Wednesday, 19 November 1997 respectively are set out at the end of this document. Both the preferred and ordinary shareholders will be entitled to attend and vote at these meetings. Preferred shareholders and ordinary shareholders (as separate classes) will each hold in aggregate half of the votes eligible to be cast at the extraordinary general meetings. At the extraordinary general meetings, the special resolutions will require the approval of at least 75 per cent. of shareholders voting in person or by proxy at the relevant meeting.

At the first extraordinary general meeting, a special resolution will be proposed (conditional, *inter alia*, on the new ordinary shares and units being admitted to the Official List of the London Stock Exchange) to:

- (i) increase the authorised share capital of the Company from £27,000,000 to £30,000,000 by the creation of 6,000,000 new ordinary shares of 50p each (representing a 33.3 per cent. increase in the authorised ordinary share capital) to accommodate the proposed bonus issue and enable the Company to have some authorised but unissued ordinary share capital in reserve;
- (ii) authorise the bonus issue of up to 1,529,378 new ordinary shares to holders of preferred shares by way of a capitalisation of the Company's share premium account to the extent of £764,689;
- (iii) reclassify the preferred shares as preference shares;
- (iv) amend the existing Articles (by adopting the new Articles) so as to make various changes to the existing Articles, details of which are set out in Part II of this document;
- (v) authorise and empower the Directors to allot the balance of the authorised but unissued ordinary share capital of the Company remaining after the proposed bonus issue; and
- (vi) change the name of the Company to "The Fleming Geared Growth Investment Trust plc".

The authority to allot the balance of the authorised but unissued ordinary share capital of the Company remaining after the proposed bonus issue will be valid for a period of five years from the passing of the resolution and will cover 5,477,523 ordinary shares (representing 29.6 per cent. of the ordinary shares expected to be in issue immediately following implementation of the capital re-organisation proposals). The Directors have no present intention to issue any of these shares.

At the second extraordinary general meeting, a special resolution (which will be unconditional) will be proposed to reduce the fixed rate dividend on the preference shares from 13.3p to 13.0p (net) per annum with effect from 1 December 1997 and to ensure that the Articles comply with the latest edition of the Listing Rules of the London Stock Exchange (further details of this resolution are set out in Part II of this document).

As the implementation of the proposals will constitute a variation of the rights attaching to the preferred shares and, in the case of the capital re-organisation proposals only, the ordinary shares, separate class meetings of each class of shareholder to sanction the relevant proposals have also been convened for Thursday, 23 October 1997 to precede the first extraordinary general meeting. Notices convening these separate meetings are set out on pages 15 and 16 of this document.

The extraordinary resolutions to be proposed at the separate class meetings require the approval of at least 75 per cent. of the holders of the relevant class voting in person or by proxy at the relevant meeting. The quorum required for each of the separate meetings is holders present (whether in person or by proxy) representing at least one-third in nominal amount of the issued shares of the class concerned. If the quorum requirements for these separate meetings are not satisfied, the

relevant meeting(s) will be adjourned to Friday, 24 October 1997 as set out in the notices of meetings set out at the end of this document. At the adjourned meeting(s), those holders present (whether in person or by proxy) will constitute a quorum.

Action to be Taken

You will find enclosed with this document a white form of proxy for use in connection with the first extraordinary general meeting and a brown form of proxy for use in connection with the second extraordinary general meeting. Separate pink and blue forms of proxy are enclosed for use in connection with the separate meetings of the preferred shareholders and the ordinary shareholders respectively.

In view of the voting and quorum requirements for the meetings, shareholders are urged to complete and return the relevant forms of proxy in accordance with the instructions printed thereon so that they are received by the Company's Registrars not later than 48 hours prior to the time and date set for the relevant meeting, whether or not they intend to be present at the meetings. Duly completed and returned forms of proxy will be valid for any adjourned meeting. Completion and return of a form of proxy will not preclude you from attending the relevant meeting and voting in person should you so wish.

Dealings, Dividends and Settlement

If the capital re-organisation proposals are implemented, preferred shareholders on the register on the Record Date will be allotted on the Effective Date 9 new ordinary shares for every 100 preferred shares held on the Record Date. Fractions of new ordinary shares arising will not be allotted, but will be rounded down. The preferred shares will become preference shares with effect from the Effective Date.

Holders of preferred shares on the register on the Record Date will be entitled to receive the half-yearly dividend, payable on 30 November 1997, at the rate of 6.65p per share (net). If the dividend proposals are approved by the relevant shareholder resolutions, the preference shares will rank for dividends at the annual rate of 13.0p per share (net) with effect from 1 December 1997, with the first half-yearly payment of 6.5p per share (net) being due on 31 May 1998.

Dealings in the new ordinary shares to be issued by way of the bonus issue are expected to commence on 24 November 1997. Such new ordinary shares will rank, upon issue, in full for all dividends declared, made and paid thereafter but will otherwise rank *pari passu* in all respects with the existing ordinary shares.

Definitive certificates in respect of the new ordinary shares and replacement definitive certificates in respect of the preference shares and the existing ordinary shares are expected to be despatched on Monday, 24 November 1997 by post, at the risk of persons entitled thereto, to preferred shareholders and ordinary shareholders (as appropriate) who held their shares in certificated form on the Record Date. Following the despatch of the new certificates for the preference shares and existing ordinary shares, certificates for the existing preferred shares and ordinary shares will no longer be valid and should be destroyed. Pending receipt of definitive certificates in respect of new ordinary shares held in certificated form, transfers will be certified against the register of members of the Company at the risk of the transferor.

It is intended that preferred shareholders who held their preferred shares in uncertificated form on the Record Date will, at their risk, have their CREST member accounts credited with the new ordinary shares to which they are entitled and that the Company will instruct its Registrars to instruct CRESTCo Limited to credit member accounts on the Effective Date. However, the Company reserves the right to issue new ordinary shares in certificated form instead of crediting CREST member accounts, although in normal circumstances this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Company's Registrars in connection with CREST.

