

No. 1821312

THE COMPANIES ACTS 1948 TO 1989

COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF ASSOCIATION
OF
GUARDIAN ROYAL EXCHANGE
PUBLIC LIMITED COMPANY

Incorporated the 1st day of June 1984



THE COMPANIES ACTS 1948 TO 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

GUARDIAN ROYAL EXCHANGE

PUBLIC LIMITED COMPANY

1. The name of the Company is "GUARDIAN ROYAL EXCHANGE PUBLIC LIMITED COMPANY".
2. The Company is to be a public company.
3. The registered office of the Company will be situated in England.
4. The objects for which the Company is established are:-
 - (A) To acquire:
 - (i) the whole of the issued and fully paid ordinary share capital and
 - (ii) the whole of the issued and partly paid ordinary share capital of Guardian Royal Exchange Assurance public limited company.
 - (B) To carry on the business of an investment company and for that purpose to acquire and hold, either in the name of the Company or in that of any nominee, shares, stocks, debentures, debenture stocks, bonds, notes, securities or obligations issued or guaranteed by any company constituted or carrying on business in any part of the world and debentures, debenture stocks, bonds, notes, securities or obligations issued or guaranteed by any government, state or dominion, public body or authority, supreme, municipal, local or otherwise, in any part of the world.
 - (C) To acquire any such shares, stocks, debentures, debenture stock, bonds, notes, securities or obligations by original subscription, contract, tender

purchase, exchange, underwriting, participation in syndicates or otherwise, and whether or not fully paid up.

- (D) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any such shares, stocks, debentures, debenture stocks, bonds, securities or obligations including, without prejudice to the generality of the foregoing, all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof.
- (E) To provide managerial and other executive, supervisory, accounting, investment, administrative and consultancy services, office accommodation and equipment facilities for or in relation to any company in which the Company is interested upon such terms as the directors of the Company may think fit.
- (F) To carry on (whether in the United Kingdom or abroad) the business of banking in all its branches, and to transact and do all matters and things incidental thereto, or which may at any time hereafter, at any place where the Company shall carry on business, be usual in connection with the business of banking or dealing in money or securities for money.
- (G) To acquire by any means any real or personal property or rights whatsoever.
- (H) To carry on any other business which may seem to the Company capable of being conducted directly or indirectly for the benefit of the Company.
- (I) To make experiments in connection with any business or proposed business of the Company, and to apply for or otherwise acquire in any part of the world any patents, patent rights, brevets d'invention, licences, protections and concessions which, in the opinion of the directors of the Company, may appear likely to be advantageous or useful to the Company, and to use and manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (J) To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in connection therewith, or to acquire an interest in, amalgamate or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance, with any such person and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, whether fully or partly paid up, debentures, or other securities or rights that may be agreed upon.

- (K) To acquire and hold shares or other interests in or securities of any other company and otherwise invest and deal with the moneys of the Company.
- (L) To lend money or give credit to such persons on such terms as seem expedient.
- (M) To borrow money and secure by mortgage, charge or lien upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, the discharge by the Company or any other person of any obligation or liability.
- (N) To guarantee the performance of any obligation by any person whatsoever and to give indemnities of all kinds, whether in respect of its own obligations or those of some other person.
- (O) To draw, make accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (P) To apply for, promote and obtain any Act of Parliament, charters, privileges, concessions, licences or authorisations of any government, state, municipality, department or other authority for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its members.
- (Q) To enter into any arrangement with any government or authorities (supreme, municipal, local or otherwise), or any corporations, companies, or persons that may seem conducive to the Company's objects or any of them, and to obtain from any such government, authority, corporation, company or person any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- (R) To establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company, or any such subsidiary or of any of the predecessors of the Company or any such other company as aforesaid, or who may be or have been directors or officers of the Company, or of any such other company as aforesaid, and

the wives, widows, families and any dependants of any such persons, and to establish, subsidise and subscribe to any institutions, associations, societies, trusts, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of, the Company or of any other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.

- (S) To procure the Company to be registered or recognised in any part of the world.
- (T) To promote any other company for the purpose of acquiring all or any of the property and/or undertaking any of the liabilities of the Company, or undertaking any business or operations which appear likely to assist or benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such company as aforesaid.
- (U) To dispose by any means of the whole or any part of the assets of the Company.
- (V) To do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (W) To do all such other things as may be considered by the directors of the Company to be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether corporate or unincorporate, and whether domiciled in the United Kingdom or elsewhere, and the objects specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in nowise be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company.

- 5. The liability of the members is limited.
- 6. The share capital of the Company is £251,000,100 divided into 1,142,859,044 ordinary shares of 5.25 pence each and 931,707,318 non-cumulative redeemable preference shares of 20.5 pence each.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
Ewart Peter Greenfield, F.F.A., A. I. A 75, Eastwood Road Leigh-on--Sea, Essex, SS9 3AH Insurance Company General Manager and Chief Actuary	one
Norman Eric Shepherd, M.A. Westerly Carrick Drive Sevenoaks Kent, TN13 3BA Insurance Company General Manager	one

DATED this 21st day of May 1984

WITNESS to the above signatures:-

W. A. Penlington
Royal Exchange
London, EC3V 3LS

Company Secretary

THE COMPANIES ACTS 1948 TO 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GUARDIAN ROYAL EXCHANGE

PUBLIC LIMITED COMPANY

Articles adopted on 11th May 1994

(Articles amended by special resolution passed on 28th April, 1998)

INTERPRETATION

1. Exclusion of Table A

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the company.

2. Definitions

In these articles unless the context otherwise requires:-

“these articles” means these articles of association as altered from time to time by special resolution and the expression “this article” shall be construed accordingly;

“the auditors” means the auditors for the time being of the company or, in the case of joint auditors, any one of them;

“the board” means the board of directors from time to time of the company or the directors present at a meeting of the directors at which a quorum is present;

“B Shares” means non-cumulative redeemable preference shares of 20.5 pence each in the company;

“clear days” in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;

“the Companies Acts” means every statute (including any orders regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the company;

“the holder” in relation to any shares means the member whose name is entered in the register as the holder of those shares;

“member” means a member of the company;

“the office” means the registered office of the company;

“ordinary shares” means the ordinary shares of 5.25 pence each in the company;

“paid up” means paid up or credited as paid up;

“person entitled by transmission” means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the register;

“the register” means the register of members of the company;

“seal” means any common or official seal that the company may be permitted to have under the Companies Acts;

“the secretary” means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the company and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary;

“the London Stock Exchange” means the London Stock Exchange Limited.

“stock exchange nominee” means a person for the time being designated pursuant to section 185(4) of the Companies Act 1985 (as amended by the Companies Act 1989) and statutory amendment or modification thereof;

“United Kingdom” means Great Britain and Northern Ireland;

references to a document being executed include references to its being executed under hand or under seal or by any other method;

references to writing include references to any method of representing or reproducing words in a legible and non-transitory form;

words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear the same meaning in these articles or that part (as the case may be) save that the word "company" shall include any body corporate; and

references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

Headings and notes are included only for convenience and shall not affect meaning.

3. Form of resolution

Subject to the Companies Acts, where for any purpose an ordinary resolution of the company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective.

SHARE CAPITAL

4. Authorised share capital

(a) The authorised share capital of the company at the date of amendment of this article is £251,000,100 divided into 1,142,859,044 ordinary shares and 931,707,318 B shares.

(b) The B shares shall have the following rights and restrictions.

I. Income

(i) Out of the profits available for distribution in respect of each financial year or other accounting period of the company, the holders of the B shares shall be entitled with effect from 6 June 1998, in priority to any payment of dividend or other distribution to the holders of any ordinary shares and before profits are carried to reserves, to be paid a non-cumulative preferential dividend ("preferential dividend") per B share at a rate per annum of 4.75 per cent. on the nominal value thereof (exclusive of any associated tax credit relating thereto but inclusive of any withholding tax deductible therefrom), such dividend in respect of the period from 6 June 1998 to 30 November 1998 to be paid in arrears on 30 November 1998 and in the proportion that the length of that period bears to 365 days and thereafter such dividend to be paid (without having to be declared) six monthly in arrears on 31 May and 30 November each year (provided that, in either case, if any such date would otherwise fall on a date which is not a business day (as defined below) it shall be postponed to the next day which is a business day (without any

interest or payment in respect of such delay)) (each a "Payment Date"), the first such Payment Date being 30 November 1998.

