

THE COMPANIES ACT 1985

ARTICLES OF ASSOCIATION
OF
PARAMOUNT PLC

(As adopted pursuant to a special resolution passed on
23 December 1996)

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TABLE A

1. The regulations in Table A in The Companies (alteration of Table A etc) Regulations 1984 shall not apply to the Company except so far as the same are repeated or contained in these Articles.

INTERPRETATION

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

Words

Meanings

the Accounts

the audited consolidated accounts of the Company and its subsidiaries, comprising both the consolidated profit and loss account and the consolidated balance sheet, the notes thereto and the Board's report thereon

the Act

the Companies Act 1985, as amended

these Articles

these Articles of Association as now framed or as from time to time altered by Special Resolution

the Auditors

the auditors for the time being of the Company or, in the case of joint auditors, any one of them

Average Market Price Per Share

has the meaning given in Article 4.1

the Board

the Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present

business day

any day (excluding a Saturday or a Sunday) on which clearing banks generally are open in the City of London for the transaction of normal banking business

Capital Distribution

(A) any dividend or other distribution of capital profits (whether realised or not) or capital reserves or profits or reserves arising after the date of the passing of the resolution creating the Cumulative Convertible Preference Shares from a distribution of capital profits (whether realised or not) or capital reserves by a subsidiary (except by means of a capitalisation issue not contravening sub-paragraph (7)(a)(i) of Article 4.1 or sub-paragraph (6)(a) of Article 4.2) or (B) any repayment of capital or purchase of the Company's own shares (not being a redemption or purchase of

redeemable shares in accordance with the terms of issue thereof or a reduction of capital involving no payment to shareholders); for the purposes of this definition and the provisions of these Articles relating thereto, insofar as the relevant Accounts do not distinguish between capital and revenue profits or reserves, the Company shall be entitled to rely on a written estimate by the Auditors as to the extent to which any part of any profit or reserve should be regarded as of a capital nature and, in the case where the Company shall purchase any Ordinary Shares, the amount of the capital distribution per Ordinary Share shall be that amount which is the gross amount paid on such purchase divided by the number of Ordinary Shares remaining in issue following such purchase

Convertible Preference Shares

has the meaning given in Article 4

Cumulative Convertible Preference Shares

has the meaning given in Article 4

Current Market Price Per Share

the average of the middle market prices for one Ordinary Share of the Company during the period of 5 consecutive business days ending on the business day immediately preceding a particular

| | |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| | date as derived from the Daily Official List of the Stock Exchange published on those days |
| Equity Share Capital | has the meaning ascribed to such expression in section 744 of the Act |
| in writing | written, printed or lithographed, or visibly expressed in all or any of these or any other modes of representing or reproducing words |
| Issue Price | the amount paid up or credited as paid up on any Share (including any premium on issue of the Share concerned) |
| Month | calendar month |
| the Office | the Registered Office of the Company for the time being |
| Ordinary Share | an ordinary share in the capital of the Company for the time being |
| paid up | includes credited as paid up |
| Proposed Consolidation Day | has the meaning given in sub-paragraph (4)(b) of Article 4.1 |
| the Register | the Register of Members of the Company |

the Registrars

the registrars for the time being of the Company

the Regulations

the Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272) including any modification thereof or any regulations in substitution therefor and for the time being in force

the Seal

the Common Seal of the Company

Share

a share of whatever class for the time being in the capital of the Company

the Statutes

the Act and every other Act for the time being in force concerning companies and affecting the Company and any regulations or instrument subordinate to, and/or made pursuant to, the Act or any other such Act (including, without limit, the Regulations)

the Stock Exchange

London Stock Exchange Limited and any successor thereto

subsidiary

has the meaning ascribed to such expression in section 736 and section 736A of the Act

the United Kingdom

Great Britain and Northern Ireland.

Words importing the singular number only shall include the plural number, and vice versa

Words importing the masculine gender only shall include the feminine gender, and

Words importing persons shall include corporations.

References herein to a Share (or to a holding of Shares) being (a) in uncertificated form or Uncertificated Shares or (b) in certificated form or Certificated Shares, are references, respectively, to that Share or Shares being an uncertificated unit of a security or a certificated unit of a security.

For the purposes of these Articles, a dematerialised instruction is properly authenticated if it complies with the specifications referred to in paragraph 5(b) of Schedule 1 to the Regulations.

Subject as aforesaid, any words or expressions defined in the Statutes shall bear the same meanings in these Articles and, without limitation, words and expressions used in the Regulations have the same meanings when used in these Articles.

REGISTERED OFFICE

3. The Office shall be at such place in England as the Board shall from time to time appoint.

SHARES

4. The share capital of the Company at the date of adoption of these Articles is £11,522,000 divided into 1,400,000 Limited Voting Convertible Redeemable Preference Shares of £1 each ("**Convertible Preference Shares**"), £3,111,000 Cumulative Second Convertible Redeemable Preference Shares of £1 each ("**Cumulative Convertible Preference Shares**") and 280,440,000 Ordinary Shares of 2.5p each.

4.1 Rights of the Cumulative Convertible Preference Shares

The special rights, restrictions and provisions applicable to the Cumulative Convertible Preference Shares are set out below:

(1) Income

- (a) Out of the profits available for distribution, the holders of the Cumulative Convertible Preference Shares shall be entitled in priority to any payment of dividend or redemption monies to the holders of any other class of Shares for the time being in issue to be paid a preferential cumulative dividend ("**preferential cumulative dividend**") on each Cumulative Convertible Preference Share of an amount per annum (if any) which is equal to the relevant percentage (if any) as set out in the table below of the Issue Price of such Share (such percentage being exclusive of any associated tax credit available to shareholders). The preferential cumulative dividend shall be payable yearly on 30 November in each year (or, if any such date shall not be a business day, on the first business day following such date without any interest or payment in respect of such delay) (such dates of payment being "**Fixed Dividend Dates**") in respect of the year ending on those respective dates, save that the first preferential cumulative dividend shall be paid on a pro rata basis on 30 November 1997 in respect of the period from such date as the Board determines as a term of issue of Cumulative Convertible Preference Shares is the date of issue thereof as described in any prospectus relating to such issue ("**Relevant Issue Date**") up to 30 November 1997 (both dates inclusive):

| <u>Fixed Dividend Date</u> | <u>Relevant Percentage</u> |
|----------------------------|----------------------------|
| 30 November 1997 | 2 |
| 30 November 1998 | 4 |

| | |
|-------------------------------------|----|
| 30 November 1999 | 6 |
| 30 November 2000 | 8 |
| 30 November 2001 | 10 |
| Each subsequent Fixed Dividend Date | 10 |

- (b) Payments of preferential cumulative dividends shall be made to holders of the Cumulative Convertible Preference Shares on the Register at any date and at any time on such date selected by the Board up to 42 days prior to the relevant Fixed Dividend Date.
- (c) Subject to the provisions of sub-paragraph 4.1(i)(e) below, every preferential cumulative dividend payable by the Company on any Fixed Dividend Date shall on that Fixed Dividend Date ipso facto and without any resolution of the Directors or of the Company in general meeting become a debt due from the Company and immediately payable.
- (d) The Company shall take all necessary steps reasonably and lawfully available to it towards ensuring that its profits available for distribution are sufficient to enable the lawful and prompt declaration and payment of the preferential cumulative dividends, such steps to include (without limitation) the distribution to the Company by its subsidiaries of the whole or part of the profits available for distribution from time to time of such subsidiaries but subject always to the provisions of Parts V and VIII of the Act and provided also that the Company shall not be obliged, for the purpose of ascertaining whether it has at any time profits available for distribution, to prepare accounts complying with the requirements of the Statutes as to accounts for such purpose other than to a date which is its accounting reference date for the time being, or a date falling six calendar months after expiry of any accounting reference period.
- (e) In the event that, whether by reason of a lack of distributable profits or otherwise by reason of any principle of law or

otherwise, the Company is unable to pay in full on a Fixed Dividend Date any preferential cumulative dividend which would otherwise be required to be paid pursuant to the foregoing provisions of this Article 4.1(1) on that Fixed Dividend Date ("the relevant dividend") then the following provisions shall apply:

- (i) on that Fixed Dividend Date the Company shall pay to the relevant holders entitled to the relevant dividend the maximum sum (if any) which can then consistently with the availability of sufficient distributable profits and any such principle of law and otherwise be properly paid by the Company, and the balance thereof shall become a debt due from the Company and payable in each case in accordance with, but only in accordance with, subparagraph (ii) below;
- (ii) as soon as the Company is able to pay, without restriction by reason of a lack of distributable profits or otherwise, the whole or any part of the balance of the relevant dividend for the time being remaining outstanding (until the relevant dividend shall have been paid in full) the Company shall pay to the holders of the Cumulative Convertible Preference Shares on any date and at any time as the Board may determine within the 42 days before that payment, such whole or part of the balance as can then, consistent with any such availability of distributable profits and principle of law or otherwise, be properly paid by the Company; and
- (iii) interest shall accrue from day to day on the balance for the time being of the relevant dividend which remains unpaid at the rate of four per cent per annum above the base lending rate of The Governor and Company of the Bank of Scotland for the time being and shall become due

as a debt of the Company, and be paid, at the same time as the amount to which it relates is paid.