Units and low cost dealing facilities

Subject to the capital re-organisation proposals being implemented, the Company intends to offer a facility to shareholders who hold both preference shares and ordinary shares to combine their shareholding into units comprising 100 preference shares and 9 ordinary shares. This would enable shareholders who wish to hold an investment in the Company having similar capital elements to the existing preferred shares to hold such an investment as a package. The units would not comprise a new security but the Company intends applying to the London Stock Exchange for their admission as a trading facility on the Official List of the London Stock Exchange. Dealings in units are expected to commence at the same time as dealings in the new ordinary shares. It is expected that for shareholders who wish to hold units, the Company's Registrars will combine their relevant holdings of preference shares and ordinary shares and issue a unit certificate in respect thereof. This would permit existing preferred shareholders to elect to receive unit certificates, instead of receiving certificates for preference shares and ordinary shares. Shareholders would be able to apply at any time to the Company's Registrars for the units to be separated back into their constituent elements of preference shares and ordinary shares. Only shares or units which are in certificated form will be able to be combined into units or separated into shares respectively. It is however expected that the units will be admitted to and enabled for settlement in CREST at the same time as dealings in units commence. Further details of the units will be sent to shareholders if the capital re-organisation proposals are approved.

The Company is arranging with NatWest Stockbrokers Limited for a low cost postal share dealing service in the Company's shares to be made available to shareholders for a limited period after the Effective Date. Details of this service will be posted to shareholders at the same time as the replacement definitive certificates in respect of preference shares and existing ordinary shares are despatched if the capital re-organisation proposals are implemented.

Recommendation

The Directors, who have been advised by NatWest Securities, consider the proposals to be in the best interests of the Company and of both the preferred and ordinary shareholders as a whole. They unanimously recommend you to vote in favour of the resolutions to be proposed at the extraordinary general meetings and at the relevant class meeting(s), as they intend to do in respect of their own beneficial holdings, which amount, in aggregate, to 33,221 ordinary shares, representing 0.2 per cent. of the total issued ordinary share capital of the Company.

Yours sincerely



Chairman

Notes:

- (i) *NatWest Securities has given and not withdrawn its written consent to the inclusion of its name within this document and the references to its name in the form and context in which it is included.*
- (ii) *Copies of the new Articles will be available for inspection at the Company's registered office during normal business hours on any weekday (Saturdays and public holidays excepted) until the date of the first extraordinary general meeting and at 25 Copthall Avenue, London EC2R 7DR for 15 minutes prior to and throughout the first extraordinary general meeting itself.*

PART II

Summary of Proposed Amendments to the Articles of Association

First Extraordinary General Meeting

The resolution being proposed at the first extraordinary general meeting will, if approved, amend the Articles (by adopting the new Articles) principally to give effect to the capital re-organisation proposals. It will also bring the Articles into line with modern practice and ensure compliance with the latest edition of the Listing Rules of the London Stock Exchange. In particular, the proposed amendments to the Articles, if approved, will:-

1. limit the amount of capital to be paid to holders of preference shares on a return of capital to the nominal value of those shares only (i.e. £1 per preference share);
2. oblige the Directors to convene a meeting of the Company on 30 November 2010 for the purpose of considering a resolution to wind up the Company unless both ordinary and preference shareholders (as separate classes) agree otherwise on or prior to that date;
3. remove the existing restriction preventing the creation and issue of further shares except with the prior class consent of the preferred shareholders and substitute a restriction preventing the creation and issue of shares ranking prior to or *pari passu* with the preference shares except with such prior consent;
4. delete the existing provision requiring the class consent of the holders of preferred shares to any capitalisation (bonus) issue out of reserves or the profit and loss account;
5. enable the Company to pay dividends through CREST;
6. clarify the voting rights of participants in savings schemes or other plans (including PEPs) operated by the Company's manager or such manager's associated companies; and
7. allow the Company to implement the proposals for introducing units as described on page 11 of this document.

Second Extraordinary General Meeting

The resolution being proposed at the second extraordinary general meeting will, if approved, amend the Articles and, if the resolution proposed at the first extraordinary general meeting is passed, the new Articles so as to reduce the fixed dividend on the preference shares from 13.3 per cent. to 13.0 per cent. with effect from 1 December 1997. The resolution will also amend the existing Articles (but not the new Articles which will supersede the existing Articles if the capital re-organisation proposals are implemented) so as to ensure their compliance with the latest edition of the Listing Rules of the London Stock Exchange in accordance with those rules.

PART III

Taxation

The following paragraphs summarise the advice received by the Directors on the United Kingdom taxation implications for the Company and holders of ordinary shares and preferred shares if the proposals are implemented. The information set out below is based on the law and practice as it is currently interpreted and is intended to be a general guide only and will not apply to certain holders of ordinary shares or preferred shares (such as dealers).

If you are in any doubt about your taxation position if the proposals are implemented, or if you may be subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser.

The Company

Implementation of the proposals will not affect the Company's eligibility for approval as an investment trust under Section 842 of the Income and Corporation Taxes Act 1988.

Ordinary Shareholders

Implementation of the proposals will not constitute a disposal, or part disposal, of ordinary shares for the purposes of United Kingdom taxation of capital gains and will not affect the base cost available as an allowable deduction on any future disposal of ordinary shares. The tax treatment of dividends paid on the ordinary shares will not be affected by implementation of the proposals.

Preferred Shareholders

Implementation of the proposals will not constitute a disposal, or part disposal, of preferred shares for the purposes of United Kingdom taxation of capital gains.

The sale or other disposal of any preference shares or new ordinary shares held as a result of implementation of the proposals may give rise to the realisation of a gain or loss for the purposes of United Kingdom taxation of capital gains. A holder of any share who is resident or ordinarily resident in the United Kingdom for United Kingdom tax purposes and who so realises a gain in respect of any preference shares or new ordinary shares may, subject to the investor's circumstances, be liable to United Kingdom capital gains tax or corporation tax on that gain (but see "Personal Equity Plans" below).

For the purposes of United Kingdom taxation of capital gains on any future disposal of preference shares or new ordinary shares held as a result of the implementation of the proposals, a preference shareholder's base cost in his existing holding of preferred shares will be apportioned between his combined holding of preference shares and new ordinary shares. Provided that the preference shares and new ordinary shares are quoted on the London Stock Exchange within three months of the re-organisation (or such longer period as the Board of Inland Revenue may allow), the apportionment will be made by reference to the market value of the preference shares and the market value of the new ordinary shares on the first day on which the prices of the preference shares and the new ordinary shares are published in the London Stock Exchange Daily Official List. Details of those market prices will be given in the Company's interim and annual reports for the period and the year ending on 30 November 1997 and 31 May 1998 respectively.