- (ii) In this Article, the expression "business day" means a day upon which sterling deposits may be dealt in on the London inter-bank market and commercial banks are generally open in London and the expression "non-cumulative" in relation to the preferential dividend means that the dividend payable on each Payment Date is payable out of the profits of the company available for distribution in respect of the accounting reference period in which the Payment Date falls (including any reserves representing profits made in previous accounting reference periods) without any right in the case of a deficiency to resort to profits made or becoming available for distribution in subsequent accounting reference periods.
- (iii) Payments of preferential dividends shall be made to holders on the register on a date selected by the directors being not less than 15 days or more than 42 days (or, in default of selection by the directors, on the date falling 15 days) prior to the relevant Payment Date.
- (iv) The holders of the B shares shall not be entitled to any further right of participation in the profits of the company.
- (v) All dividends payable on the B shares which are unclaimed for a period of 12 years from the Payment Date in respect thereof shall be forfeited and shall revert to the company.

II. Capital

Except as provided at V below, on a return of capital on winding up or otherwise (except on redemption in accordance with the terms of issue of any share, or purchase by the company of any share or on a capitalisation issue or on a special dividend (in cash or in kind)), the holders of the B shares shall be entitled in priority to any payment to the holders of the ordinary shares to the repayment of the nominal capital paid up on the B shares held by them together with a sum equal to the relevant proportion of the preferential dividend which would have been payable, if the winding up or other return of capital had taken effect on the next occurring Payment Date, the relevant proportion being the number of days from and including the last Payment Date (or, if the date of such winding up or return of capital is prior to 30 November 1998, 6 June 1998) to, but excluding, the date of the winding up or other return of capital, divided by 183 (or, if the date of such winding up or return of capital is prior to 30 November 1998, 177). The aggregate entitlement of each holder of B shares on a return of capital in respect of all of the B shares held by him shall be rounded up to the nearest whole penny. The holders of the B shares shall not be entitled to any further right of participation in the profits or assets of the company. If on any such return of capital the amounts available for payment are insufficient to cover in full the preferential amounts payable on the B shares, the holders of such shares will share

rateably in the distribution of profits or assets (if any) in proportion to the full preferential amounts to which they are entitled.

III. Redemption

Subject to the provisions of the Companies Acts and to the other provisions of the Articles of Association of the company, the B shares shall be redeemed in accordance with the following provisions:

- (i) Unless redeemed earlier, the company shall redeem all outstanding B shares on 31 May 2003.
- (ii) The company may at any time declare, by means of an announcement notified through the Company's Announcement Office of the London Stock Exchange, a period (a "Redemption Period") during which holders can elect to have some or all of their B shares redeemed on the terms and conditions announced by the company at the time. To be effective, the notice must provide that the period shall commence on a specified date, not earlier than the business day following the date of the announcement, and that it shall continue up to and including a second specified date.

In the case of B shares held in certificated shares, such election must be made by completion (either by the shareholder or by his or her duly appointed agent) of the form of notice set out on the back of the certificate(s) representing the relevant B shares, or of any other approved form of notice provided to such shareholder (or his or her agent) by the company or its registrar (each a "Redemption Form"). Signature of the Redemption Form may be by means of a facsimile signature where proof of authorisation acceptable (at its sole discretion) to the directors has been provided by the relevant shareholder or agent. In the case of B shares held in uncertificated form, such election must be made in the manner specified by the company.

- (iii) The company shall have, on the giving of not less than ten days' written notice to the holders of the outstanding B shares, the option of redeeming all outstanding B shares at any time after 30 November 1998 if more than 75 per cent. of the B shares originally issued have been redeemed.
- (iv) The company shall have the option of redeeming B shares on any Payment Date commencing with 31 May 1999 on the giving of not less than ten days' written notice in writing to the holders of the outstanding B shares.
- (v) Each B share shall be redeemed at a sum equal to the nominal value of that B share together with a further amount by way of a

preferential dividend equal to the relevant proportion of the preferential dividend which would have been payable, if the redemption had taken effect on the next occurring Payment Date, the relevant proportion being the number of days from and including the last Payment Date (or, if the date of such redemption is prior to 30 November 1998, 6 June 1998) to, but excluding the date of redemption, divided by 183 (or, if the date of such redemption is prior to 30 November 1998, 177) where the redemption occurs other than in the circumstances specified in paragraph (ii) above or on a Payment Date. Where the aggregate redemption proceeds payable to a B shareholder in respect of his or her holding of B shares would otherwise include a fraction of a penny, such aggregate proceeds will be rounded up to the nearest penny.

- (vi) The directors may, at the company's option, make such arrangements as they consider fair and reasonable whereby the proceeds of any redemption of B shares held by holders located outside the United Kingdom will be paid to a financial institution on behalf of such holders for conversion from pounds sterling into the relevant local currency at the best rate reasonably attainable at the relevant time and subsequently paid to such holders.
- (vii) On or prior to the date on which a B share is to be redeemed (a "Redemption Date"), each holder whose B shares are to be redeemed on that Redemption Date shall (unless he or she has not been issued with such certificate(s)) deliver the relevant share certificate(s) for his or her B shares to the company. If any holder of B Shares to be redeemed shall fail or refuse to deliver up the certificate(s) for his or her shares, the company may retain the amount due on redemption until delivery up to the company of such certificate(s) or of an indemnity in respect thereof satisfactory to the company (a "Lost Share Certificate Indemnity"), but shall, within five business days after such subsequent delivery or provision of indemnity, pay the amount due on redemption to such holder. Alternatively, at the company's sole discretion, the redemption monies payable to such a holder may be set aside and paid into a separate interest-bearing account with the company's bankers (designated for the benefit of such holder) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant B shares shall cease and determine as from the date fixed for the redemption thereof and the company shall thereby be discharged from all obligations in respect thereof. The company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said

monies may earn while on deposit less any expenses incurred by the company in connection therewith.

- (viii) From and including the relevant Redemption Date, dividends shall cease to be payable on the B shares which are to be redeemed. However, in relation to any such B shares in respect of which, upon due presentation of the certificate(s) relating thereto or Lost Share Certificate Indemnity, payment of the monies due on such redemption shall be refused by the company, the deemed accrued dividend on such shares shall be calculated up until the date when a cheque for the said amount due on redemption is despatched by the company to the holder of such shares, or the amount is otherwise paid by the company, or 31 May 2003, if earlier. For the avoidance of doubt, there shall be no entitlement to receive any preferential dividend in respect of such B shares during such period after the Redemption Date in respect of which the deemed accrued dividend is payable.
- (ix) Cheques for redemption proceeds will be despatched to holders of B shares at their registered addresses and at their risk. In the case of joint holders, cheques will be posted to the registered address of the first named holder on the company's register, at their risk. The receipt by the registered holder for the time being of any B shares, or in the case of joint registered holders, the receipt by any of them, of the monies payable on redemption thereof shall constitute an absolute discharge to the company in respect thereof.

IV. Voting at general meetings

The holders of the B shares shall not be entitled, in respect of their holdings of such shares, to receive notice of any general meeting of the company or to attend, speak or vote at any such general meeting unless (i) the business of the meeting includes the consideration of a resolution for the winding up of the company, in which case the holders of the B shares shall have the right to attend the general meeting and shall be entitled to speak and vote only on any such resolution or (ii) at the date of the notice convening the meeting, the preferential dividend has remained unpaid for six months or more from any Payment Date in which case the holders of the B shares shall have the right to attend the general meeting and shall be entitled to speak and vote on all resolutions.