- (f) The holders of the Convertible Preference Shares shall not be entitled to any further right of participation in the profits of the Company.

(2) Capital

- (a) Subject to sub-paragraphs (4)(h) and (7)(a)(iv) and (7)(c) and (8) of this Article 4.1 and to sub-paragraphs (3)(i) and (6)(d) and (8) of Article 4.2 which shall prevail, on a return of capital on winding-up or (other than on conversion or redemption or purchase of any Share or as otherwise provided in paragraph (4) of this Article 4.1 or in paragraph (3) of Article 4.2) otherwise, the assets of the Company available for distribution to its members shall, subject to any provision made under section 719 of the Act, be applied:
 - (i) first, in paying all unpaid arrears, accruals and deficiencies (if any and including any interest accrued in accordance with Article 4.1(1)) of any preferential cumulative dividend on the Cumulative Convertible Preference Shares irrespective of whether or not such dividend has been declared or earned or become due and payable, to be calculated down to and including the date of commencement of the winding-up (in the case of a winding-up) or the date the return of capital is made (in any other case);
 - (ii) second, in repaying the amount paid up on the Cumulative Convertible Preference Shares;
 - (iii) third, in repaying the amount paid up on the Convertible Preference Shares;
 - (iv) fourth, in repaying the amount paid up on the Ordinary Shares;

(v) fifth:

(A) on a return of capital on winding-up commenced on or before the Last Conversion Date (as defined in sub-paragraph (3)(b) of Article 4.2) or (other than on conversion or redemption or purchase of any Share or as otherwise provided in paragraph (4) of this Article 4.1 or in paragraph (3) of Article 4.2) otherwise occurring on or before the said Last Conversion Date, in distributing the balance, if any, rateably amongst the holders of the Convertible Preference Shares, the Cumulative Convertible Preference Shares and the Ordinary Shares according to the amounts paid up on such shares on the basis that each Convertible Preference Share is treated as if converted at the Conversion Rate (as defined in Article 4.2) into fully paid Ordinary Shares immediately before the commencement of the winding-up or the return of capital (as the case may be);

(B) on a return of capital on winding-up commenced after the said Last Conversion Date or (other than as provided in sub-paragraph (2)(a)(v)(A) above) otherwise occurring after that date:

(aa) in distributing rateably amongst the holders of the Ordinary Shares according to the amounts paid up on their respective holdings of such Shares up to a maximum amount of £5,000 per Share;

(bb) thereafter, in distributing the balance of such assets rateably amongst the holders of the Cumulative Convertible Preference

Shares, the Convertible Preference Shares and the Ordinary Shares *pari passu* as if they constituted one class of share in proportion to the amount paid up on the Cumulative Convertible Preference Shares, Convertible Preference Shares and Ordinary Shares respectively held by them.

- (b) The provisions of this paragraph (2) of Article 4.1 are without prejudice to any other provisions of these Articles as to the conversion, redemption or purchase of Shares.
- (c) The holders of the Cumulative Convertible Preference Shares and the holders of the Convertible Preference Shares shall not be entitled to any further or other right of participation in the assets of the Company.
- (d) A reduction of capital involving no payment to shareholders shall not be treated as a return of capital for the purposes of this paragraph (2) of this Article 4.1.

(3) Voting and General Meetings

The holders of the Cumulative Convertible Preference Shares shall, by virtue of and in respect of their holdings of Cumulative Convertible Preference Shares, have the right to receive notice of, attend and speak either in person or by proxy at any general meeting of the Company and any holder of Cumulative Convertible Preference Shares who (being an individual) is present in person or by proxy or which (being a corporation) is present by duly authorised representative or by proxy, shall on a show of hands have one vote and, on a poll, shall have the CCP Relevant Number of Votes. **"The CCP Relevant Number of Votes"** shall be such number of votes as is for the time being equal to the number of Ordinary Shares (rounded down to the nearest whole number if necessary) for the time being arising on the conversion of the

fully paid Cumulative Convertible Preference Shares registered in the name of the relevant holder.

(4) Conversion

- (a) Subject as hereinafter provided (including, without limitation, sub-paragraph (4)(o) of this Article 4.1), each holder of Cumulative Convertible Preference Shares shall be entitled at the times and in the manner set out in this Article 4.1 (and subject to the provisions of this paragraph (4) of this Article 4.1) to convert all or (subject as provided below) any of his Cumulative Convertible Preference Shares into fully paid Ordinary Shares on the basis of 8 Ordinary Shares of 25p each for every £3.00 in nominal amount of Cumulative Convertible Preference Shares so converted and so in proportion for any greater or smaller nominal amount of Cumulative Convertible Preference Shares (such rate as adjusted from time to time as provided in this Article 4.1, being herein called "**the Cumulative Conversion Rate**") provided that if a Cumulative Conversion Notice (as described below in this Article 4.1) is given in respect of part only of a holding of Cumulative Convertible Preference Shares, treating holdings of the same holder or joint holders in certificated form and uncertificated form as separate holdings unless the Board otherwise determines, so that there would immediately following the conversion remain a number of Cumulative Convertible Preference Shares in that holding smaller than that required to convert into one Ordinary Share at the Cumulative Conversion Rate then applicable, all the Cumulative Convertible Preference Shares in that holding shall be converted notwithstanding the figure inserted in the Cumulative Conversion Notice.
- (b) For the purposes of this Article 4.1 a "**Cumulative Conversion Date**" shall be any day after the day ("**Proposed Consolidation Day**") on which the consolidation of ordinary share capital in the

Company proposed to be effected by the resolution that adopted these Articles of Association becomes, or ceases to become capable of being, effective but on or prior to the Cumulative Redemption Date (as defined in paragraph (6) of this Article 4.1) which is:

- (i) in the case where a Cumulative Conversion Notice as described below is served in any month and more than 14 days before the end of that month, the last day of that month;
- (ii) in the case where a Cumulative Conversion Notice as described below is served in any month but not more than 14 days before the end of that month, the last day of the next following month,

but in any event provided that, if any Cumulative Conversion Date would otherwise fall on a day which is not a business day, such Cumulative Conversion Date shall be the first business day following such day.

- (c) The right for holders to convert Cumulative Convertible Preference Shares on any Cumulative Conversion Date that are in certificated form shall be exercisable by completing the notice of conversion endorsed on the share certificate relating to the Cumulative Convertible Preference Shares to be converted and/or a notice in such other form as may from time to time be prescribed by the Board ("a **Cumulative Conversion Notice**") and delivering the said share certificate (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) to the Registrars together with such other evidence (if any) as the Board may reasonably require to prove the title of the person exercising such right to convert. In relation to any Cumulative Convertible Preference Shares that are in uncertificated form, the right for holders to convert shall be exercisable on any Cumulative Conversion Date by there being received as described

below an Uncertificated Cumulative Conversion Notice. An "Uncertificated Cumulative Conversion Notice" shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the Company or by such person as it may require in such form and subject to such terms and conditions (if any) as may from time to time and for the time being be prescribed or approved by the Board (subject always to the facilities and requirements of the relevant system concerned) and such instruction or notification shall then also be a **"Cumulative Conversion Notice"** for the purposes of these Articles. In addition the Directors may determine when any such properly authenticated dematerialised instruction and/or other such instruction or notification is to be treated as received by the Company or such other person as it may require for these purposes (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the effect of any such properly authenticated dematerialised instruction and/or any other such instruction or notification may be to divest the holder of the Cumulative Convertible Preference Shares concerned of the power to transfer such Cumulative Convertible Preference Shares to another person. A Cumulative Conversion Notice once given may not be withdrawn without the consent in writing of the Company. The Company shall in each financial year at the time of preliminary announcement of its financial results for the preceding financial year give to the holders of the Cumulative Convertible Preference Shares notice in writing reminding them of their right to convert and stating the applicable Cumulative Conversion Rate. Such notice shall give the name and address of the Registrars and shall also state, or be accompanied by a copy of, the relevant form(s) of Cumulative Conversion Notice.

Whether any Cumulative Convertible Preference Shares are in certificated or uncertificated form shall be determined by reference to the Registrars as at the close of business on the day of service of the relevant Cumulative Conversion Notice or such other time as the Directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion, determine.