The implementation of the proposals should not affect the application or otherwise of Section 44 of the Taxation of Chargeable Gains Act 1992 (wasting assets) to the shares held by a preferred shareholder as regards an existing holding of preferred shares or a new holding of preference shares and new ordinary shares held as a result of implementation of the proposals.

Dividends paid on the preference shares should be subject to the same tax treatment as dividends which would be paid on the preferred shares if the proposals are not implemented (subject to adjustments related solely to the respective amounts of the dividends). Dividends paid on the new ordinary shares should be subject to the same tax treatment as dividends paid after the Effective Date on the existing ordinary shares.

Personal Equity Plans

Under current legislation, the preference shares and ordinary shares in issue after implementation of the proposals will constitute qualifying investments for the purposes of inclusion in a general PEP under The Personal Equity Plan Regulations 1989 (as amended). The Directors intend that more than 50 per cent. by value of the investments held by the Company will continue to be United Kingdom equities or qualifying European Union shares and to conduct the affairs of the Company so as to be a fully-qualifying investment trust for PEP purposes.

If a holding of existing preferred shares is held in a general PEP, all of the preference shares and new ordinary shares held following implementation of the proposals may be held in that PEP.

Returns from shares held within a PEP are free of income tax and capital gains tax. Subject to the terms of the particular PEP, all tax credits on qualifying distributions from shares within a PEP may be reclaimed and may be reinvested or distributed. No capital gains tax applies to gains realised on investments held in a PEP (although any losses resulting from investments within a PEP are not allowable for capital gains tax purposes).

In the Budget on 2 July 1997, the Chancellor of the Exchequer announced that the Government will be developing plans for a new "individual savings account". Whether or not the proposals are implemented, it is possible that the Government's proposals for "individual savings accounts" will have implications for individuals who currently hold shares in the Company within a general PEP.

Units

A unit will not generally for United Kingdom tax purposes be treated as an item distinct from its constituent parts, namely 100 preference shares and 9 new ordinary shares. The treatment of preference shares and new ordinary shares will be as described above, even where comprised within a unit.

Stamp Duty and Stamp Duty Reserve Tax

The issue of the new ordinary shares will not give rise to United Kingdom stamp duty or stamp duty reserve tax. A transfer of new ordinary shares or preference shares will, in general, be subject to stamp duty at the rate of 50p per £100 of the consideration for the transfer. An agreement for the transfer of new ordinary shares or preference shares will, in general, be subject to stamp duty reserve tax ("SDRT") also at the rate of 50p per £100 of the consideration for the transfer. The liability to SDRT is cancelled if a transfer of the shares to which the agreement relates is executed and duly stamped within the applicable time limit.

Tax Clearance

Clearance from the Inland Revenue under Section 707 of the Income and Corporation Taxes Act 1988 has been received in respect of the proposals.

THE FLEMING GEARED INCOME & ASSETS INVESTMENT TRUST PLC

NOTICE IS HEREBY GIVEN that a separate general meeting of the holders of 6.3-13.3 per cent. cumulative limited participating preferred shares of £1 each of the above-named Company will be held at 25 Copthall Avenue, London EC2R 7DR on 23 October 1997 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as extraordinary resolutions:

EXTRAORDINARY RESOLUTIONS

1. THAT this separate general meeting of the holders of 6.3-13.3 per cent. cumulative limited participating preferred shares of £1 each of the Company ("Preferred Shares") hereby sanctions the passing by the Company as a special resolution of the resolution set out in the notice of an extraordinary general meeting of the Company convened for 23 October 1997 and such variation or abrogation of the special rights or privileges attached to the said shares as is or may be effected by or involved in such resolution or the implementation of the capital re-organisation proposals as described in the circular to shareholders dated 30 September 1997, of which this notice forms part ("the Circular").
2. THAT this separate general meeting of the holders of Preferred Shares hereby sanctions the passing by the Company as a special resolution of the resolution set out in the notice of an extraordinary general meeting of the Company convened for 19 November 1997 and such variation or abrogation of the special rights or privileges attached to the said shares as is or may be effected by or involved in such resolution.

If this meeting should be adjourned on the basis that there is not a quorum of holders of Preferred Shares present in person or by proxy, the adjourned meeting will be held at 25 Copthall Avenue, London EC2R 7DR on Friday, 24 October 1997 at 11.00 a.m.

Registered Office:
Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ

By Order of the Board
Fleming Investment Trust Management Limited
Secretary

Dated: 30 September 1997

Note:

A holder of 6.3 - 13.3 per cent. cumulative limited participating preferred shares of £1 each of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll to vote in his place. A proxy need not also be a member. A pink form of proxy is enclosed for use at the meeting.

Pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the above meeting and at any adjournment thereof is 3.00 p.m. on 21 October 1997. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

THE FLEMING GEARED INCOME & ASSETS INVESTMENT TRUST PLC

NOTICE IS HEREBY GIVEN that a separate general meeting of the holders of the ordinary shares of 50p each of the above-named Company will be held at 25 Copthall Avenue, London EC2R 7DR on 23 October 1997 at 3.05 p.m. (or as soon thereafter as the separate general meeting of the holders of the 6.3-13.3 per cent. cumulative limited participating preferred shares of £1 each of the Company convened for the same place and date shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as an extraordinary resolution:

EXTRAORDINARY RESOLUTION

THAT this separate general meeting of the holders of the ordinary shares of 50p each of the Company ("Ordinary Shares") hereby sanctions the passing by the Company as a special resolution of the resolution set out in the notice of an extraordinary general meeting of the Company convened for 23 October 1997 and such variation or abrogation of the special rights or privileges attached to the said shares as is or may be effected by or involved in such resolution or the implementation of the capital re-organisation proposals as described in the circular to shareholders dated 30 September 1997, of which this notice forms part ("the Circular").

If this meeting should be adjourned on the basis that there is not a quorum of holders of Ordinary Shares present in person or by proxy, the adjourned meeting will be held at 25 Copthall Avenue, London EC2R 7DR on Friday, 24 October 1997 at 11.05 a.m.