Whenever the holders of the B shares are entitled to vote at a general meeting of the company, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) by representative shall have one vote, and on a poll every such holder shall have one vote for each B share which he holds provided that if the aggregate number of the votes that would be capable of being cast by holders of B shares on a poll on any resolution at a general meeting would exceed 5 per cent. of the total number of votes capable of being cast by all holders on any such resolution, the votes of each B share shall be reduced equally so that such aggregate

number of votes capable of being so cast by holders of B shares shall be 5 per cent. of the total number of votes capable of being so cast by all holders.

V. Class rights

The company may from time to time create, allot and issue further shares, whether ranking pari passu with or in priority to the B shares, and such creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B shares) shall be treated as being in accordance with the rights attaching to the B shares and shall not involve a variation of such rights for any purpose or require the consent of holders of B shares.

A reduction by the company of the capital paid up on the B shares carried out in accordance with the rights attaching to the B shares shall not involve a variation of such rights for any purpose, and the company shall be authorised to reduce its capital (subject to the confirmation of the Court in accordance with the Companies Act and without obtaining the consent of the holders of the B shares) including by paying to the holders of the B shares the preferential amounts to which they are entitled as set out in II above.

5. Rights attached to shares and power to issue redeemable shares

- (a) Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the board may decide.
- (b) Shares may, with the sanction of any ordinary resolution, be issued on the terms that they are, or are liable, to be redeemed at the option of the company and/or the holder on the terms and in the manner as the company before the issue of the shares may by special resolution determine.

6. Purchase of own shares

Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any class of shares, the company may purchase all or any of its shares of any class, including any redeemable shares. Purchases or contracts for the purchase of, or under which the company may become entitled or obliged to purchase, shares in the company shall be authorised by such resolution of the company as may be required by the Companies Acts and by an extraordinary resolution passed at a separate general meeting of the holders of any class of shares which at the date on which the purchases or contracts are authorised by the company in general meeting entitle them, either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the company. Neither the company nor the board shall be required to select the shares to be purchased rateably or in any other

particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

7. Variation of rights

Subject to the provisions of the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the company is being wound up) be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these articles as to general meetings of the company shall *mutatis mutandis* apply to any such separate general meeting, but so that the necessary quorum shall be a person or persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of the holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

8. Pari passu issues

Unless otherwise expressly provided by the rights attached to any shares, those rights shall be deemed to be varied by the reduction of the capital paid up on those shares and by the creation or issue of further shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by such first mentioned shares, but shall not otherwise be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

9. Unissued shares

Subject to the provisions of the Companies Acts and these articles, the unissued shares of the company (whether forming part of the original or any increased capital) shall be at the disposal of the board which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms as the board may decide.

10. Payment of commission

The company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts.

11. Trusts not recognised

Except as ordered by a court of competent jurisdiction or 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 required in any way to recognise (even when having notice of it) any interest in any share other than an absolute right to the whole of the share in the holder.

CERTIFICATES

12. Right to share certificates

Every person whose name is entered in the register as a holder of any shares shall be entitled, without payment, to receive within two months after allotment or lodgement of a transfer to him of those shares (or within such other period as the terms of issue shall provide) one certificate for all those shares of any one class or several certificates each for one or more of the shares of the class in question upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the board may from time to time decide. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who transfers some but not all of the shares comprised in a certificate shall be entitled to a certificate for the balance without charge.

13. Replacement of share certificates

If a share certificate is defaced, worn out, lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the company in investigating the evidence and preparing the indemnity as the board may decide and, where it is defaced or worn out, after delivery of the old certificate to the company.

14. Execution of share certificates

Every share certificate shall be executed under a seal or in such other manner as the board having regard to the terms of issue and any listing requirements may authorise, and shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

LIEN

15. Company's lien on shares not fully paid

The company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the company (whether presently or not) in respect of that share. The company's lien on a share shall extend to every amount payable in respect of it. The board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this article.

16. Enforcing lien by sale

The company may sell, in such manner as the board may decide, any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been served on the holder of the shares, demanding payment and stating that if the notice is not complied with the shares may be sold. For giving effect to the sale the board may authorise some person to execute an instrument of transfer of the shares sold to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in reference to the sale.

17. Application of proceeds of sale

The net proceeds, after payment of the costs, of the sale by the company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the company, for cancellation of the certificate for the shares sold) be paid to the person who was the holder immediately before the sale.

CALLS ON SHARES

18. Calls

Subject to the terms of issue, the board 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 amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the company serving upon him at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be revoked or postponed as the board may decide. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

19. Payment on calls

A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

20. Liability of joint holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

21. Interest due on non-payment

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding 15 per cent. per annum, as the board may decide, but the board shall be at liberty to waive payment of the interest wholly or in part.

22. Sums due on allotment treated as calls

Any amount which becomes payable in respect of a share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these articles shall apply as if the sum had become due and payable by virtue of a call.

23. Power to differentiate

Subject to the terms of issue, the board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

24. Payment of calls in advance

The board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as the board may decide.

FORFEITURE OF SHARES

25. Notice if call or instalment not paid

If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the board may at any time serve a notice on the holder

requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

26. Form of notice

The notice shall name a further day (not being less than fourteen clear days from the date 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 on or before the day and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The board may accept the surrender of any share liable to be forfeited and, in that event, references in these articles to forfeiture shall include surrender.

27. Forfeiture if non compliance with notice

If the notice is not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest due in respect of it has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

28. Notice after forfeiture

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by any omission or neglect to give the notice.

29. Sale of forfeited shares

Until cancelled in accordance with the requirements of the Companies Acts, a forfeited share shall be deemed to be the property of the company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person upon such terms and in such manner as the board shall decide. The board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The company may receive the consideration (if any) given for the share on its disposal and if the share is in registered form may register the transferee as the holder of the share. At any time before a sale, re-allotment or disposition the forfeiture may be cancelled by the board on such terms as the board may decide.

30. Arrears to be paid notwithstanding forfeitures

A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the company all moneys which at the date of the forfeiture were payable by him to the company in respect of those shares with interest thereon at the rate of 15 per

cent. per annum (or such lower rate as the board may decide) from the date of forfeiture until payment, and the company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal.

31. Statutory declaration as to forfeiture

A statutory declaration that the declarant is a director of the company or the secretary and that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal.

TRANSFER OF SHARES

32. Form of transfer

Subject to such of the restrictions of these articles as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form which the board may approve.

33. Execution of transfer

The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the company.

34. Right to decline registration of partly paid shares

The board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any share which is not a fully paid share providing that this does not prevent dealings in that class of shares from taking place on an open and proper basis.

35. Other rights to decline registration

The board may also decline to register any transfer unless:-

- (a) the instrument of transfer is lodged with the company accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer,

- (b) the instrument of transfer is in respect of only one class of share, and
- (c) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

In the case of a transfer by a stock exchange nominee the lodgement of a share certificate will only be necessary if a certificate has been issued in respect of the share in question.

36. Notice of refusal

If the board declines to register a transfer of a share it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.

37. No fee for registration

No fee shall be charged by the company for registering any transfer or other document relating to or affecting the title to any share or for making any other entry in the register.

38. Suspension of registration

The registration of transfers of shares or debentures or of any class of shares or debentures may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.

39. Untraced shareholders

The company may sell any shares in the company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a member of the London Stock Exchange to sell them at best price if:-

- (a) the shares have been in issue throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period,
- (b) no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relevant cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares at any time during the relevant period,
- (c) so far as any director of the company at the end of the relevant period is then aware, the company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares,

- (d) the company has caused two advertisements to be published, one in a daily newspaper with a national circulation and the other in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the shares shown in the register, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates, and
- (e) the company has given notice to the Quotations Department of the London Stock Exchange of its intention to make the sale.

For the purpose of this article:

“the qualifying period” means the period of twelve years immediately preceding the date of publication of the advertisements referred to in sub-paragraph (d) above or of the first of the two advertisements to be published if they are published on different dates; and

“the relevant period” means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of sub-paragraphs (a) to (e) above have been satisfied.