- (d) Subject to the Statutes and, subject as hereinafter provided including, without limitation, sub-paragraph (4)(o) of this Article 4.1, if the Average Market Price Per Share (as defined below) in respect of any period of 30 or more consecutive business days (ignoring non business days) ("**Average Market Price Period**") is greater than 75 pence, the Company shall be entitled to require that there are converted all of the Cumulative Convertible Preference Shares for the time being in issue into fully paid Ordinary Shares at the Cumulative Conversion Rate. The right to require conversion described in this sub-paragraph (d) shall be exercisable by the Company serving notice ("**Company Cumulative Conversion Notice**") on the holder(s) of Cumulative Convertible Preference Shares at any time within 30 business days following the last day of any Average Market Price Period, (the date that is 28 days following the date on which such Company Cumulative Conversion Notice is served being a "**Company Cumulative Conversion Date**"), such notice to contain details of the applicable Cumulative Conversion Rate. Before the Company Cumulative Conversion Date each holder of Cumulative Convertible Preference Shares that are in certificated form shall deliver to the Registrars his share certificate(s) (or an indemnity in respect thereof in a form reasonably satisfactory to the Company). "**Average Market Price for Share**" in respect of any period means the average of the middle market prices for

an Ordinary Share derived from the Daily Official List of the Stock Exchange published during that period.

- (e) Conversion of any such Cumulative Convertible Preference Shares as are due to be converted as aforesaid on any Cumulative Conversion Date or Company Cumulative Conversion Date ("**Relevant Cumulative Shares**") shall be effected in such manner as the Board shall from time to time determine in accordance with the following provisions of this Article 4.1 or otherwise as may be authorised by law and provided that non-compliance by a holder of Cumulative Convertible Preference Shares with the provisions of sub-paragraph (4)(d) of this Article 4.1 shall not prevent or restrict or delay any such conversion.
- (f) The Board may, subject as herein provided, elect to effect the conversion by redeeming at par the Relevant Cumulative Shares (or any of them) on any Cumulative Conversion Date or any Company Cumulative Conversion Date (as the case may be) out of the profits of the Company which would otherwise be available for distribution to the holders of any class of Shares. The Cumulative Convertible Preference Shares shall confer upon the holders thereof the right and the obligation (in the event that Cumulative Convertible Preference Shares held by them respectively become Relevant Cumulative Shares and the Board determines to redeem the same at par out of the profits as aforesaid) to subscribe for the appropriate number of Ordinary Shares at the applicable Cumulative Conversion Rate at such premium (if any) as shall represent the amount by which the redemption monies exceed the nominal amount of the Ordinary Shares to which the holders are so entitled. In any such case, any Cumulative Conversion Notice or Company Cumulative Conversion Notice shall be deemed automatically to irrevocably authorise and instruct the Board to apply the redemption monies

payable to any holder of Relevant Cumulative Shares in subscribing for such Ordinary Shares at such premium (if any) as aforesaid.

- (g) The Board may, subject as herein provided, elect to effect the conversion by redeeming at par the Relevant Cumulative Shares (or any of them) on any Cumulative Conversion Date or Company Cumulative Conversion Date (as the case may be) out of the proceeds of a fresh issue of Ordinary Shares. The Cumulative Convertible Preference Shares shall confer upon the holders thereof the right and the obligation (in the event that Cumulative Convertible Preference Shares held by them respectively become Relevant Cumulative Shares and the Board determines to redeem the same at par out of the proceeds of a fresh issue as aforesaid) to subscribe, and the holders shall be deemed irrevocably to authorise and instruct the Secretary of the Company (or any other person appointed for the purpose by the Board) to subscribe as agent on the holder's behalf for the appropriate number of Ordinary Shares (which authority shall include the right to borrow money) at the applicable Cumulative Conversion Rate at such premium (if any) as shall represent the amount by which the redemption monies exceed the nominal amount of the Ordinary Shares to which the holders are so entitled. In any such case, the Cumulative Conversion Notice or the Company Cumulative Conversion Notice (as the case may be) shall automatically authorise and instruct the Board to apply the redemption monies payable to any holder of Relevant Cumulative Shares in payment to his said agent who shall be entitled to retain the same for his own benefit without being accountable therefor to such holder.

In relation to any Relevant Cumulative Shares that are to be redeemed in accordance with sub-paragraphs (4)(f) or (g) of this Article 4.1 and that are in uncertificated form, the Directors shall

be entitled in their absolute discretion to determine the procedure for the redemption of such Relevant Cumulative Shares (subject always to the facilities and requirements of the relevant system concerned). Without prejudice to the generality of the foregoing, the procedures for the redemption of any such Relevant Convertible Shares may involve or include the sending by the Company or by any person on its behalf of an issuer-instruction to the Operator of the relevant system concerned requesting or requiring the deletion of any computer-based entries in the relevant system concerned that relate to the holding of the Relevant Cumulative Shares, and/or the Company may, if the Board so determines (by notice in writing to the holder concerned) require the holder of the Relevant Cumulative Shares to change the form of the Relevant Cumulative Shares from uncertificated to certificated form prior to the Cumulative Conversion Date or Company Cumulative Conversion Date concerned.

- (h) The Board may determine to effect the conversion by means of consolidation and sub-division. In such case the requisite consolidation and sub-division shall be effected pursuant to the authority given by the passing in general meeting of the resolution creating the Cumulative Convertible Preference Shares, by consolidating into one share all the Relevant Cumulative Shares as at any Cumulative Conversion Date or Company Cumulative Conversion Date (as the case may be) held by any holder or joint holders (treating holdings of the same holder or holders in certificated form and uncertificated form as separate holdings, unless the Board otherwise determines) and subdividing such consolidated share into shares of (subject to sub-paragraph (4)(o) of this Article 4.1) 25p each (or such other amount as may be appropriate as a result of any consolidation, sub-division, repayment or reduction of capital or other event

occurring after the Proposed Consolidation Day giving rise to an adjustment or change of the nominal amount of the Ordinary Shares) of which, subject as aforesaid, 8 Shares of 25 pence each for each £3.00 nominal amount of the consolidated share (or such other number of shares as may be appropriate as a result of any adjustment pursuant to the provisions of sub-paragraphs (4)(n), (o) or (p) of this Article 4.1) shall be Ordinary Shares (and so in proportion for any other nominal amount of the consolidated share), fractional entitlements being disregarded, and the balance of such shares (including any fractions) shall be further subdivided into Non-Voting Cumulative Deferred Shares of 0.5p each which shall be in certificated form (unless the Board otherwise determines) and which shall have the following rights and be subject to the following restrictions:

- (i) on a return of capital on winding-up or otherwise, the Non-Voting Cumulative Deferred Shares shall entitle the holders thereof only to the repayment of the amounts paid up on such shares after payment in respect of each Cumulative Convertible Preference Share, each Convertible Redeemable Preference Share and each Ordinary Share of the capital paid up on such share and £100,000;
- (ii) the Non-Voting Cumulative Deferred Shares shall not entitle the holders thereof to the payment of any dividend or other distribution; and
- (iii) the Non-Voting Cumulative Deferred Shares shall not entitle the holders thereof to receive notice of or attend or vote at any general meeting of the Company.

Such conversion shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Non-Voting Cumulative Deferred Shares (a) transfer(s) thereof (and/or (an) agreement(s)

to transfer the same) to such person as the Company may determine as custodian thereof and/or to purchase the same (in accordance with the provisions of the Statutes) in any such case for not more than 1p in aggregate for all the Non-Voting Cumulative Deferred Shares without obtaining the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificate(s) for such Non-Voting Deferred Cumulative Shares. The Company may at its option at any time after the creation of any Non-Voting Cumulative Deferred Shares redeem all of such shares then in issue, at an aggregate price of 1p for all the Non-Voting Cumulative Deferred Sharers redeemed, at any time upon giving the registered holders of such shares not less than 28 days previous notice in writing of its intention so to do, fixing a time and place for the redemption, and at the time and place so fixed such registered holders shall be bound to surrender to the Company the certificates for the Non-Voting Cumulative Deferred Shares in order that the same may be cancelled and the Company shall pay the redemption monies to one of such registered holders to be selected by lot.

- (i) In addition to the right to determine to effect conversion by means of consolidation and sub-division in accordance with the provisions of sub-paragraph (4)(h) of this Article 4.1, the Board may consolidate into one share all the Relevant Cumulative Shares at any Cumulative Conversion Date or any Company Cumulative Conversion Date (as the case may be) held by any holder or joint holders (treating holdings of the same holder or joint holders in certificated form and uncertificated form as separate holdings, unless the Board otherwise determines) and sub-divide such Share into the appropriate number of Ordinary Shares, in which event such Ordinary Shares, notwithstanding that they may have a different nominal amount from other Ordinary Shares then in issue, shall form a uniform class with all

such shares and shall notwithstanding any contrary provision herein for all purposes and in all respects (including without limitation entitlement to dividends or other distributions, participation in offers, voting rights, rights on a liquidation or return of capital) rank pari passu with all other fully paid Ordinary Shares, for which purpose the nominal amount of each Ordinary Share arising on such consolidation and sub-division shall, subject to sub-paragraph (4)(o) of this Article 4.1, be deemed to be 25p (or such other amount as may be appropriate as a result of any sub-division, consolidation, repayment or reduction of capital or other event occurring after the Proposed Consolidation Day giving rise to an adjustment of the nominal amount of the Ordinary Shares) and the nominal amount of the Ordinary Shares into which the Relevant Cumulative Shares shall convert shall (subject to adjustment as aforesaid) also (subject as aforesaid) be deemed to be 25p.