Registered Office:
Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ

By Order of the Board
Fleming Investment Trust Management Limited
Secretary

Dated: 30 September 1997

Note:

A holder of ordinary shares of 50p each of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll to vote in his place. A proxy need not also be a member. A blue form of proxy is enclosed for use at the meeting.

Pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the above meeting and at any adjournment thereof is 3.05 p.m. on 21 October 1997. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

THE FLEMING GEARED INCOME & ASSETS INVESTMENT TRUST PLC

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the above-named Company will be held at 25 Copthall Avenue, London EC2R 7DR on 23 October 1997 at 3.10 p.m. (or as soon thereafter as the separate general meeting of the holders of the ordinary shares of the Company convened for the same place and date shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTION

THAT, subject to and conditionally upon the holders of the 6.3-13.3 per cent. cumulative limited participating preferred shares of the Company ("Preferred Shares") and the holders of the ordinary shares of the Company sanctioning the variation or abrogation of the special rights or privileges attached thereto as is or may be effected by or involved in this resolution and the implementation of the capital re-organisation proposals (as such term is defined in the circular to shareholders dated 30 September 1997 ("the Circular")) and subject to the admission to the Official List of the London Stock Exchange Limited of the new ordinary shares and units (as those terms are defined in the Circular) to be issued under the capital re-organisation proposals becoming effective by not later than 31 December 1997:

- (A) the authorised share capital of the Company be increased from £27,000,000 to £30,000,000 by the creation of 6,000,000 ordinary shares of 50p each having the respective rights and being subject to the respective restrictions set out in the Articles of Association of the Company;
- (B) the directors of the Company ("the Directors") be and are hereby authorised to capitalise the sum of up to £764,689 being part of the share premium account of the Company and to appropriate and apply such sum in paying up in full at 50p per ordinary share of 50p, up to 1,529,378 ordinary shares of 50p each and distributing such ordinary shares credited as fully paid *pro rata* to the persons who as at 17 November 1997 were the registered holders of Preferred Shares in proportion to the Preferred Shares then held by them respectively, rounding down any fractions of ordinary shares and so that the Articles of Association of the Company shall be amended *pro tanto* by the passing of this resolution;
- (C) the 6.3-13.3 per cent. cumulative limited participating preferred shares of £1 each of the Company be reclassified as 13.3 per cent. cumulative preference shares of £1 each of the Company ("Preference Shares");
- (D) the new Articles of Association produced to the Meeting and initialled for the purpose of identification by the Chairman of the Meeting be adopted in substitution for, and to the exclusion of, all existing Articles of Association of the Company;
- (E) the Directors be and are generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 ("the Act") (and so that expressions used in this resolution shall bear the same meanings as in the said Section 80) to exercise all the powers of the Company to allot relevant securities (other than Preference Shares) up to an aggregate maximum nominal amount of £2,738,761.50 to such persons and at such times and on such terms as they think proper during the period expiring at the end of five years from the date of the passing of this resolution save that the Company may at any time before the expiry of such authority make an offer or enter into an agreement which would or might require such relevant securities of the Company to be allotted after the expiry of such authority and the Directors may allot such relevant securities of the Company under such offer or agreement as if such authority had not expired, such authority to be in substitution for all existing authorities granted to the Directors in respect of relevant securities; and

- (F) subject to the consent of the Registrar of Companies, the name of the Company be changed to "The Fleming Geared Growth Investment Trust plc".

Registered Office:
Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ

By Order of the Board
Fleming Investment Trust Management Limited
Secretary

Dated: 30 September 1997

Note:

A holder of ordinary shares and/or 6.3 - 13.3 per cent cumulative limited participating preferred shares entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll to vote in his place. A proxy need not also be a member. A white form of proxy is enclosed for use at the meeting.

Pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the above meeting and at any adjournment thereof is 3.10 p.m. on 21 October 1997. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

THE FLEMING GEARED INCOME & ASSETS INVESTMENT TRUST PLC

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the above-named Company will be held at 25 Copthall Avenue, London EC2R 7DR on 19 November 1997 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTION

THAT, subject to and conditionally upon the holders of the 6.3-13.3 per cent. cumulative limited participating preferred shares of the Company sanctioning the variation or abrogation of the special rights or privileges attached thereto as is or may be effected by or involved in this resolution, the existing Articles of Association of the Company ("the existing Articles") and, if the resolution set out in the notice convening an extraordinary general meeting of the Company for 23 October 1997 has been duly passed as a special resolution, the new Articles of Association of the Company adopted pursuant to that resolution ("the new Articles") be amended as follows:

- (i) by deleting the number "13.3" where it appears in the definition of "Preferred Shares" in Article 1(B) of the existing Articles and in the definition of "Preference Shares" in Article 1(B) of the new Articles and, in each case, inserting the number "13.0" in substitution therefor;
- (ii) by inserting the words "until 30 November 1997 and 13.0 thereafter" immediately after the number "13.3" where it appears in the table contained in Article 2(a) of the existing Articles and in Article 2(a) of the new Articles; and
- (iii) in the case of the existing Articles only, deleting the current Article 94(B)(v) of the existing Articles and inserting the words "Any proposal concerning the adoption, modification or operation of any arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;" in substitution therefor.

Registered Office:
Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ

By Order of the Board
Fleming Investment Trust Management Limited
Secretary

Dated: 30 September 1997

Note:

A holder of ordinary shares and/or 6.3 - 13.3 per cent cumulative limited participating preferred shares entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll to vote in his place. A proxy need not also be a member. A brown form of proxy is enclosed for use at the meeting.

Pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the above meeting and at any adjournment thereof is 3.00 p.m. on 17 November 1997. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

The Companies Acts 1985 to 1989

COMPANY LIMITED BY SHARES

New Articles of Association



OF

THE FLEMING GEARED GROWTH INVESTMENT TRUST plc

(adopted by Special Resolution passed on 23 October 1997)

PRELIMINARY

1.(A) The regulations in Table A in The Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

(B) In these Articles (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:-

"the Act"	The Companies Act 1985 as amended by the Companies Act 1989.
"the Statutes"	The Act and every other statute for the time being in force concerning companies and affecting the Company.
"these Articles"	These Articles of Association as from time to time altered.
"Office"	The registered office of the Company for the

time being.