If, after the publication of either or both of the advertisements referred to in sub-paragraph (d) above but before the company has become entitled to sell the shares pursuant to this paragraph of this article, the requirements of sub-paragraph (b) or (c) above cease to be satisfied, the company may nevertheless sell those shares after the requirements of sub-paragraphs (a) to (e) above have been satisfied afresh in relation to them.

If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements of sub-paragraphs (b) to (e) above have been satisfied in regard to the further shares, the company may also sell the further shares.

To give effect to any sale of shares pursuant to this article the board may authorise some person to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the company and, upon their receipt, the company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and the company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the company or as it thinks fit.

TRANSMISSION OF SHARES

40. Transmission on death

If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his shares; but nothing contained in these articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.

41. Entry of transmission in register

Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the board, the board shall within two months after proof cause the entitlement of that person to be noted in the register.

42. Election of person entitled by transmission

Any person entitled by transmission to a share may, subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself he shall give notice to the company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share in favour of that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer executed by the member.

43. Rights of person entitled by transmission

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share to attend or vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company. The board may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and if the notice is not complied with within two months the board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

STOCK

44. Conversion of shares into stock and re-conversion of stock into shares

The company may by ordinary resolution convert any paid up shares into stock, and re-convert any stock into paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class in the capital of the company into stock, any shares of that class which subsequently become fully paid up and rank pari passu in all other respects with the shares so converted shall by virtue of this article and such resolution be converted into stock transferable in the same units as the shares already converted.

45. Transfer of stock

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

46. Rights attaching to stock

The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose provided that no such privilege or advantage (except participation in dividends and profits of the company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

47. Provisions applicable to shares to be applicable to stock

All the provisions of these articles applicable to paid up shares shall apply to stock and in all such provisions the words "share" and "member" shall include "stock" and "stockholder" respectively.

DISCLOSURE OF INTERESTS

48. Suspension of rights where non-disclosure of interest

- (i) Where the holder of any shares in the company, or any other person appearing to be interested in those shares, fails to comply within the relevant period with any statutory notice in respect of those shares, the company may give the holder of those shares a further notice (a "restriction notice") to the effect that from the service of the restriction notice those shares will be subject to some or all of the relevant restrictions, and from service of the restriction notice those shares shall,

notwithstanding any other provisions of these articles, be subject to those relevant restrictions accordingly.

- (ii) If after the service of a restriction notice in respect of any shares the board is satisfied that all information required by any statutory notice relating to those shares or any of them from their holder or any other person appearing to be interested in the shares the subject of the restriction notice has been supplied, the company shall, within not more than 7 days, cancel the restriction notice. The company may at any time at its discretion cancel or suspend any restriction notice or exclude any shares from it. A restriction notice shall automatically cease to have effect in respect of any shares transferred where the transfer has been shown to the company to be pursuant to an arm's length sale of those shares.
- (iii) Where any restriction notice is cancelled or ceases to have effect, any moneys withheld by reason of that notice shall be paid without interest to the person who would but for the notice have been entitled to them or as he may direct.
- (iv) Any new shares in the company issued in right of any shares subject to a restriction notice shall also be subject to the restriction notice, and the board may make any right to an allotment of the new shares subject to restrictions corresponding to those which will apply to those shares by reason of the restriction notice when such shares are issued.
- (v) Any holder of shares on whom a restriction notice has been served may at any time request the company to give in writing the reason why the restriction notice has been served, or why it remains uncanceled, and within 14 days of receipt of such a notice the company shall give that information accordingly.
- (vi) This article is in addition to, and shall not in any way prejudice or affect, the statutory rights of the company arising from any failure by any person to give any information required by a statutory notice within the time specified in it. For the purpose of this article a statutory notice need not specify the relevant period, and may require any information to be given before the expiry of the relevant period.
- (vii) In this article:

“arm's length sale” means a sale of the entire interest in the shares the subject of the sale on a recognised stock exchange or a stock exchange on which shares in the company of that description are normally traded, or a sale of such an entire interest otherwise than on such a stock exchange to a person who had no interest in those shares at the time the relevant statutory notice was served and who is not an associate (within the definition of that expression in any statute relating to insolvency in force at the date of adoption of this article) of a person who had such an

interest and who is not acting in concert (within the definition of that expression in any code on take-overs and mergers generally applicable in the United Kingdom at the date of adoption of this article) with a person who had such an interest;

“person appearing to be interested” in any shares shall mean any person named in a response to a statutory notice as being so interested or shown in any register kept by the company under the Companies Acts as so interested or, taking into account a response or failure to respond in the light of the response to any other statutory notice and any other relevant information, any person whom the company has reasonable cause to believe is so interested;

“person with a 0.25 per cent. interest” means a person who holds, or is shown in any register kept by the company under the Companies Acts as having an interest in, shares in the company which comprise in total at least 0.25 per cent. in number or nominal value of the shares of the company, or of any class of such shares, in issue at the date of service of the statutory notice or the restriction notice (as the case may be);

“relevant period” means, in the case of a statutory notice served on a person with a 0.25 per cent. interest, 14 days and in any other case, 28 days;

“relevant restrictions” means in the case of a restriction notice served on a person with a 0.25 per cent. interest that

- (a) the shares shall not confer on the holder any right to attend or vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company;
- (b) the board may withhold payment of all or any part of any dividends or other moneys payable in respect of the shares; and
- (c) the board may decline to register a transfer of the shares or any of them unless such a transfer is shown to the board to be pursuant to an arm's length sale

and in any other case mean only the restriction specified in subparagraph (a) of this definition;

“statutory notice” means a notice served by the company under the Companies Acts requiring particulars of interests in shares or of the identity of persons interested in shares.

ALTERATION OF SHARE CAPITAL

49. Increase, consolidation, sub-division and cancellation

The company may from time to time by ordinary resolution:-

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subject to the provisions of the Companies Acts, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

50. Fractions

Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions to any person (including, subject to the provisions of the Companies Acts, the company) and distribute the net proceeds of sale in due proportion among those members and the board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

51. Reduction of capital

Subject to the provisions of the Companies Acts, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

TRANSFER OF SECURITIES WITHOUT A WRITTEN INSTRUMENT

52. Transfer of securities without a written instrument

Title to any securities of the company may be evidenced and transferred without a written instrument in accordance with statutory regulations from time to time made under the Companies Acts and the board shall have power to

implement any arrangements it may think fit for such evidencing and transfer which accord with those regulations.

GENERAL MEETINGS

53. Extraordinary general meetings

Any general meeting of the company other than an annual general meeting shall be called an extraordinary general meeting.

54. Annual general meetings

The board shall convene and the company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

55. Convening of extraordinary general meetings

The board may convene an extraordinary general meeting whenever it thinks fit.

NOTICE OF GENERAL MEETINGS

56. Length of notice

An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or a resolution appointing a person as a director shall be convened by not less than twenty-one clear days' notice in writing. All other extraordinary general meetings shall be convened by not less than fourteen clear days' notice in writing. The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted. Notice of every general meeting shall be given to all members other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company, and also to the auditors or, if more than one, each of them.

Notwithstanding that a meeting of the company is convened by shorter notice than that specified in this article, it shall be deemed to have been properly convened if it is so agreed:-

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

57. Omission or non-receipt of notice

The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive the notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

58. Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

59. Procedure if quorum not present

If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the commencement of the meeting a quorum is not present, the meeting shall stand adjourned to such other day (not being less than ten nor more than twenty-eight days later) and at such other time or place as the chairman of the meeting may decide and at such adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum. The company shall give not less than seven clear days' notice in writing of any meeting adjourned through want of a quorum and the notice shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

60. Security arrangements

The board may direct that members or proxies wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to such general meeting to any member or proxy who fails to submit to such searches or to otherwise comply with such security arrangements or restrictions.

61. Chairman of general meeting

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy

chairman is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.

62. Directors' right to attend and speak

Each director shall be entitled to attend and speak at any general meeting of the company and at any separate general meeting of the holders of any class of shares in the company.

63. Notice of adjournment

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in the notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment.