- (j) Any fractions of Ordinary Shares arising on conversion shall be aggregated and sold on behalf of such holders of Relevant Cumulative Shares at the best price reasonably obtainable and the net proceeds of sale shall be distributed pro rata among such holders unless in respect of any holding of Relevant Cumulative Shares the amount to be distributed would be less than £3 in which case such amount shall not be so distributed but shall be retained for the benefit of the Company. If any fraction of an Ordinary Share would remain notwithstanding such aggregation the same shall be sub-divided into the appropriate number of Non-Voting Cumulative Deferred Shares and the Board shall have full power to determine the holding to which such fractions relate. For the purpose of implementing the provisions of this sub-paragraph (4)(j), the Board may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to any such fractions and generally may make all

arrangements which appear to it necessary or appropriate for the settlement and disposal of fractional entitlements.

- (k) The preferential cumulative dividend on any Cumulative Convertible Preference Shares converted (whatever the manner of conversion) shall cease to accrue immediately following the Fixed Dividend Date immediately preceding the relevant Cumulative Conversion Date or Company Cumulative Conversion Date (as the case may be). The Ordinary Shares arising on such conversion shall rank *pari passu* in all respects with the Ordinary Shares then in issue and shall entitle the holder to all dividends and (unless an adjustment shall have been made in respect thereof under the subsequent provisions of this Article 4.1) other distributions payable on the Ordinary Shares in respect of the financial year of the Company in which the relevant Cumulative Conversion Date or Company Cumulative Conversion Date (as the case may be) falls and which are declared after the relevant Cumulative Conversion Date or Company Cumulative Conversion Date (as the case may be) but not for any earlier declared dividends or distributions or any dividends or distributions in respect of any earlier financial year. Unless the Board otherwise determines, or unless the Regulations and/or the rules of the relevant system concerned otherwise require, the Ordinary Shares arising on conversion of any Cumulative Convertible Preference Shares shall be or shall be issued (as appropriate) in uncertificated form (where the Cumulative Convertible Preference Shares converted were in uncertificated form) or in certificated form (where the Cumulative Convertible Preference Shares converted were in certificated form).
- (l) Allotments of Ordinary Shares arising from conversion (whatever the manner of conversion) shall be effected on the Cumulative Conversion Date or Company Cumulative Conversion Date (as the case may be). Subject to compliance with sub-paragraph (4)(d)

of this Article 4.1 (if relevant), within 28 days after the Cumulative Conversion Date or Company Cumulative Conversion Date (as the case may be), the Company shall send to each holder of Relevant Cumulative Shares, by post at his own risk, free of charge, a definitive certificate for the appropriate number of fully-paid Ordinary Shares arising on conversion that are in certificated form and a new certificate for any unconverted Cumulative Convertible Preference Shares comprised in any certificates surrendered by him. Insofar as the Ordinary Shares to be issued on conversion and the unconverted Cumulative Convertible Preference Shares (if any) are Uncertificated Shares at such relevant time, the Company shall evidence the entitlement of each such holder of Relevant Cumulative Shares to the appropriate number of fully-paid Ordinary Shares and unconverted Cumulative Convertible Preference Shares in accordance with the rules and regulations of a relevant system for the time being.

- (m) If immediately after any Cumulative Conversion Date 75 per cent. or more of the Cumulative Convertible Preference Shares in issue immediately following the Relevant Issue Date shall have been converted, the Company shall be entitled by not more than eight weeks' nor less than four weeks' notice in writing given at any time after such Cumulative Conversion Date to require all holders of the remaining Cumulative Convertible Preference Shares to convert, on the expiry of such notice but with effect from the Cumulative Conversion Date immediately preceding the date on which the said notice was given, the whole of their holdings of such shares into Ordinary Shares at the Cumulative Conversion Rate then applicable. Upon the expiry of such notice the holders of the Cumulative Convertible Preference Shares shall be treated as having exercised the right to convert in respect thereof as at the preceding Cumulative Conversion Date and the

provisions of this Article 4.1 relating to conversion shall apply mutatis mutandis as if such Cumulative Convertible Preference Shares were the only Relevant Cumulative Shares as at the Cumulative Conversion Date immediately preceding the date upon which the said notice was given.

- (n) If the Company shall make any issue (subject as provided below and otherwise than in connection with the consolidation referred to in the following sub-paragraph (o)) of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to holders of Ordinary Shares, the nominal amount of ordinary share capital to be issued on any subsequent conversion of Cumulative Convertible Preference Shares shall be increased pro rata and, if any doubt shall arise the certificate of the Auditors (save in the event of manifest error) shall be conclusive and binding on all concerned. No adjustment shall be made in the event of the issue of shares by way of capitalisation of profits or reserves at the option of a holder of Ordinary Shares in lieu of cash dividends.
- (o) If the consolidation of ordinary share capital in the Company proposed to be effected by the resolution that adopted these Articles of Association does not become, or ceases to become capable of being, effective:
 - (i) the reference in sub-paragraph (4)(a) of this Article 4.1 to the basis of conversion being 8 Ordinary Shares of 25p each for every £3.00 in nominal amount of Cumulative Convertible Preference Shares converted shall for all purposes be a reference to 80 Ordinary Shares of 2.5p each for every £3.00 of such nominal amount;
 - (ii) the reference in sub-paragraph (4)(d) of this Article 4.1 to £1.00 shall for all purposes be a reference to 10p;
 - (iii) the reference in sub-paragraph (4)(h) of this Article 4.1 to 25p shall for all purposes be a reference to 2.5p;

- (iv) the reference in sub-paragraph (4)(h) of this Article 4.1 to 8 shares for each £3.00 nominal amount shall for all purposes be a reference to 80 shares for each £3.00 nominal amount; and
- (v) the references in sub-paragraph (4)(i) of this Article 4.1 to 25p shall for all purposes be references to 2.5p.

Additionally, if the Ordinary Shares shall be consolidated (otherwise than is proposed by the resolution referred to above) or sub-divided the nominal amount of ordinary share capital to be issued on any subsequent conversion of Cumulative Convertible Preference Shares shall be reduced or increased pro rata and if any doubt shall arise, the certificate of the Auditors (save in the event of manifest error) shall be conclusive and binding on all concerned.

- (p) If the Company shall make any Capital Distribution (otherwise than in connection with the consolidation referred to in the preceding sub-paragraph (o)) to the holders of Ordinary Shares, then at the option of the Company either:
 - (i) the nominal amount of ordinary share capital to be issued on any subsequent conversion of Cumulative Convertible Shares shall be increased by an amount determined to be fair and reasonable by the Auditors whose certificate, (which shall contain full and clear details of the bases on which such amount has been determined and save in the event of manifest error) shall be conclusive and binding on all concerned; or
 - (ii) the holders of Cumulative Convertible Preference Shares shall be entitled to participate in such Capital Distribution as if all outstanding Cumulative Convertible Preference Shares were deemed to have been converted into Ordinary Shares immediately prior to the making of such Capital

Distribution at the Cumulative Conversion Rate then applicable.

- (q) Except if arrangements are or have been offered to the holders of the Cumulative Convertible Preference Shares which ensure that the rights of such holders would not be prejudiced, the Company will procure that no scheme of compromise or arrangement within the meaning of section 425 of the Act affecting the Ordinary Shares shall become effective unless the holders of Cumulative Convertible Preference Shares shall be parties to the scheme and unless the scheme shall be approved by such holders in the manner prescribed by the said section.
- (r) Except in pursuance of a scheme approved in accordance with sub-paragraph (q) above, the Company shall not give effect to any arrangement pursuant to which the Company is to make a distribution of the kind described in section 213 of the Income and Corporation Taxes Act 1988 whereby shares are to be issued or transferred to all or any of the holders of Ordinary Shares unless it shall have given to the holders of Cumulative Convertible Preference Shares prior notice thereof, such notice to be given not less than 42 days prior to the proposed record date in respect of the entitlement of holders of Ordinary Shares to receive the shares to be issued or transferred. Within a period of 30 days after the date of such notice, each holder of Cumulative Convertible Preference Shares may give notice in writing to the Company exercising his conversion rights (such exercise to be effective on the last day of the said period of 30 days which day shall be deemed to be a Cumulative Conversion Date) in respect of the whole or such part of his holding as he may in such notice specify at the Cumulative Conversion Rate applicable on the Cumulative Conversion Date.
- (s) The Company shall use its best endeavours to ensure that all the Ordinary Shares arising on conversion are admitted to the Official

List of the Stock Exchange at the relevant Cumulative Conversion Date or Company Conversion Date (as the case may be), or at the earliest practicable date thereafter.

- (t) Notice of any such adjustment as is referred to in sub-paragraphs (4)(n), (o) or (p) above shall be sent to the holders of the Cumulative Convertible Preference Shares within 28 days of the occurrence of such event.