"Transfer Office"	The place where the Register of Members is situate for the time being.
"Preference Shares"	The 18,000,000 13.3 per cent. Cumulative Preference Shares of £1 each referred to in Article 2.
"Seal"	The Common Seal of the Company.
"Securities Seal"	An official seal kept by the Company by virtue of Section 40 of the Act.
"the United Kingdom"	Great Britain and Northern Ireland.
"Month"	Calendar month.
"Year"	Calendar year.
"In writing"	Written or produced by any substitute for writing or partly one and partly another.
"Paid"	Paid or credited as paid.

The expressions "debenture" and "debenture holder" shall respectively include "debenture stock" and "debenture stockholder".

The expressions "recognised clearing house" and "recognised investment exchange" shall mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services Act 1986.

The expression "Secretary" shall include any person appointed by the Directors to perform

any of the duties of the Secretary including, but not limited to, a joint, assistant or deputy Secretary.

In these Articles, where the context permits, references to share certificates shall extend to Unit Certificates (as defined in Article 17(A) and references to "Units" are to packages each comprising 9 Ordinary Shares and 100 Preference Shares or such other proportion of Ordinary Shares and Preference Shares as the Directors shall from time to time determine.

For the purposes of the provisions of these Articles relating to transfers of shares, references to shares shall include Units.

All such of the provisions of these Articles as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

SHARE CAPITAL

2. The share capital of the Company at the date of the adoption of these Articles of Association is £30,000,000 divided into 18,000,000 Preference Shares and 24,000,000 Ordinary Shares of 50p each. The rights, as regards participation in the profits and assets of the Company, attaching to these shares shall be as follows:-

(a) the holders of the Preference Shares shall be entitled in priority to any payment of dividend on any other class of shares to a fixed cumulative preferential dividend at the rate of 6.3 per cent. per annum in respect of the year ending 31st May, 1985 and at the following rates per annum in respect of the following years:-

<u>year ending 31st May</u>	<u>rate per cent.</u>
1986	7.0
1987	7.7
1988	8.4
1989	9.1
1990	9.8
1991	10.5
1992	11.2
1993	11.9
1994	12.6
1995 and subsequent years	13.3

to be paid in each case if and so far as in the opinion of the Directors the profits of the Company available for distribution justify such payments, half-yearly on 31st May and 30th November in every year in respect of the half-years ending on those dates. The first dividend shall be payable on 30th November, 1984 in respect of the period from the date of allotment of the relevant shares to that date. Subject to any special rights which may be attached to any other class of shares, the profits of the Company available for distribution and resolved to be distributed shall subject to the provisions of the Statutes be distributed by way of dividend among the holders of the Ordinary Shares;

(b) On return of assets on a winding-up the assets of the Company available for distribution among the members shall (subject to any provision made under Section 719 of the Act) be applied first in repaying to the holders of the Preference Shares the nominal amounts paid up on such shares together with a sum equal to any arrears or deficiency of the fixed dividend thereon, to be calculated down to the date of the return of capital and to be payable irrespective of whether or not such dividend has been declared or earned and

thereafter the balance of such assets shall be distributed among the holders of the Ordinary Shares rateably according to the number of such shares held by them respectively; and

(c) except with such consents or sanctions on the part of the holders of the Preference Shares and the Ordinary Shares as separate classes as are required for a variation of the special rights attached to either class of such shares in accordance with Article 3:-

(i) the limit upon borrowing powers provided for by Article 101 shall not be enlarged or the provisions of such Article varied except so as to include as borrowed moneys sums which would not otherwise be included; and

(ii) no reduction of the share capital or share premium account or any capital reserve fund of the Company which involves a return of capital in whole or in part of any shares and would require the consent of the Court shall be effected and no share shall be purchased by the Company.

VARIATION OF RIGHTS

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

by him. 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 special rights whereof are to be varied.

4. The creation or (subject to the provisions of Article 10) the issue of further shares ranking *pari passu* with or in priority to the Preference Shares shall be deemed to be a variation of the special rights attached to the Preference Shares.

ALTERATION OF SHARE CAPITAL

5. Subject to the provisions of Article 4, the Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

6. The Company may by Ordinary Resolution:-

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;

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

7. Subject to the provisions of the Statutes and the provisions of these Articles, the Company may purchase any of its own shares (including any redeemable shares).

8. The Company may reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

SHARES

9. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

10. Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

11. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.

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

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

14. The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares (not being fully-paid shares). The Directors may also refuse to register an allotment or transfer of shares (whether fully-paid or not) in favour of more than four persons jointly. If the Directors refuse to register an allotment or transfer they shall within two months after the date on which the letter of allotment or transfer was lodged with the Company send to the allottee or transferee notice of the refusal. Where any shares are admitted to the Official List of the London Stock Exchange Limited, the Directors may not exercise any discretion to refuse to register a transfer of such shares in such a way so as to prevent dealings in the shares of that class from taking place on an open and proper basis.

SHARE CERTIFICATES

15. Every share certificate shall be issued under the Seal (or under a Securities Seal, or, in the case of shares on a branch register, an official seal for use in the relevant territory) and shall specify the number and class of shares to which it relates and the amount paid up thereon. Save as otherwise provided by these Articles, no certificate shall be issued representing shares of more than one class. No certificate shall normally be issued in respect of shares held by a Recognised Clearing House or a nominee of a Recognised Clearing House or of a Recognised Investment Exchange.

16. In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

17.(A) Any person (other than a Recognised Clearing House or a nominee of a Recognised

Clearing House or of a Recognised Investment Exchange) whose name is entered in the Register of Members in respect of any shares shall be entitled, without payment, to receive within one month after allotment or lodgment of a transfer to him of the shares (or within such other period as the terms of issue shall provide) one certificate for all the shares of any one class or a certificate representing Units ("Unit Certificate") and a certificate for each of the balance (if any) of Ordinary Shares and Preference Shares held by him and not represented by such Unit Certificate. In the case of a share or Unit held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who has transferred some of the shares or Units comprised in his holding shall be entitled to a certificate for the balance without charge.

(B) Any member shall be entitled to surrender for cancellation Unit Certificates and to request the Company to issue in lieu and without charge:-

- (i) a certificate in respect of each class of shares represented by such surrendered Unit Certificates; and

- (ii) a Unit Certificate for any shares which he wishes to remain combined as Units.