AMENDMENTS

64. Amendments ruled out of order

If an amendment shall be proposed to any resolution under consideration but shall 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.

VOTING

65. Method of voting

A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded:-

- (A) by the chairman; or
- (B) by not less than two members present in person or by proxy and having the right to vote at the meeting; or

- (C) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (D) by a member or members holding shares of 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.

66. Votes of members

Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative 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.

67. Procedure if poll demanded

If a poll is properly demanded it shall be taken in such manner as the chairman shall direct and he may appoint scrutineers who need not be members. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

68. When poll to be taken

A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such date (being not later than thirty days after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

69. Continuance of other business after poll demand

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

70. Votes on a poll

On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

71. Casting vote of chairman

In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional or casting vote.

72. Votes of joint holders

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

73. Voting on behalf of incapable member

A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so on his behalf and that person may vote on a poll by proxy, provided that evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote has been delivered at the office (or at such other place as may be specified in accordance with these articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

74. No right to vote where sums overdue on shares

No member shall, unless the board otherwise decides, be entitled to vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

75. Objections or errors in voting

If:-

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

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given

or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

PROXIES

76. Execution of proxies

An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign it.

77. Delivery of proxies

The instrument appointing a proxy and (if required by the board) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the board, may be delivered to the office (or to such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall be invalid. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share : if the company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

78. Maximum validity of proxy

No instrument appointing a proxy shall be valid after twelve months have elapsed from the date named in it as the date of its execution.

79. Form of proxy

Instruments of proxy shall be in any usual form or in such other form as the board may approve and the board may, if it thinks fit, but subject to the provisions of the Companies Acts, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and

to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

80. Cancellation of proxy's authority

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the company at the office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

CORPORATIONS ACTING BY REPRESENTATIVES

81. Corporations acting by representatives

Any corporation which is a member of the company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the company, or at any separate meeting of the holders of any class of shares of the company. The person so authorised shall be entitled to exercise the same power on behalf of such corporation as that corporation could exercise if it were an individual member of the company, and such corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

82. Number of directors

Unless otherwise determined by ordinary resolution the number of directors shall not be less than six. The company may from time to time by ordinary resolution vary the minimum number and/or fix and from time to time vary a maximum number of directors.

83. Age of directors

Subject to the provisions of these articles a director shall vacate his office on his seventieth birthday and shall not be eligible for reappointment. A director who vacates his office pursuant to this article on a date which is the same as that for which an annual general meeting is convened to be held shall not be taken into account in determining the directors who are to retire by rotation at such meeting.

84. Directors shareholding qualifications

No shareholding qualification for directors shall be required.

85. Power of company to appoint directors

Subject to the provisions of these articles, the company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles.

86. Power of board to appoint directors

Without prejudice to the power of the company in general meeting pursuant to any of the provisions of these articles to appoint any person to be a director, the board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

87. Number to retire by rotation

Subject as otherwise provided in these articles, all the directors shall be subject to retirement by rotation and, subject as aforesaid, at the first annual general meeting and at the annual general meeting in every year thereafter, one-third of the directors who are so subject or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office; provided that if there are only two directors subject to retirement by rotation, one of them shall retire and if there is only one director who is subject to retirement by rotation, he shall retire. Subject to article 95, a director retiring at a meeting as aforesaid shall retain office until the dissolution of that meeting.

88. Identity of directors to retire

Subject to the provisions of the Companies Acts and of these articles, the directors to retire by rotation on each occasion shall be those who have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at start of business on the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of

any change in the number or identity of the directors after that time on the date of the notice but before the close of the meeting.

89. Filling rotation vacancies

Subject to the provisions of these articles, the company at the meeting at which a director retires by rotation may fill the vacated office and in default the retiring director shall, if willing to continue to act, be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill the vacated office or unless a resolution for the reappointment of that director has been put to the meeting and lost.

90. Power of removal by extraordinary resolution

Without prejudice to the provisions of the Companies Acts, the company may, by extraordinary resolution, remove a director before the expiration of his period of office (but such removal shall be without prejudice to any claim such director may have for breach of any contract of service between him and the company) and may, by ordinary resolution, appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed a director.

91. Persons eligible as directors

No person other than a director retiring at a meeting shall, unless recommended by the directors, be appointed a director at any general meeting unless, not less than seven nor more than forty-one clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been given to the company of the intention to propose that person for appointment together with notice executed by that person of his willingness to be appointed.

92. Appointment of more than one director by a single resolution

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

93. Position of retiring directors

A director who retires (whether by rotation or otherwise) at an annual general meeting may, if willing to continue to act, be reappointed. If he is not reappointed or deemed to be reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

94. Vacation of office by directors

The office of a director shall be vacated if:-

- (A) he ceases to be a director by virtue of any provision of the Companies Acts or he becomes prohibited by law from being a director; or
- (B) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (C) an order is made by a court of competent jurisdiction by reason of his mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs; or
- (D) he resigns his office by notice in writing under his hand sent to or left at the office or (being a director who has agreed to serve as a director for a fixed term) he offers in writing under his hand to resign and the directors shall resolve to accept the offer; or
- (E) in the case of a director who holds any executive office, his appointment as such is terminated or expires and the directors resolve that he ceases to be a director; or
- (F) he shall for more than six months have been absent without permission of the directors from meetings of directors held during that period, and his alternate director (if any) shall not during that period have attended any such meeting in his stead, and the directors resolve that his office be vacated.

95. Alternate directors

- (A) Any director (other than an alternate director) may appoint any other director, or any other person approved by the directors, to be an alternate director and may remove from office an alternate director so appointed by him. An alternate director shall (subject to his giving the company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of directors, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment. Every appointment and removal of an alternate director shall be in writing executed by the director making or revoking the appointment and (in the case of an appointment) by the person appointed and shall be sent to or left at the office.

- (B) Save as otherwise provided in these articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults, and he shall not be deemed to be the agent of the director appointing him. The remuneration of any alternate director shall be payable out of the remuneration payable to the director appointing him, and shall consist of such part (if any) of the last-mentioned remuneration as shall be agreed between the alternate director and the director appointing him.

96. Executive directors

The board may from time to time appoint one or more directors to hold any employment or executive office with the company (including that of a managing director) for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board may in its discretion decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the company or the company may have against the director for any breach of any contract of service between him and the company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide, and either in addition to or in lieu of his remuneration as a director.

FEES, ADDITIONAL REMUNERATION EXPENSES AND PENSIONS

97. Directors' fees

Each of the directors shall be paid a fee at such rate as may from time to time be determined by the board provided that the aggregate of all fees so paid to directors (excluding amounts payable under any other provision of these articles) shall not exceed £400,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the company.

98. Additional remuneration

Any director who goes or resides abroad for any purposes of the company or who performs services which in the opinion of the board or any committee authorised by the board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may in its discretion decide in addition to any remuneration provided for by or pursuant to any other article.

99. Expenses

Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the board or committees

of the board or general meetings of the company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the company's business or in the discharge of his duties as a director.

100. Pensions and gratuities for directors

The directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons who are or were at any time in the employment or service of the company, or of any company which is a subsidiary undertaking of the company or is allied to or associated with the company or any such subsidiary undertaking or of any of the predecessors in business of the company or any such other company as aforesaid, or who may be or have been directors or officers of the company or of any such other company as aforesaid and who hold or have held executive positions or agreements for service with the company or any such other company as aforesaid, and the wives, families and dependants of any such persons, and also establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the company or of any such other company as aforesaid, or of any such person as aforesaid, and make payments for or towards the insurance of any such person as aforesaid and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid. Subject to particulars with respect to the proposed payment being disclosed to the members of the company and to the proposal being approved by the company by ordinary resolution, if the Companies Acts shall so require, any director who holds or has held any such executive position or agreement for services shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

DIRECTORS' INTERESTS

101. Permitted interests and voting

Save as otherwise provided by these articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in respect of which he has any duty which conflicts with his duty to the company, or in which he has, directly or indirectly, a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise through the company, unless his interest arises only because the resolution relates to:-

- (a) the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiary undertakings;

- (b) the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiary undertakings for which the director has assumed responsibility in whole or part under a guarantee or indemnity or by the giving of security;
- (c) a proposal concerning the offer of any shares, debentures or other securities of the company or any of its subsidiary undertakings, for subscription or purchase, in which he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (d) any arrangement for the benefit of the employees, including but without being limited to an employees' share scheme, under which the director benefits in a similar manner as the employees, and which does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates; or
- (e) any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this article to be a material interest in all circumstances).
- (f) any contract for the purchase or maintenance for any director or directors of insurance against liability.