(5) Purchase

Subject to the provisions of the Act, the Company may at any time purchase Cumulative Convertible Preference Shares (i) in the market, or (ii) by tender available alike to all holders of Cumulative Convertible Preference Shares, or (iii) by private treaty, in any such case at a price (exclusive of all costs of purchase) which, if the Cumulative Convertible Preference Shares are at the relevant time listed on the Stock Exchange, shall not exceed the average of the middle-market quotations therefor based on the Stock Exchange Daily Official List during the period of 10 business days immediately prior to the date of such purchase, or, in the case of a purchase on the Stock Exchange, at the market price thereof provided that such market price is not more than 5 per cent. above such average, and if not then so listed, shall not exceed 110 per cent. of the nominal value of a Cumulative Convertible Preference Share, but not otherwise, and upon such other terms and conditions as the Company may think fit. The Company may exercise its rights and powers of purchase as regards any Cumulative Convertible Preference Shares and any Further Cumulative Convertible Preference Shares which may be issued pursuant to paragraph (8) of this Article 4.1 (not being a series which is identical and forms a single series with the Cumulative Convertible Preference Shares) at its sole discretion and without obligation to maintain the ratio between the nominal amounts for the time being outstanding of any series. On the purchase of any Cumulative Convertible Preference Shares, the nominal amount of such shares

comprised in the capital of the Company may thereafter be divided into, and reclassified as, Ordinary Shares without any further resolution or consent.

(6) Redemption

- (a) The Company shall, subject to sub-paragraph (6)(d) of this Article 4.1 and to the Statutes and subject as hereinafter provided, redeem on 30 November 2008 or, if such day is not a business day, on the next following business day ("**the Cumulative Redemption Date**") each Cumulative Convertible Preference Share then in issue and unconverted. The Company shall give to the holders of any Cumulative Convertible Preference Shares to be redeemed not less than 28 days' nor more than 35 days' prior written notice of the Cumulative Redemption Date:
 - (i) In relation to any Cumulative Convertible Preference Shares that are to be redeemed and that, on the Cumulative Redemption Date, are in certificated form, any such notice shall specify the place at which the certificates for such shares are to be presented for redemption and upon such date each of the holders of the Shares concerned shall be bound to deliver to the Company at such place the certificates for those Shares in order that the same may be cancelled and upon such delivery the Company shall pay to each holder the amount due in respect of such redemption;
 - (ii) in relation to any Cumulative Convertible Preference Shares that are to be redeemed and that, on the Cumulative Redemption Date, are in uncertificated form:
 - (A) the Board shall be entitled in their absolute discretion to determine the procedures for the redemption of such Cumulative Convertible

Preference Shares (subject always to the facilities and requirements of the relevant system concerned);

(B) upon being satisfied that such procedures have been effected, the Company shall pay to the holders of the Cumulative Convertible Preference Shares concerned the amount due in respect of redemption of such Cumulative Convertible Preference Shares.

(b) Without prejudice to the generality of sub-paragraphs (6)(a)(ii)(A) and (B) above, but subject as set out in such paragraphs:

(i) the procedures for the redemption of any Cumulative Convertible Preference Shares may involve or include the sending by the Company or by any person on its behalf of an issuer-instruction to the Operator of the relevant system concerned requesting or requiring the deletion of any computer-based entries in the relevant system concerned that relate to the holding of the Cumulative Convertible Preference Shares concerned; and/or

(ii) the Company may, if the Board so determined (by notice in writing to the holder concerned, which notice may be included in the notice of redemption concerned) require the holder of the Cumulative Convertible Preference Shares concerned to change the form of the Cumulative Convertible Preference Shares from uncertificated to certificated form prior to the Cumulative Redemption Date (in which case sub-paragraph (6)(a)(i) above shall then apply as regards the procedure for redemption).

(c) There shall be paid on each Cumulative Convertible Preference Share to be redeemed under this paragraph (6) the amount paid up on such share together with all unpaid arrears, accrual and deficiencies (if any) of any preferential cumulative dividend in

respect of such share irrespective of whether or not such dividend has been declared or earned or become payable, to be calculated down to and including the Cumulative Redemption Date.

- (d) If on the Cumulative Redemption Date the Company is permitted by the Statutes to redeem some only or none of the Cumulative Convertible Preference Shares required on that date to be redeemed the Company shall redeem such number thereof as may lawfully be redeemed at such time (the Shares to be redeemed to be selected so that, as nearly as may be, each of the holders who is due to have Cumulative Convertible Preference Shares redeemed on that date has redeemed an equal proportion of the Shares of which he is the holder and which are to be so redeemed, unless there is obtained the consent or sanction on the part of the holders of the Cumulative Convertible Preference Shares as is required for a variation of the rights attached to such shares) and shall redeem as soon thereafter as it shall lawfully be permitted so to do the remaining number which would otherwise then have fallen to be redeemed in accordance with this paragraph (6) (and pending such redemption the amount payable to the relevant holder upon such redemption shall not be regarded as a sum due from the Company to such holder and accordingly the Company shall not be regarded for any purpose as being in default in relation to any indebtedness). The Company shall not be obliged, for the purpose of ascertaining whether it has at any time become lawful to redeem Cumulative Convertible Preference Shares which could not lawfully be redeemed on the due date, to prepare accounts complying with the requirements of the Statutes as to accounts prepared for such purpose other than to a date which is its accounting reference date for the time being, or a date falling six calendar months after expiry of any accounting reference period. If at any time it becomes lawful for the Company to redeem some (but not all) of the Cumulative

Convertible Preference Shares which could not lawfully be redeemed on the due date, the shares to be redeemed shall be selected and, as between holders whose shares were to be redeemed on the Cumulative Redemption Date so that each of such holders, as nearly as may be, has redeemed an equal proportion of the shares held by him and due to be redeemed on that date, unless there is obtained the consent or sanction on the part of the holders of the Cumulative Convertible Preference Shares as is required for a variation of the rights attached to such shares).

- (e) Upon the redemption of any Cumulative Convertible Preference Shares pursuant to this paragraph (6) the Board may consolidate and/or sub-divide and/or convert the authorised redeemed preference share capital existing as a consequence of such redemption into Ordinary Shares.

(7) Other provisions

- (a) So long as any Cumulative Convertible Preference Shares remain capable of conversion into Ordinary Shares, then, save in connection with the consolidation referred to in sub-paragraph (6)(o) of this Article 4.1, unless there is obtained such consent or sanction on the part of the holders of the Cumulative Convertible Preference Shares as would be required for any variation of the rights attached to such Shares:
 - (i) no Shares shall be allotted pursuant to a capitalisation of profits or reserves except Ordinary Shares: (A) credited as fully paid, to the holders of Ordinary Shares and, if there be other Equity Share Capital in issue (other than the Cumulative Convertible Preference Shares, the Convertible Preference Shares, any Further Cumulative Convertible Preference Shares or Further Convertible Preference Shares which may be issued pursuant to

paragraph (8) of this Article 4.1 or Article 4.2 or any Non-Voting Cumulative Deferred Shares or any Non-Voting Deferred Shares for the time being in issue which shall have resulted from conversion of any Cumulative Convertible Preference Share or any Convertible Preference Share), except Shares issued credited as fully paid to the holders of such other Equity Share Capital (other than such Shares as provided above) as part of the same capitalisation as is effected to the holders of the Ordinary Shares and upon any such allotment the Cumulative Conversion Rate shall be adjusted as appropriate under sub-paragraph (4)(n) of this Article 4.1 provided that no such allotment shall be made if, as a result thereof, the aggregate nominal amount of the Ordinary Shares into which any Cumulative Convertible Preference Shares may be converted would exceed the aggregate nominal amount of such Cumulative Convertible Preference Shares; or (B) paid up in full out of distributable profits or reserves and issued in lieu of a cash dividend;

- (ii) if any offer or invitation by way of rights or otherwise (not being either an offer of Shares by way of capitalisation of profits or reserves at the option of a holder of Ordinary Shares in lieu of cash dividends or an offer or invitation to which the provisions of sub-paragraph (7)(b) of this Article 4.1 apply) is made to the holders of any Equity Share Capital including Convertible Preference Shares of the Company, either:
 - (A) the Company shall make or, so far as it is able, procure that there is made a like offer at the same time to each holder of Cumulative Convertible Preference Shares as if his conversion rights had

been exercisable and exercised in full on the record date for such offer or invitation on the basis of the Cumulative Conversion Rate then applicable. (For the purpose of giving effect to this provision, no resolution for the disapplication of section 89(1) of the Act (or any provision replacing the same) shall be deemed to abrogate, vary or modify the rights attaching to the Cumulative Convertible Preference Shares and in the case of any offer or invitation as aforesaid being made the entitlement of the holders of the Cumulative Convertible Preference Shares to participate therein as set out in this paragraph shall be to the exclusion of any other entitlement or right to which such holders might otherwise be entitled); or