(C) Any member shall be entitled to surrender for cancellation share certificates and to request the Company to issue in lieu and without charge:-

- (i) a Unit Certificate in respect of the Units represented by the certificates surrendered; and

- (ii) a certificate for each of the balance (if any) of Ordinary Shares and Preference Shares held by him and not represented by such Unit Certificate.

(D) Members may only make the requests referred to in Articles 17(B) and (C) in respect of Units or shares held in certificated form and not in respect of Units or shares held in uncertificated form.

18. Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares issued

in lieu without charge.

19.(A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

(B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.

(C) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

(D) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

CALLS ON SHARES

20. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of allotment of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

21. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed

as the Directors may determine.

22. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

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

24. The Directors may on the allotment of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

25. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding 17 per cent. per annum) as the member paying such sum and the Directors may agree.

FORFEITURE AND LIEN

26. If a member fails to pay in full any call or instalment of a call on or before the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any

interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

27. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

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

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

30. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at 15 per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal or waive payment in whole or in part.

31. The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and the Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

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

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 the amount in respect whereof the lien exists so far as the same is then payable and any residue shall, upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares prior to the sale, be paid to the person entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

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

TRANSFER OF SHARES

35. All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

36. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The Register of Members shall not be closed for more than thirty days in any year.

37. The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share or of Units and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In the case of a transfer by a Recognised Clearing House or a nominee of a Recognised Clearing House or of a Recognised Investment Exchange the lodgment of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

38. All instruments of transfer which are registered may be retained by the Company.

39. No fee will be charged by the Company in respect of the registration of any instrument of transfer or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.

40. The Company shall be entitled to destroy all instruments of transfer or other documents which have been registered or on the basis of which registration was made at

any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and 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 certificate 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 always 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 such 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.

TRANSMISSION OF SHARES

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

42. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such his desire or transfer such share to some other person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the notice or transfer were a transfer executed by the member registered as the holder of any such share.

43. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.

UNTRACED SHAREHOLDERS

44. (A) The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that:-

- (i) during the period of twelve years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the first thereof) no communication has been received by the Company from the member or the person entitled by transmission and 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 shares at his address on the Register

or other the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and at least three dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

(ii) the Company shall on expiry of the said period of twelve years have inserted advertisements in both a national newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (i) above is located giving notice of its intention to sell the said shares; and

(iii) during the said period of twelve years and the period of three months following the publication of the said advertisements the Company shall have received no communication from such member or person; and

(iv) notice shall have been given to the London Stock Exchange of its intention to make such sale.

(B) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may 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.

GENERAL MEETINGS

45. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

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

NOTICE OF GENERAL MEETINGS

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

(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

48. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.

49. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

- (a) declaring dividends;
- (b) receiving and/or adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);
- (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

PROCEEDINGS AT GENERAL MEETINGS

50. The Chairman of the Directors, failing whom a Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

51. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

52. If within five minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. At the adjourned meeting two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

53. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

54. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

55. 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 the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. 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 upon.

56. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-

(a) the chairman of the meeting; or

(b) not less than three members present in person or by proxy and entitled to vote; or

(c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

57. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is demanded a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll

is demanded, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

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

59. A poll demanded on the choice of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

60. Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. The Preference Shares shall not entitle the holders (a) to vote upon any resolution (other than a resolution for winding up the Company or reducing its share capital or a resolution varying or abrogating any of the special rights attached to such shares) unless at the date of the notice convening the meeting at which such resolution is to be proposed the dividend on such shares is six months in arrear (and so that for this purpose the dividend shall be deemed to be payable half-yearly on the dates and in respect of the periods hereinbefore mentioned), or (b) to attend at any General Meeting unless the business of the meeting includes the consideration of a resolution upon which such holders are entitled

to vote; the holders of the Preference Shares shall be entitled to receive notices of General Meetings.

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

62. Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

63. (A) No member shall, unless the Directors otherwise determine, be entitled in respect of any share held by him to vote either personally or by proxy at a General Meeting or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to the General Meetings of the Company or meetings of the holders of any class of shares of the Company if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

(B) If any member, or any other person appearing to be interested in shares held by such 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 information thereby required, then the Directors may in their absolute discretion at any time thereafter serve a notice ("a default notice") upon such member to the effect that in respect of:-

- (i) the shares comprising the shareholding account in the Register of Members which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares"

which expression shall include any further shares which are issued in respect of such shares); and

- (ii) any other shares held by the member

the member shall not nor shall any transferee to which any of such shares are transferred other than pursuant to an approved transfer or pursuant to paragraph (C)(ii) below be entitled to attend and/or vote either personally or by proxy at a General Meeting of the Company or a meeting of the holders of any class of shares of the Company.

(C) Where the default shares represent at least 0.25 per cent. of the issued shares of the class in question, the default notice may additionally direct that:-

- (i) any dividend or part thereof or other money which would otherwise be payable in respect of the default shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member; and/or

- (ii) no transfer of any of the shares held by such member shall be registered unless the transfer is an approved transfer or:-

- (a) the member is not himself in default as regards supplying the information required; and

- (b) the transfer is of part only of the member's holding and, when presented for registration, is accompanied by evidence in a form satisfactory to the Directors to the effect that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

Upon the giving of a default notice its terms shall apply accordingly.

- (D) The Company shall send to each other person appearing to be interested in

the shares the subject of any default notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

(E) (i) Save as herein provided any default notice shall have effect in accordance with its terms for so long as the default in respect of which the default notice was issued continues and shall cease to have effect at the end of the period of 7 days (or such shorter period as the Directors may determine) following receipt by the Company of the information required by the statutory notice in respect of all the shares to which the default notice related or if the Company withdraws the default notice by serving on the holder of the default shares a notice in writing to that effect.

(ii) Any default notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with paragraph (C)(ii) above.

(F) For the purposes of this Article:-

(i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a notice under the said Section 212 and either (a) the member has named such person as being so interested or (b) (after taking into account the response of the member to the said notice and any other relevant information) 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 28 days from the date of service of the notice under the said Section 212 except that if the shares in respect of which the said notice is given represent at least 0.25 per cent. of the issued shares of that class at the time of the giving of the relevant notice under the said Section 212, the prescribed period is 14 days from such date; and

(iii) a transfer of shares is an approved transfer if:-

(a) it is a transfer pursuant to acceptance of an offer made to all the holders (or all holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them; or

(b) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with any person appearing to be interested in such shares including any such sale made through the London Stock Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded. For the purposes of this sub-paragraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.