For the purposes of this article, the interest of any person who (for the purposes of Part X of the Companies Act 1985) is connected with a director shall be taken to be the interest of that director.

102. Permitted interests and quorum

A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

103. Contracts with directors

Any contract of employment entered into by a director with the company shall not include a term that is to be for a period exceeding five years unless such term is first approved by ordinary resolution.

POWERS AND DUTIES OF THE BOARD

104. General powers of company vested in board

Subject to the provisions of the Companies Acts and these articles and to any directions given by special resolution, the directors may exercise all the powers

of the company. No alteration of these articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles.

105. Borrowing powers

(1) The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, or any part thereof, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the company or of any third party. The directors shall restrict the borrowings of the company and exercise all rights exercisable by the company in relation to its subsidiary undertakings (if any) so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that save with the previous sanction of an ordinary resolution of the company, the aggregate principal amount (including any fixed premium payable on final repayment) at any one time outstanding in respect of all moneys borrowed by the company and its subsidiary undertakings (other than excluded subsidiary undertakings) for the time being (exclusive of (i) amounts borrowed by any such company from any other of them (ii) an amount equivalent to the borrowings outstanding at the date of acquisition of any company (other than an excluded subsidiary undertaking) becoming a subsidiary undertaking of any subsidiary undertaking of the company after 1st November, 1968 or becoming a subsidiary undertaking of the company itself after 9th November, 1984 and (iii) borrowings forming any part of the investment assets of the life assurance and annuity funds of the company's subsidiary undertakings) shall not exceed an amount equal to twice the aggregate of:-

- (A) the amount paid up on the share capital of the company, and
- (B) the amounts of the capital and revenue reserves of the company and its subsidiary undertakings other than excluded subsidiary undertakings (including any share premium account, the capital redemption reserve and plus or minus the credit or debit balances (as the case may be) on the profit and loss accounts),

all as shown by a consolidation of the then latest audited balance sheets of the company and its subsidiary undertakings, but adjusted for any variation in the paid up share capital or share premium account or the capital redemption reserve of the company since the date of its latest audited balance sheet; provided that if the company proposes to issue any shares for cash and the issue of such shares 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 be deemed to have been paid up at the date when the issue of such shares was underwritten.

(2) For the purposes of the foregoing moneys borrowed shall be deemed to include:-

- (i) the principal amount for the time being outstanding in respect of any debenture as defined in section 744 of the Companies Act 1985, of the company or any subsidiary undertaking, and any fixed premium payable on final redemption or repayment thereof;
- (ii) acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of the company or any subsidiary undertaking;
- (iii) share capital and borrowed money (in each case with any fixed premium payable on final redemption or repayment) the redemption or repayment of which is guaranteed by the company or any subsidiary undertaking save to the extent that the amount guaranteed itself falls to be included as moneys borrowed; and
- (iv) any share capital of a subsidiary undertaking which is beneficially owned by any person other than the company or another subsidiary undertaking, except:-
 - (a) equity share capital; and
 - (b) any share capital issued prior to its becoming a subsidiary undertaking by a company becoming a subsidiary undertaking of any subsidiary undertaking of the company after 1st November, 1968, or becoming a subsidiary undertaking of the company itself after 9th November, 1984,

but shall be deemed not to include:-

- (A) a proportion of moneys borrowed by any partly owned subsidiary undertaking equal to the proportion of its equity share capital which is not owned beneficially by the company or any of its subsidiary undertakings;
- (B) moneys deposited with the company or any of its subsidiary undertakings in connection with insurance business or with any staff savings scheme; and
- (C) (pending application for such purpose) any moneys borrowed and intended to be applied within four months in the repayment of any moneys then already borrowed and outstanding.

(3) For the purposes of this article “excluded subsidiary undertakings” or “excluded subsidiary undertaking” shall include any subsidiary undertaking:-

(A) whose principal business is:-

- (i) banking or licensed deposit taking, or
- (ii) bill discounting, or
- (iii) securities or commodities brokerage, or
- (iv) the granting of loans or credit facilities (whether secured or unsecured) of any kind; or

(B) which participates directly or indirectly in money, securities or commodities markets as a principal;

unless the company by ordinary resolution specifically designates that any such subsidiary undertaking shall not be an excluded subsidiary undertaking.

(4) No debt incurred or security given in respect of moneys borrowed or to be taken into account as moneys borrowed in excess of the aforesaid limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the company shall be concerned to see or enquire whether such limit is observed.

106. Delegation of directors’ powers

The directors may establish any councils, committees, 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 council, committee, local board, manager or agent any of the powers, authorities and discretions vested in the directors, with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the directors may think fit, and the directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

107. Agents

The directors may from time to time, and at any time, appoint any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the directors, to be the agent 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 agent as the directors may think fit, and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him.

108. Delegation to individual directors

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

109. Official seals

The company may exercise all the powers conferred by the Companies Acts with regard to having official seals, and those powers shall be vested in the board.

110. Registers

Subject to the provisions of the Companies Acts, the company may keep an overseas or local or other register in any place, and the board may make and vary such regulations as it may think fit respecting the keeping of the register.

111. Provision for employees

The board may exercise any power conferred by the Companies Acts to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiary undertakings in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the company or that subsidiary undertaking.

112. Delegation of power to make calls on uncalled capital

If any uncalled capital of the company is included in or charged by any mortgage or other security, the directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the company or otherwise for the recovery of

moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of directors, and shall be assignable if expressed so to be.

113. Power to execute negotiable and transferable instruments

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 may from time to time by resolution determine.

PROCEEDINGS OF THE BOARD

114. Board meetings

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary on the requisition of a director at any time shall, summon a board meeting.

115. Notice of board meetings

Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the company for this purpose. A director absent or intending to be absent from the United Kingdom may request the board in writing that notices of board meetings shall during his absence be sent in writing to him at an address given by him to the company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and if no request is made to the board it shall not be necessary to give notice of a board meeting to any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

116. Quorum

The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be four. An alternate director who is not himself a director shall be counted in the quorum.

117. Directors below minimum through vacancies

The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, they may act only for the purpose of filling vacancies or of calling a general meeting. If there are no directors or director

able and willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

118. Appointment of chairman

The directors may from time to time elect from their number and remove a chairman, a deputy chairman and one or more vice-chairmen, and determine the period for which they are to hold office. The chairman, or in his absence, the deputy chairman, or in the absence of the chairman and the deputy chairman, the vice-chairman or (if there be more than one vice-chairman) the vice-chairman who has been longest in office or (if all or both vice-chairmen shall have been in office for the same length of time) that vice-chairman who (in default of agreement) shall be determined by lot, shall preside at all meetings of directors; but if no such chairman, deputy chairman or vice-chairman be elected, or if at meetings the chairman, deputy chairman or a vice-chairman be not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.

119. Competence of meetings

A meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the board.

120. Voting

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

121. Delegation to committees

(A) The directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons as hereinafter provided. 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 appointment to the committee of persons other than directors and for such persons to have voting rights as members of the committee but so that (i) the number of persons so appointed shall be less than one-half of the total number of members of the committee and (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are directors.

(A) The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these articles regulating the meetings and proceedings of the directors, so far as the

same are applicable and are not superseded by any regulations made by the directors under (A) above.

122. Participation in meetings by telephone

All or any of the members of the board or any committee of the board may participate in a meeting of the board 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. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or 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 then is.