- (B) otherwise where the offer or invitation is of Ordinary Shares, the aggregate nominal amount of Ordinary Shares to be issued for every £1 nominal amount of Cumulative Convertible Preference Shares subsequently converted (and so in proportion for any other nominal amount of Cumulative Convertible Preference Shares) shall be increased by an amount (expressed in pence) equal to:

$$\frac{X \times Z}{Y + Z}$$

where:

X is the nominal amount (expressed in pence) of the new Ordinary Shares (including fractions

thereof) which would have been offered to a holder of £1 nominal amount of Cumulative Convertible Preference Shares had his conversion rights been exercisable and exercised in full immediately before the record date for such offer at the Cumulative Conversion Rate then applicable;

Y is the price (expressed in pence) payable for each such new Ordinary Share under the terms of the offer; and

Z is the average of the means of the quotations (expressed in pence) published in the Stock Exchange's Daily Official List or (as the case may be if the Ordinary Shares are not listed on the Official List) in the nearest equivalent publication showing the market prices for an Ordinary Share) of one such new Ordinary Share, nil paid, during the first five business date of which such new Ordinary Shares are dealt in on the Relevant Exchange (as defined in sub-paragraph (3)(n) of Article 4.2), nil paid. Such adjustment shall become effective as at the record date for the offer;

- (iii) no Equity Share Capital (other than the Cumulative Convertible Preference Shares, the Convertible Redeemable Preference Shares, or Further Cumulative Convertible Preference Shares or Further Convertible Preference Shares as provided in paragraph (8) of this Article 4.1 or paragraph (8) of Article 4.2 or any Non-Voting Cumulative Deferred Shares or any Non-Voting Deferred Shares for the time being in issue which shall have resulted from conversion of any

Cumulative Convertible Preference Share or any Convertible Preference Share) shall be in issue which is not in all respects uniform with the Ordinary Shares in issue on the date of the passing of the resolution to create the Cumulative Convertible Preference Shares (or, following such consolidation referred to in sub-paragraph (6)(o) of this Article 4.1, the Ordinary Shares in issue immediately following such consolidation), save:

- (A) as to the date from which such capital shall rank for dividend; or
 - (B) for Equity Share Capital issued pursuant to an employees' share scheme within the meaning of Section 743 of the Act; or
 - (C) for Equity Share Capital which has attached thereto rights as to dividend, capital and voting which in no respect are more favourable than those attached to the Ordinary Shares in issue at the date of the passing of such resolution; or
 - (D) for Equity Share Capital issued pursuant to an offer or invitation which is extended to the holders of the Cumulative Convertible Preference Shares and the Convertible Preference Shares pursuant to the immediately preceding sub-paragraph (7)(a)(ii) of this Article 4.1 and to sub-paragraph (6)(b) of Article 4.2;
- (iv) no resolution shall be passed whereby the rights attaching to the Ordinary Shares shall be modified, varied or abrogated or for reducing the Company's share capital or any uncalled liability thereon or the amount for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the Court will be required or whereby the

purchase by the Company of any Shares in its capital (other than the Cumulative Convertible Preference Shares and any Non-Voting Cumulative Deferred Shares arising pursuant to sub-paragraphs (4)(h) or (j) of this Article 4.1 and/or other than the Convertible Preference Shares and any Non-Voting Deferred Shares arising pursuant to Article 4.2) is sanctioned; and

- (v) the Company will not do any act or thing resulting in an adjustment to the Cumulative Conversion Rate if in consequence such rate would involve the issue of Ordinary Shares at a discount.
- (b) If an offer is made to the holders of Ordinary Shares (or all such shareholders other than the offeror and/or any associate of the offeror as defined in section 430E(4) of the Act) to acquire the whole or any part of the issued ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than fifty per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror and/or such associates as aforesaid, the Company shall give written notice to all holders of Cumulative Convertible Preference Shares of such vesting (or prospective vesting) within 14 days of its becoming so aware. Each such holder shall be entitled within the period of six weeks from the date of such notice (but not thereafter) to convert some or all of his Cumulative Convertible Preference Shares into fully paid Ordinary Shares on the basis set out in paragraph (4) of this Article 4.1 but on the basis that:
 - (i) the Cumulative Conversion Date in respect of any particular Cumulative Convertible Preference Shares shall be the day on which the Company shall have received a duly completed Cumulative Conversion Notice; and

- (ii) the preferential cumulative dividend in respect of the relevant Cumulative Convertible Preference Shares shall accrue up to the Fixed Dividend Date last preceding such Cumulative Conversion Date but shall cease to accrue thereafter and the Ordinary Shares arising on conversion shall not rank for any dividend or distribution paid or made before or by reference to any record date before the Cumulative Conversion Date. Subject as aforesaid, the provisions as to conversion in paragraph (4) of this Article 4.1 shall apply mutatis mutandis to such conversion.
- (c) If the Company is wound up, the Company shall forthwith give notice thereof in writing to all holders of Cumulative Convertible Preference Shares. Each holder of Cumulative Convertible Preference Shares in respect of all or any of his Cumulative Convertible Preference Shares shall be entitled within six weeks after the date of the resolution to wind up the Company or (as the case may be) after the date of the Order of the Court for such winding-up (either of such dates being referred to in this subparagraph as "**the operative date**") by notice in writing to the Company to elect to be treated as if his conversion rights had been exercisable and had been exercised immediately before the operative date on the basis of conversion as provided above and in that event he shall be entitled to be paid in satisfaction of the amount due in respect of such of his Cumulative Convertible Preference Shares as are to be treated as if converted a sum equal to the amount of which he would have become entitled in such liquidation if he had been the holder of the Ordinary Shares to which he would have become entitled by virtue of such conversion (fractions being disregarded for this purpose), together with any arrears, deficiency or accrual for the preferential cumulative dividend on such Cumulative Convertible Preference

Shares down to and including the Fixed Dividend Date last preceding the Cumulative Conversion Date which immediately preceded such winding-up. At the end of the said period of six weeks, any outstanding Cumulative Convertible Preference Shares shall cease to be convertible or capable of becoming convertible or of being as converted.

- (d) If the Company shall change its accounting reference date to a date which is more than fourteen days before or after 31 May, such adjustments (if any) shall be made to the conversion rights attached to the Cumulative Convertible Preference Shares as the Auditors shall determine to be fair so as not to prejudice the conversion rights and notification of any such change and adjustment shall be given to the holders of the Cumulative Convertible Preference Shares.
- (e) The Company shall send to the holders of the Cumulative Convertible Preference Shares a copy of every document sent to the holders of its Ordinary Shares at the same time as it is sent to the holders of the Ordinary Shares.
- (f) The Company shall procure that at all times there shall be sufficient authorised but unissued ordinary share capital available for the purposes of satisfying the requirements of any Cumulative Conversion Notice or Company Conversion Notice as may be delivered pursuant to paragraph (4) of this Article 4.1.;
- (g) The Company shall not take any action which would result in an adjustment of the Cumulative Conversion Rate if, after giving effect thereto, the number of Ordinary Shares to be allotted or issued on conversion would be increased to such an extent that some or all of such Shares could not be allotted or issued at that time without contravening section 80(1) or section 89(1) of the Act (as modified or re-enacted from time to time) or could not, under any other applicable law then in effect, be legally issued as full paid unless and to the extent that such conversion can

lawfully be effected in a manner which does not involve an allotment or issue of Ordinary Shares.

(8) Further Issues

The Company may from time to time create (including by redesignation) and issue further cumulative convertible preference shares (in these Articles called "**Further Cumulative Convertible Preference Shares**") which Further Cumulative Convertible Preference Shares may, as regards participation in the profits and assets of the company, either carry rights identical in all respects with the Cumulative Convertible Preference Shares or with any other series of Further Cumulative Convertible Preference Shares or rights differing therefrom in any respect (but not being in priority) including (but without prejudice to the generality of the foregoing) in that:

- (a) the rate and/or the basis of calculation of the dividend may differ;
- (b) the Further Cumulative Convertible Preference Shares may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
- (c) subject to (d) below, a premium may be payable on a return of capital or there may be no such premium;
- (d) the Further Cumulative Convertible Preference Shares may be redeemable on such terms and conditions as may be prescribed by the terms of the issue thereof and/or the Articles of Association of the Company for the time being provided that the amount payable in respect of such Further Cumulative Convertible Preference Shares on a winding-up or other return on capital (including redemption) shall not exceed the amount paid on the subscription of such shares (together with any arrears, deficiency or accruals of dividends) or may be non-redeemable;
- (e) the Further Cumulative Convertible Preference Shares may be convertible into Ordinary Shares, or into any other class of Shares which constitutes Equity Share Capital ranking as regards

participation in the profits or assets of the Company after the Further Cumulative Convertible Preference Shares.

Except as provided above the issue of Further Cumulative Convertible Preference Shares ranking as regards participation in the assets of the Company in any respect in priority to the Cumulative Convertible Preference Shares shall be deemed to be a variation of the special rights attached to such Shares. To the extent that the rights attaching to any issue of Further Cumulative Convertible Preference Shares rank behind the Cumulative Convertible Preference Shares, such issue shall be deemed not to be a variation to the special rights attached to such Shares.