(G) The provisions of this Article are in addition and without prejudice to the provisions of the Act.

64. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

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

66. A proxy need not be a member of the Company.

67. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve:-

(a) in the case of any individual shall be signed by the appointor or his attorney;
and

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

The signature of such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

68. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to any document accompanying the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

69. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting.

70. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

71. (A) For the purposes of this Article "Specified Nominee" means a corporation which holds shares on behalf of participants in a savings scheme or other plan (including a personal equity plan) which is operated by the Company's manager or any of the manager's associated companies or any administrator appointed by the Company's manager or any such associate and which is established for the purpose of encouraging or facilitating investment in shares of the Company.

(B) Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person (or, provided that such corporation is a Specified Nominee, persons) as it thinks fit to act as its representative(s) at any shareholders' meetings. A person so authorised shall be entitled to exercise the same powers on behalf of the grantor of such authority as the grantor could exercise if it were an individual member of the Company but, in the case of any authorisation by a Specified Nominee, only in respect of those shares held in the name of the grantor to which the specific authorisation given to such person relates. Each person so authorised shall, if present at any such meeting, be deemed for the purpose of these Articles to be a member present in person at such meeting and holding the shares in respect of which the authorisation is given to him.

DIRECTORS

72. Subject as hereinafter provided the Directors shall not be less than 2 nor more than

10 in number. The Company may by Ordinary Resolution from time to time vary the minimum number and/or maximum number of Directors.

73. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

74. The ordinary remuneration of the Directors shall from time to time be determined by the Directors except that such remuneration shall not exceed in aggregate £50,000 per annum or such higher amount as may from time to time be determined by Ordinary Resolution of the Company. Such remuneration shall be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

75. Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

76. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in connection with the business of the Company.

77. (A) The Directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

(B) Without prejudice to the provisions of Article 140 (Indemnity) the Directors shall have the power to purchase and maintain insurance for or for the benefit of any

persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any other such company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or pension fund.

78. A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed by him) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

79. (A) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

(B) The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director shall

automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(C) The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

80. The Directors may entrust to and confer upon any Director holding any executive office any of the powers 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, withdraw, alter or vary all or any of such powers.

APPOINTMENT AND RETIREMENT OF DIRECTORS

81. Any provision of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the Company.

82. The office of a Director shall be vacated in any of the following events, namely:-

- (a) If he shall become prohibited by law from acting as a Director;
- (b) If he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (c) If he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under

that Act;

(d) If in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;

(e) If he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

83. At each Annual General Meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. Provided that no Director holding office as Managing or Joint Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire.

84. The Directors to retire by rotation shall be those of the Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

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

(a) Where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;

(b) Where such Director has given notice in writing to the Company that he is unwilling to be re-elected;

(c) Where the default is due to the moving of a resolution in contravention of the next following Article;

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

86. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

87. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than forty-two days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

88. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had

become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

89. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Articles. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

ALTERNATE DIRECTORS

90.(A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

(B) The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director.

(C) An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative. If his appointor is for the time being absent from the

United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

(D) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

MEETINGS AND PROCEEDINGS OF DIRECTORS

91.(A) Subject to the provisions of these Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retroactive.

(B) Subject always to Article 90(A), all or any of the Directors or any committee thereof may participate in a meeting of the Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

92. The quorum necessary for the transaction of business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

93. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

94.(A) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he (together with any person connected with him) has to his knowledge any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(B) Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-

(i) The giving of any security, guarantee or indemnity in respect of money lent 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;

(ii) 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 he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(iv) Any proposal concerning any other body corporate in which he and any persons connected with him is/are not to his knowledge interested in shares (as that term is used in Part VI of the Act) representing one per cent. or more of the issued equity shares of any class of such body corporate or of the voting rights available to members of the relevant body corporate;

(v) Any proposal concerning the adoption, modification or operation of any arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;

(vi) Any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company or for persons who include Directors of the Company provided that for the purposes of this sub-paragraph insurance shall mean only insurance against liability incurred by a Director in respect of any act or omission by him referred to in Article 77(B) or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors of the Company.

(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 employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such 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 time 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 interest of such Director has not been

fairly disclosed. If any question as aforesaid shall arise in respect of the Chairman of the meeting, such question shall be decided by a resolution of the Directors, for which purpose such Chairman shall be counted in the quorum but shall not vote thereon and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Chairman has not been fairly disclosed to the Directors.

(E) The Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

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

96. (A) The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

(B) If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

97. A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form each signed by one or more Directors. A resolution signed by an alternate Director need not be signed by his appointor and if it

has been signed by a Director who has also appointed an alternate Director, it need not also be signed by the alternate Director in that capacity.

98. The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Insofar as any such power or discretion is so delegated any reference in these Articles to the exercise by the Directors of such power or discretion shall be read and construed as if it were a reference to such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (a) the number of co-opted members shall be less than one half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present throughout the meeting are Directors.

99. The meetings and proceedings of any such committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

100. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

BORROWING POWERS

101. (A) Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage and charge its undertaking, property (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(B) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to the Adjusted Capital and Reserves.

(C) For the purpose of the foregoing limit the following provisions shall apply:-

(i) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):-

(a) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;

(b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;

(c) the nominal amount of any issued and paid up share capital (other than

equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;

(d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which are, or borrowed moneys the indebtedness in respect of which is, for the time being beneficially owned within the Group) the redemption 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 borrowed moneys falling to be taken into account;

(ii) moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;

(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 or another of its subsidiaries;

(iv) when the aggregate principal amount of borrowings required to be taken into account for the purposes of this Article on any particular date is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate

of exchange prevailing on such date in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London six months before such date if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business).

(D) In this Article the expression "Adjusted Capital and Reserves" means at any material time a sum equal to the aggregate of:-

- (a) the amount paid up on the issued share capital of the Company; and
- (b) the amount standing to the credit of the reserves of the Company and its subsidiaries (including any share premium account, capital redemption reserve and Capital Reserve) after adding thereto or deducting therefrom any balance to the credit or debit of revenue account;

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

- (i) excluding any sums set aside for taxation (other than deferred taxation) less any sum properly added back in respect thereof;
- (ii) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose any share capital called up or payable at any fixed future date within the following six months shall be treated as already paid and if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);

(iii) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;

(iv) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;

(v) if the calculation is required for the purposes 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 all such adjustments as would be appropriate if such transaction had been carried into effect;

(vi) excluding minority interests in subsidiaries; and

(vii) making such other adjustments (if any) as the Auditors may consider appropriate.