123. Resolution in writing

A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more directors, but so that the expression "director" in this article shall not include an alternate director other than an alternate director appointed by a director who at the date of the resolution is absent from the United Kingdom.

124. Validity of acts of board or committee

All acts done by the board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board or committee or person so acting or that they or any of them were disqualified or had vacated office, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee.

MINUTES

125. Keeping of minutes

The directors shall cause minutes to be made in books kept for the purpose:-

- (A) of all appointments of officers made by the directors;
- (B) of the names of the directors present at each meeting of directors and of any committee of directors; and

- (C) of all proceedings at meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committees of directors.

Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

SECRETARY

126. Appointment and removal of the company secretary

Subject to the provisions of the Companies Acts, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

127. No secretary capable of acting

Anything by the Companies Acts required or authorised to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the company authorised generally or specially in that behalf by the directors: provided that any provision of the Companies Acts or of these articles requiring or authorising a thing to be done by or to a director and secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

SEALS

128. Use of seals

The board shall provide for the custody of every seal of the company. A seal shall only be used by the authority of the board or of a committee of the board authorised by the board in that behalf. Subject as otherwise provided in these articles, the directors may from time to time make such regulations as they think fit determining the persons and the number of such persons who shall sign every instrument to which the seal is affixed and until otherwise so determined every such instrument shall be signed by at least one director and the secretary or by at least two directors, and any instrument to which an official seal is applied need not, unless the board for the time being otherwise decides or the law otherwise requires, be signed by any person.

DIVIDENDS AND OTHER PAYMENTS

129. Declaration of dividends by company

Subject to the provisions of the Companies Acts, the company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board.

130. Payment of interim and fixed dividends by board

Subject to the provisions of the Companies Acts, the board may pay such interim dividends as appear to the board to be justified by the financial position of the company and may also pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the company, in the opinion of the board, justifies its payment. If the board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.

131. Calculation and currency of dividends

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:-

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share,
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, and
- (c) dividends may be declared or paid in any currency.

The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the company or any other person to bear any costs involved.

132. Amounts due on shares may be deducted from dividends

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

133. No interest on dividends

No dividend or other moneys payable by the company on or in respect of any share shall bear interest against the company.

134. Payment procedure

Any dividend or other sum payable by the company in respect of a share may be paid by cheque or warrant sent by post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the register in respect of the shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the holder or, in the case of joint holders, to the holder whose name stands first on the register in respect of the shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the company in respect of the share may be paid as if he were a holder of the share and his address noted in the register were his registered address.

135. Uncashed dividends

The company may cease to send any cheque or warrant through the post or employ any other means of payment for any dividend payable on any shares in the company which is normally paid in that manner on those shares if either (i) in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed or that means of payment has failed or (ii) following one such occasion reasonable enquiries have failed to establish any new address of the registered holder. All unclaimed dividends or other moneys payable on or in respect of a share may be invested or otherwise made use of by the directors for the benefit of the company until claimed. Subject to the provisions of these articles, the company may recommence sending cheques or warrants or employing such means in respect of dividends payable on those shares if the holder or person entitled by transmission requests such recommencement in writing.

136. Forfeiture of unclaimed dividends

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 which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

137. Dividends not in cash

Any general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the distribution the board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any assets to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the board.

138. Scrip dividends

The board may, if authorised by an ordinary resolution of the company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (a) An ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period, but such period may not end later than the fifth anniversary of the date of the meeting at which the ordinary resolution is passed.
- (b) The entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the company's ordinary shares on the London Stock Exchange as derived from the Daily Official List, on the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the auditors may rely on advice or information from brokers or other sources of information as they think fit.

- (c) No fraction of any ordinary share shall be allotted. The board may make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such member of fully paid ordinary shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlements.
- (d) On or as soon as practicable after announcing that it is to declare or recommend any dividend, the board, if it intends to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment, if it decides to proceed with the offer, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which elections must be lodged in order for elections to be effective.
- (e) The board shall not proceed with any election unless the company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (f) The board may exclude from any offer any holders of ordinary shares where the board believes that such exclusion is necessary or expedient in relation to legal or practical problems under the laws of , or the requirements of any recognised regulatory body or any stock exchange in, any territory, or the board believes that for any other reason the offer should not be made to them.
- (g) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made ("the elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose the board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis.
- (h) The additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully-paid ordinary shares then in issue except that they will not be entitled to participation in the relevant dividend.

- (i) The board may also from time to time establish or vary a procedure for election mandates, under which a holder of ordinary shares may elect in respect of future rights of election offered to that holder under this article until the election mandate is revoked in accordance with the procedure.

RESERVES

139. Profits carried to reserves

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

140. Power to capitalise reserves and funds

The company may, upon the recommendation of the board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amounts for the time being unpaid on any shares in the company held by those members respectively or in paying up in full unissued shares debentures or other obligations of the company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, for the purposes of this article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the company. The board may authorise any person to enter into an agreement with the company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any shares, debentures or other obligations of the company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

141. Settlement of difficulties in distribution

Where any difficulty arises in regard to any distribution of any capitalised reserve or fund the board may settle the matter as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the board.

RECORD DATES

142. Power to choose any record date

Notwithstanding any other provision of these articles the company or the board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTING RECORDS AND SUMMARY FINANCIAL STATEMENTS

143. Records to be kept

The board shall cause to be kept accounting records sufficient to show and explain the company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the company at that time, and which accord with the Companies Acts.

144. Inspection of records

No member in his capacity as such shall have any right of inspecting any accounting record or book or document of the company except as conferred by law or authorised by the board or by ordinary resolution of the company.

145. Summary financial statements

The company may send summary financial statements to members of the company instead of copies of its full accounts and reports.

SERVICE OF NOTICES AND OTHER DOCUMENTS

146. Service of notices

Any notice or other 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 addressed to the member at his registered address or by leaving it at that address addressed to the member or by any other means authorised in writing by the member concerned. In the case of joint holders of

a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

147. Record date for service

Any notice or other document may be served or delivered by the company by reference to the register as it stands at any time not more than 15 days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or other document is served on or delivered to any person in respect of a share in accordance with these articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.

148. Members resident abroad

Any member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at that address but, unless he does so, shall not be entitled to receive any notice from the company.

149. Service of notice on person entitled by transmission

Where a person is entitled by transmission to a share, any notice or other document shall be served upon or delivered to him, as if he were the holder of that share and his address noted in the register were his registered address. Otherwise, any notice or other document served on or delivered to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the company has notice of the death, bankruptcy or other event, be deemed to have been properly served or delivered in respect of any share registered in the name of that member as sole or joint holder.

150. When notice deemed served

Any notice or other document, if sent by the company by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post if sent by first-class post and on the day four clear days after that on which it was put in the post if sent by second-class post and, in proving service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or other document not sent by post but left by the company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or other document served or delivered by the company by any other means authorised in writing by the member concerned shall be deemed to have been served when the company has carried out the action it has been authorised to take for that purpose.

151. Notice when post not available

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 notice sent through the post, a general meeting may be convened by a notice advertised in at least two daily newspapers with a national circulation and in that event the notice shall be deemed to have been served on all members and persons entitled by transmission, who are entitled to have notice of the meeting served upon them, on the day when the advertisement has appeared in at least two such papers. If at least six clear days prior to the meeting the posting of notices to addresses throughout the United Kingdom has again become practicable, the company shall send confirmatory copies of the notice by post to the persons entitled to receive them.

152. Attendance at meeting is deemed receipt of notice

A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

153. Notices bind subsequent shareholders

Every person who becomes entitled to a share shall be bound by any notice in respect of that share (other than by a notice issued by authority of article 48) which, before his name is entered in the register of members, has been given to the person from whom he derives his title.

154. Notices permitted to be given by advertisement

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

DESTRUCTION OF DOCUMENTS

155. Presumptions where documents destroyed

If the company destroys

- (a) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation or
- (b) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at

any time after a period of two years has elapsed from the date the instruction or notification was recorded by the company or

- (c) any instrument of transfer of shares which has been registered at any time after a period of six years has elapsed from the date of registration or
- (d) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it

and the company destroys the document in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrebuttably in favour of the company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument of transfer and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the company were correctly recorded. Nothing contained in this article shall be construed as imposing upon the company any liability by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this article to the destruction of any document include references to its disposal in any manner.