(9) Re-designation

Upon any Cumulative Convertible Preference Share ceasing to be capable of conversion, such Share shall automatically be re-designated as a "Cumulative Second Convertible Redeemable Preference Share of £1" without any requirement to alter or substitute the then existing certificate in respect of the relevant Cumulative Convertible Preference Share.

4.2 The special rights, restrictions and provisions applicable to the Convertible Preference Shares are set out below:

(1) Income

The holders of the Convertible Preference Shares shall have no entitlement to any dividend and accordingly shall have no right to participate in the profits of the Company.

(2) Capital

(a) The rights of the holders of the Convertible Preference Shares to participate in the assets of the Company shall be only as are set out in paragraph (2) of Article 4.1.

(3) Conversion

- (a) Each holder of Convertible Preference Shares shall be entitled at the times and in the manner set out in (and subject to the provisions, including, without limitation, sub-paragraph (3)(o)(ii) of) this paragraph (3) to convert all or any of his Convertible Preference Shares into fully paid Ordinary Shares on the basis of 10 Ordinary Shares of 25p each for every £9 in nominal value of Convertible Preference Shares so converted, and so in proportion for any other nominal amount of Convertible Preference Shares (such rate, as adjusted from time to time as provided in sub-paragraph (3)(o) of this Article 4.2, being herein called "**the Conversion Rate**"), provided that, if a Conversion Notice (as defined in sub-paragraph (3)(c) of this Article 4.2) is given in respect of part only of a holding of Convertible Preference Shares so that there would, following conversion, remain a number of Convertible Preference Shares in that holding smaller than that required to convert into one Ordinary Share at the Conversion Rate then applicable, then all the Convertible Preference Shares in that holding shall be converted notwithstanding the figure inserted in the Conversion Notice.
- (b) For the purposes of this Article 4.2, the expression "**Conversion Dates**" shall (subject to sub-paragraphs (3)(m), (4)(d), and (6)(c) of this Article 4.2) mean the following dates, namely 31st August and 30th November, 1994, 28th February, 31st May, 31st August and 30th November, 1995, 28th February 1996, 31st May 1996, 31st August 1996, 30th November 1996, 28th February 1997, 31st May 1997, 31st August 1997, 30th November 1997, 28th February 1998, 31st May 1998, 31st July 1998, 31st October 1998, 31st January 1999, 30th April 1999, 31st July 1999, 31st October 1999, 31st January 2000, 30th April 2000, 31st July 2000, 31st October 2000 and 31st January 2001 ("**the Last Conversion Date**"), provided always that if any Conversion Date would otherwise fall on a day which is not a business day such

Conversion Date shall be the date of the next business day and **"Conversion Date"** shall in this Article 4.2 be construed accordingly.

- (c) The conversion rights shall be exercisable on any Conversion Date by completing the notice of conversion endorsed on the share certificate relating to the Convertible Preference Shares to be converted or a notice in such other form as the Board may from time to time prescribe in lieu thereof (in each case a **"Conversion Notice"**) and (subject to sub-paragraphs 3(m), 4(d) and 6(c) of this Article 4.2) lodging the same with the Registrars at any time during the period of 28 days ending on the day preceding the Conversion Date (such period being called in this Article a **"Conversion Period"**) together with such other evidence (if any) as the Board may reasonably require to prove the title and claim of the person exercising such right to convert. A Conversion Notice once lodged may not be withdrawn without the consent in writing of the Company.
- (d) The Company shall not less than 28 days nor more than 56 days prior to the first Conversion Date give to the holders of the Convertible Preference Shares notice in writing reminding them of their right to convert and stating the applicable Conversion Rate and, if relevant, the additional information stipulated in sub-paragraph (3)(o)(v) of this Article 4.2. Such notice shall give the name and address of the Registrars and shall also, if the Board have prescribed some form of Conversion Notice different from that endorsed on the certificates relating to the Convertible Preference Shares, be accompanied by a copy of the Conversion Notice so prescribed. If the Board shall at any time after the first Conversion Date prescribe some form of Conversion Notice different from that endorsed on the certificates relating to the Convertible Preference Shares, the Company shall send a copy of the Conversion Notice as so prescribed to each holder of

Convertible Preference Shares not less than 28 days nor more than 56 days prior to the Conversion Date next following the date upon which such Conversion Notice is so prescribed.

- (e) Conversion of such Convertible Preference Shares as are due to be converted as aforesaid on any Conversion Date (such shares being called in this Article 4.2 the "**Relevant Shares**") shall be effected in such manner as the Board may determine and as the law may allow and in particular, but without prejudice to the generality of the foregoing, may be effected in accordance with the provisions of this Article 4.2.
- (f) The Board may determine to effect conversion by redeeming the Relevant Shares on any Conversion Date for a sum equal to the nominal capital paid up or credited as paid up on the Relevant Shares (or any of them) either out of the profits of the Company which would otherwise be available for distribution or out of the proceeds of a fresh issue of Ordinary Shares, provided that the Board shall first have obtained all requisite authorities for the purpose of enabling them to allot the Ordinary Shares which fall to be allotted pursuant to this sub-paragraph (3)(f) and/or grant rights to subscribe therefor. A Relevant Share (if the Board elects to redeem the same out of the profits of the Company which would otherwise be available for distribution) shall confer on the holder thereof the right (and oblige such holder) to subscribe for the appropriate number of Ordinary Shares at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the Ordinary Shares to which the holder is so entitled; in any such case, the Conversion Notice given by the holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Board to apply the redemption moneys payable to him in subscribing for such Ordinary Shares at such premium (if any) as aforesaid. A Relevant Share (if the Board

elects to redeem the same out of the proceeds of a fresh issue) shall confer on the holder thereof the right (and oblige such holder) and shall authorise the Secretary (or any other person appointed for the purpose by the Board) to subscribe as agent on the holder's behalf for the appropriate number of Ordinary Shares (which authority shall include the right to borrow money) at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the Ordinary Shares to which the holder is so entitled; in any such case, the Conversion Notice given by a holder of Relevant Shares shall irrevocably authorise and instruct the Board to apply the redemption moneys payable to him in payment to his said agent who shall be entitled to retain the same for his own benefit without being accountable therefor to such holder.

(g) The Board may determine to effect conversion by means of consolidation and sub-division. In such case the requisite consolidation and sub-division may be effected pursuant to the authority conferred by the resolution which created the Convertible Preference Shares and either:

(i) by consolidating into 1 Share all the Relevant Shares held by any holder or joint holders and in respect of which a Conversion Notice shall have been lodged during the relevant Conversion Period and sub-dividing such consolidated Share into Shares of, subject to sub-paragraph (3)(o)(ii) of this Article 4.2, 25p each (or such nominal amount as may be appropriate as a result of any other consolidation or sub-division of Ordinary Shares occurring after the Proposed Consolidation Day) of which, subject as aforesaid, 10 Shares for each £9 of the nominal amount of the consolidated Share (or such other number of shares as may be appropriate as a result of any

adjustment pursuant to the provisions of sub-paragraph (3)(o) of this Article 4.2) shall be Ordinary Shares (and so in proportion for any other nominal amount of the consolidated Share), any residual fractional entitlements being disregarded, and the balance of such sub-divided Shares shall be the Non-Voting Deferred Shares having the rights set out in paragraph (3)(h) of this Article 4.2; or

- (ii) by consolidating into 1 Share all the Relevant Shares held by any holder or joint holders and in respect of which a Conversion Notice shall have been lodged during the relevant Conversion Period and sub-dividing such Share at the applicable Conversion Rate into the appropriate number of ordinary shares in the capital of the Company, in which event such ordinary shares, notwithstanding that they may have a different par value from other Ordinary Shares then in issue, shall form a uniform class with all such Shares and shall notwithstanding any contrary provision in these Articles for all purposes and in all respects (including without limitation entitlement to dividends or other distributions, participation in offers, voting rights and rights on liquidation or return of capital) rank pari passu with all other fully paid Ordinary Shares for which purpose the par value of an Ordinary Share shall, subject to sub-paragraph (3)(o)(ii) this Article 4.2, be 25p (or such other nominal amount as may be appropriate as a result of any other consolidation or sub-division of Ordinary Shares occurring after the Proposed Consolidation Day) and the par value of the ordinary shares into which the Relevant Shares shall convert shall (subject to adjustment as aforesaid) also, subject as aforesaid, be deemed to be 25p.