The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned.

(E) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provision be concerned to see or inquire 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 the 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.

GENERAL POWERS OF DIRECTORS

102. The business and affairs of the Company shall be managed by the Directors, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in General Meeting subject nevertheless to any regulations of these Articles, to the provisions of the Statutes and to such regulations, whether or not consistent with these Articles, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

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

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

105. The Directors may from time to time elect a President of the Company and may determine the period for which he shall hold office. Such President may be either honorary or paid such remuneration as the Directors in their discretion shall think fit, and need not be a Director but shall, if not a Director, be entitled to receive notice of and attend and speak, but not to vote, at all meetings of the Board of Directors.

106. Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.

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

SECRETARY

108. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Assistant Secretaries.

THE SEAL

109. (A) The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.

(B) Every instrument to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors save that as regards any certificates

for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

(C) Where the Statutes so permit, any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended to have effect as a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf.

(D) The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

110. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

AUTHENTICATION OF DOCUMENTS

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

RESERVES

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

(B) The board shall establish a reserve to be called the "capital reserve" and shall either carry to the credit of such reserve from time to time all capital profits or appreciations arising on the sale, transposition, payment off, or revaluation of any investment or other capital assets of the Company in excess of the book value thereof or apply the same in providing for depreciation or contingencies. Any losses realised on the sale, revaluation or payment off of any investments or other capital assets and any Expenses and other sums incurred in connection with the management of the Company and its assets which, in the opinion of the board, are reasonably and fairly apportioned to capital may be carried to the debit of the capital reserve except insofar as the board may in its discretion decide to make good the same out of other funds of the Company. All sums carried and standing to the capital reserve may be applied for any of the purposes to which sums standing to any reserve under the provisions of paragraph (A) of this Article are applicable, except and provided that no part of the capital reserve or any other moneys in the nature of accretion to capital shall in any event be transferred to revenue account to be regarded or treated as profits of the Company available for dividend or be applied in paying dividends on any shares in the Company's capital.

DIVIDENDS

113. The Company may by Ordinary Resolution declare dividends but no such dividend

shall exceed the amount recommended by the Directors.

114. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time 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.

115. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

116. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any surplus over the book value derived from the sale or realisation of any capital asset and any other sums representing capital profits within the meaning of Section 265 of the Act or other accretions to capital assets, including in particular any sums resulting from the writing up of the book values of any capital assets, shall not be available for dividend or any other distribution within the meaning ascribed thereto by Section 263(2) of the Act.

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

118. No dividend or other moneys payable on or in respect of a share shall bear interest

as against the Company.

119.(A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the moneys payable to the Company in respect of that share.

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

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

121. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the later of the date of declaration of such dividend and the date when the dividend became due for payment shall be forfeited and shall revert to the Company.

122. The Company may upon the recommendation of the Directors by Ordinary Resolution and subject to prior separate consents or sanctions of the Preference Shareholders and the Ordinary Shareholders in accordance with Article 3 direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company or of units in a unit trust) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the

value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

123.(A) Any dividend or other moneys payable in cash on or in respect of a share may be paid by direct debit, bank transfer or cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder or otherwise by operation of law, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

123.(B) In respect of shares in uncertificated form, the Company may also pay any such dividend, interest or other moneys by such other method as the Directors may in their absolute discretion think fit (subject always to the facilities and requirements of the relevant system concerned). In respect of shares in uncertificated form, every such payment made by such other method shall be made in such manner as may be consistent with the facilities and requirements of the relevant system concerned. Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders, or of such person as the holder or joint holders may in writing direct. Any payment made by direct debit, bank transfer or such other method shall be at the sole risk of the holder or joint holders. In respect of shares in uncertificated form, the making of payment in accordance with such other method of this Article, shall be a good discharge to the Company. For the purposes of this Article 123(B):-

- (i) "the Regulations" shall mean the Uncertificated Securities Regulations 1995 (S1 1995 No. 95/3272) including any modification thereof or any regulations in

substitution therefor made under Section 207 of the Companies Act 1989 and for the time being in force;

(ii) words and expressions used in the Regulations have the same meaning when used in these Articles; and

(iii) references herein to a share (or to a holding of shares) being in uncertificated form or in certificated form are references respectively to that share being an uncertificated unit of a security or a certificated unit of a security.

124. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

125. Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

CAPITALISATION OF PROFITS AND RESERVES

126. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of Ordinary Shares on the Register at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Shares and applying such sum

on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

ACCOUNTS

127. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.

128. A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles provided that this Article shall not require a copy of these documents to be sent to more than one joint holder or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

AUDITORS

129. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

130. An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

NOTICES

131. Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second-class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceedings.

132. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered

address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.

133. A person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said member would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

134. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.

135. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least one national newspaper and such notice shall be deemed to have been duly served on all members entitled thereto on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

136. Nothing in any of the preceding five Articles shall affect any requirement of the

Statutes that any particular offer, notice or other document be served in any particular manner.

WINDING UP

137.(A) The period for the duration of the Company is until the passing of the Resolution referred to in paragraph (B) below.

(B) Except with the prior separate consents or sanctions of the holders of the Ordinary Shares and of the Preference Shares in accordance with Article 3 obtained on or before 30th November 2010 relieving the Board from such obligations, the Board shall convene a General Meeting of the Company to be held on 30th November 2010 at which a Special Resolution will be proposed requiring the Company to be wound up voluntarily. Every member present in person or by proxy and entitled to vote shall vote in favour of such resolution.

138. The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

139. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

INDEMNITY

140. Every Director or other officer or auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in section 310 of the Act), which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer or auditor shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto; provided that this Article shall only have effect in so far as its provisions are not avoided by the said section.

INSURANCE

141. Subject to the provisions of the Act, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any company or body which is its holding company or in which the Company or such holding company has an interest whether direct or indirect or which is in any way allied to or associated with the Company or who were at any time trustees of any pension fund in which any employees of the Company or of any other such company or body are interested including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company and/or any such other company, body or pension fund.

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