WINDING UP

156. Distribution of assets otherwise than in cash

If the company commences liquidation, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Companies Acts,

- (a) divide among the members in kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, or
- (b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit

but no member shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY

157. Indemnity of officers

Subject to the provisions of the Companies Acts, the company may indemnify any director or other officer against any liability and may purchase and maintain for any director or other officer or auditor insurance against any liability. Subject to those provisions, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the company shall be indemnified, and if the board so determines an auditor may be indemnified, out of the assets of the company against any liability incurred by him as a director or other officer of the company, or as auditor, in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under the Companies Acts in which relief is granted to him by the court.

PARTLY PAID SHARES

158. Rights of Holders of Partly Paid Shares

- (1) In this article, if not inconsistent with the subject or context, the following words shall bear the following meanings:-

WORDS	MEANINGS
“Capitalisation Shares”	Ordinary shares which are issued pursuant to article 140 in respect of a holding of Partly Paid Shares and any further Ordinary shares so issued in respect of Capitalisation Shares.
“Current Market Price”	in relation to any Partly Paid Share at any particular date, a price equal to the arithmetic average of the middle market quotations (after making such adjustments thereto, if any, as the auditors for the time being of the company may determine to be appropriate following upon any reduction of capital, issue of securities by way of rights or capitalisation of reserves or sub-division or consolidation of Ordinary shares) of an Ordinary Share during the six weeks immediately preceding each date as shown by the Daily Official List of The Stock Exchange, London.
“Issue Price”	211 1/2p, subject to adjustment as provided in sub-articles (6) and (10) below.

“Ordinary Shares”	the ordinary shares of 25p each in the capital of the company issued fully paid.
“Partly Paid Shareholder”	a holder of Partly Paid Shares.
“Partly Paid Shares”	the ordinary shares of 25 pence each (on 18th July 1988 each of the ordinary shares of 25 pence each was sub-divided into five ordinary shares of 5 pence each) in the capital of the company which, as at 7th November 1984, were allotted and issued at a price of 211 1/2p each and credited as 5 per cent. paid both as to nominal value and premium on the Effective Date (as defined therein) of a scheme of arrangement dated 27th September, 1984 made under section 206 of the Companies Act 1948 between Guardian Royal Exchange Assurance plc and (i) the holders of the Scheme Ordinary shares and (ii) the holders of the Scheme Partly Paid Shares (as therein respectively defined).

- (2) Partly Paid Shares shall rank for dividends declared on the Ordinary shares in accordance with article 131, save that as soon as they become paid up in full they shall rank in full for all dividends thereafter declared on the said Ordinary shares.
- (3) A Partly Paid Share shall entitle the holder to receive notice of but shall not confer upon the holder thereof any right to attend or vote at any general meeting of the company.
- (4) A Partly Paid Share shall not be transferable without the consent of the directors.
- (5) A Partly Paid Shareholder may request a call to be made on all or any of the Partly Paid Shares held by him. The legal personal representatives of a Partly Paid Shareholder may request a call to be made on the whole (but not part only) of the Partly Paid Shares held by the Partly Paid Shareholder at any time after his death. Within 14 days after any such valid request is made, the directors shall make a call on the Partly Paid Shares in respect of which such request is made. A call made pursuant to such a request shall be in respect of the whole (but not part only) of the unpaid balance of the Issue Price of the Partly Paid Shares in respect of which the call is made and shall be made so as to become payable within 28 days after the date of such call.
- (6) The directors shall be entitled to make a call in respect of the whole (but not part only) of the unpaid balance of the Issue Price in respect of the

whole (but not part only) of the Partly Paid Shares held by any Partly Paid Shareholder:-

- (A) if at the date of the call the Current Market Price exceeds the Issue Price, or
- (B) at any time within six months after the Partly Paid Shareholder ceases to be an employee of the company and/or any of its subsidiary undertakings for any reason except normal retirement, illness, disability, death or any other special reason approved by the directors, or
- (C) when two years have elapsed after the death of the Partly Paid Shareholder.

Provided that in the event of a call made pursuant to paragraph (C) above at a time when the Current Market Price is less than the Issue Price the Issue Price shall be limited and, in the event of a call made pursuant to paragraph (B) above at such time as aforesaid, may at the discretion of the directors be limited to whichever is the greater of the Current Market Price and the nominal value of such Partly Paid Shares.

- (7) In place of making a call in the circumstances referred to in sub-article (6)(B) above the directors shall be entitled to require the Partly Paid Shareholder to sell and transfer the Partly Paid Shares held by him for a consideration equal to the amount paid on the issue thereof to any person or persons nominated by the directors, and may appoint some person to execute a transfer thereof on behalf of and in the name of the Partly Paid Shareholder.
- (8) The company shall not be entitled to make calls on Partly Paid Shares otherwise than under the provisions of this article 158.
- (9) All calls made otherwise than pursuant to a request by a Partly Paid Shareholder hereunder shall be made so as to become payable six months after the date of such call.
- (10) In the event of the company going into liquidation, whether voluntary or otherwise, the Issue Price of each Partly Paid Share shall be deemed not to exceed the nominal value thereof.
- (11) Capitalisation Shares shall be subject to the following restrictions which (subject to sub-article (14) below) shall apply until the balance remaining unpaid on the Partly Paid Shares which (directly or indirectly) gave the right to the allotment of such Capitalisation Shares shall have been paid:-
 - (A) Capitalisation Shares shall rank for dividends declared on shares in the proportion that the amount paid up on the nominal value

of the said Partly Paid Shares on the record date for determining the entitlement to dividend bears to such nominal value;

- (B) Capitalisation Shares shall entitle the holder to receive notice of but shall not confer upon the holder thereof any right to attend or vote at any general meeting of the company; and
 - (C) no transfer of any Capitalisation Shares shall be registered without the consent of the directors.
- (12) A Partly Paid Shareholder shall not be entitled to renounce any Capitalisation Shares and accordingly all Capitalisation Shares allotted to a Partly Paid Shareholder shall be issued to him and registered in his name in the register of members.
- (13) The company shall have a lien on all Partly Paid Shares and on all Capitalisation Shares the issue of which is referable (whether directly or indirectly) to the said Partly Paid Shares for all moneys (whether presently payable or not) which may become payable to the company in respect of such Partly Paid Shares in accordance with the provisions of these articles and such lien shall extend to all dividends payable on such Shares and such Capitalisation Shares.
- (14) If any Capitalisation Shares are sold in accordance with article 16, then none of the restrictions provided for by sub-articles (11) and (12) above shall thereafter apply to the Capitalisation Shares so sold.
- (15) The company will be entitled to retain all documents of title to Partly Paid Shares and to Capitalisation Shares the issue of which is referable (whether directly or indirectly) to the said Partly Paid Shares until the balance remaining unpaid on such Partly Paid Shares has been paid. Until the Partly Paid Shares issued to any Partly Paid Shareholder have become fully paid up as aforesaid the Partly Paid Shareholder shall not, without the written consent of the directors, mortgage, pledge or otherwise encumber any of such Partly Paid Shares or any Capitalisation Shares the issue of which is referable (whether directly or indirectly) to the said Partly Paid Shares or be entitled to delivery to him of any of the documents of title thereof.
- (16) No Partly Paid Shares or Capitalisation Shares shall be capable of being quoted or dealt in on any recognised stock exchange but upon Partly Paid Shares becoming fully paid both as to nominal value and premium the company shall apply to the Council of The London Stock Exchange for a listing for the shares so paid up and the Capitalisation Shares (if any), the issue of which is referable (whether directly or indirectly) to such Partly Paid Shares.

ARTICLES OF ASSOCIATION
OF
GUARDIAN ROYAL EXCHANGE
PUBLIC LIMITED COMPANY

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