- (h) In the case of a conversion effected by means of consolidation and sub-division as provided in sub-paragraph (3)(g)(i) of this Article 4.2 the Non-Voting Deferred Shares arising as a result thereof shall on a return of capital on a winding-up or otherwise entitle the holder only to repayment of the amounts paid up on such Shares after payment in respect of each Cumulative Convertible Preference Share, each Convertible Redeemable Preference Share and each Ordinary Share of the capital paid up on such Share and £100,000 and shall not entitle the holder to the payment of any dividend or other distribution nor to receive notice of or attend, speak or vote at any General Meeting of the Company, and such conversion shall confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Non-Voting Deferred Shares a transfer thereof (and/or an agreement to transfer the same) to such persons as the Company may determine as custodian thereof and/or purchase the same (in accordance with the provisions of the Statutes) in any such case at a price of 1p in aggregate for all the Non-Voting Deferred Shares without obtaining the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificate for such Non-Voting Deferred Shares.
- (i) The Company may at its option at any time after the creation of any Non-Voting Deferred Shares redeem all of the Non-Voting Deferred Shares then in issue, at a price, in aggregate, of 1p for all of the Non-Voting Deferred Shares, upon giving the holders of such Shares not less than 28 days' previous notice in writing of its intention so to do, fixing a time and place for the redemption. Upon redemption of any Non-Voting Deferred Shares pursuant to this sub-paragraph (3)(i) the Board may, pursuant to the authority conferred by the resolution which adopted this Article, consolidate and/or sub-divide and/or convert

the authorised Non-Voting Deferred Share capital existing as a consequence of such redemption into Shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the Shares of such class then in issue or into unclassified Shares of the same nominal amount as the Non-Voting Deferred Shares.

- (j) Any fractions of Ordinary Shares arising on conversion shall not be allotted to the holders of the Relevant Shares otherwise entitled thereto but (if any such arrangement can be made) such fractions shall be aggregated and sold on behalf of such holders at the best price reasonably obtainable and the net proceeds of sale distributed pro rata among such holders unless, in respect of any holding of Relevant Shares, the amount to be distributed would be less than £3.00, in which case such amount shall not be so distributed but shall be retained for the benefit of the Company. For the purpose of implementing the provisions of this sub-paragraph (3)(j) the Board may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to any such fractions and generally may make all arrangements which appear to them necessary or appropriate for the settlement and disposal of fractional entitlements.
- (k) The Ordinary Shares resulting from the conversion shall carry the right to receive all dividends and (unless an adjustment shall have been made in respect thereof pursuant to sub-paragraph (3)(o) of this Article) other distributions declared, paid or made on the Ordinary Share capital of the Company by reference to a record date falling after the relevant Conversion Date and shall otherwise rank pari passu in all respects with the Ordinary Shares then in issue and fully paid.
- (l) Within 28 days after the applicable Conversion Date, the Company shall allot the Ordinary Shares resulting from

conversion and insofar as such Ordinary Shares are Certificated Shares shall forward to each holder of the Relevant Shares by ordinary post, at his own risk, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares and insofar as such Ordinary Shares are Uncertificated Shares the Company shall evidence the entitlement of each holder of Relevant Shares to the appropriate number of fully paid Ordinary Shares in accordance with the rule and regulations of a relevant system for the time being, and in either case shall forward a new certificate for any unconverted Convertible Preference Shares comprised in the certificate(s) surrendered by him, together (where relevant) with a cheque in respect of any cash entitlement arising from the sale of fractions. In the meantime transfers shall be certified against the Register.

- (m) If, immediately after any Conversion Date, 75 per cent. or more of the Convertible Preference Shares (including any Further Convertible Preference Shares, as defined in paragraph (8) of this Article 4.2) at any time issued shall have been converted or redeemed, the Company shall, subject as hereinafter provided, be entitled not later than 28 days after such Conversion Date (or any subsequent Conversion Date) to give to the holders of the Convertible Preference Shares which have not been converted or redeemed not less than 28 days' nor more than 56 days' notice in writing to convert (a "**Compulsory Conversion Notice**") and on the date of expiry of such notice ("**the Expiry Date**") the holders of the Convertible Preference Shares shall be treated as having exercised the right to convert in respect thereof and the provisions relating to conversion shall apply mutatis mutandis as if the Expiry Date were a Conversion Date and such Convertible Preference Shares were "**Relevant Shares**" in respect of which a Conversion Notice had been given for the purpose of this subparagraph 3(m), provided that any holder of Convertible

Preference Shares in respect of which a Compulsory Conversion Notice is given as aforesaid may, in relation to all or any of such Shares held by him, give to the Company at any time more than 14 days prior to the Expiry Date notice requesting the Company on the Expiry Date to redeem such Shares and not to convert the same (a "**Counter-Notice**"). In relation to any Convertible Preference Shares in respect of which a Counter-Notice is duly served, the Company shall be entitled to withdraw the relevant Compulsory Conversion Notice by giving notice in writing to the relevant holder of such withdrawal at any time prior to the Expiry Date, and in the event of such withdrawal, the relevant Convertible Preference Shares shall be neither converted nor redeemed on the Expiry Date. If no such notice is served by the Company, the Convertible Preference Shares to which the Counter-Notice relates shall be redeemed on the Expiry Date and the provisions of sub-paragraphs (e) to (i) of paragraph (4) of this Article 4.2 shall apply mutatis mutandis as if the Expiry Date were a Fixed Redemption Date.

- (n) The Company shall, if the Ordinary Shares of the Company are at the relevant Conversion Date dealt in on any stock exchange (including the Official List of the Stock Exchange) (or, if more than one such other stock exchange, that stock exchange which the Company shall designate to be the principal stock exchange) ("**Relevant Exchange**"), use its best endeavours to procure that permission is granted by such stock exchange for the Ordinary Shares resulting from conversion to be dealt in on such stock exchange at the earliest practicable date following conversion.
- (o) The Conversion Rate shall from time to time be adjusted in accordance with the provisions of this sub-paragraph (3)(o), subject always to sub-paragraph (6)(b) of this Article 4.2:
 - (i) if (otherwise than in connection with the consolidation referred to in the following sub-paragraph (o)(ii)), while

any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Company shall make any issue of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to the holders of Ordinary Shares then the Conversion Rate shall be increased pro rata, such increase to become effective as at the record date for such issue. No adjustment shall be made in the event of any issue of Shares by way of capitalisation of profits or reserves in lieu of cash dividends;

(ii) if the consolidation of ordinary share capital in the Company proposed to be effected by the resolution that adopted these Articles of Association does not become, or ceases to become capable of being, effective:

- (A) the reference in sub-paragraph (3)(a) of this Article 4.2 to the basis of conversion being 10 Ordinary Shares of 25p each for every £9 in nominal amount of Convertible Preference Shares converted shall for all purposes be a reference to 100 Ordinary Shares of 2.5p each for every £9 of such nominal amount;
- (B) the reference in sub-paragraph (3)(g)(i) of this Article 4.2 to 10 Shares for each £9 nominal amount shall for all purposes be a reference to 100 shares for each £9 of nominal amount; and
- (C) the references in sub-paragraph (3)(g) of this Article 4.2 to 25p shall for all purposes be references to 2.5p.

Additionally, if while any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Ordinary Shares shall be consolidated (otherwise than

as is proposed by the resolution referred to above), or sub-divided, then the Conversion Rate shall be reduced or increased pro rata accordingly, such reduction or increase to become effective immediately after the consolidation or sub-division;

- (iii) if (otherwise than in connection with the consolidation referred to in the preceding sub-paragraph (o)(ii)), while any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Company shall make any Capital Distribution to the Ordinary Shareholders, then the number of Ordinary Shares to be issued for every £9 nominal amount of Convertible Preference Shares subsequently converted (and so in proportion for any other nominal amount of Convertible Preference Shares) shall be adjusted by multiplying such number of Ordinary Shares by the following fraction:

$$\frac{A}{A - B}$$

where:

A is the Current Market Price Per Share at the date on which the Capital Distribution is publicly announced; and B is the fair market value on the day of such announcement, as determined by the Auditors, or by a member of The Securities and Futures Authority Limited (or any successor organisation or authority) selected by the Board (in either case acting as an expert and not as an arbitrator) of the portion of the Capital Distribution attributable to one Ordinary Share. Such adjustment shall become effective as at the record date for the Capital Distribution. The provisions of this sub-paragraph

(3)(o)(iii) shall not apply to any offer which falls within sub-paragraph (3)(o)(iv) of this Article 4.2;

- (iv) if (otherwise than as provided in the preceding sub-paragraph (o)(iii)), while any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Company shall offer to holders of the Ordinary Shares as a class new Ordinary Shares by way of rights at a price which is less than the Current Market Price Per Share at the date of announcement of the terms of the offer, then (except where the Conversion Rate falls to be adjusted under sub-paragraph (3)(o)(i) of this Article 4.2) and subject to the provisions of sub-paragraph (6)(b) of this Article 4.2, the aggregate nominal amount of Ordinary Shares to be issued for every £9 nominal amount of Convertible Preference Shares subsequently converted (and so in proportion for any other nominal amount of Convertible Preference Shares) shall be increased by an amount (expressed in pence) equal to:

$$\frac{X \times Z}{Y + Z}$$

where:

X is the nominal amount (expressed in pence) of the new Ordinary Shares (including fractions thereof) which would have been offered to a holder of £9 nominal amount of Convertible Preference Shares had his conversion rights been exercisable and exercised in full immediately before the record date for such offer at the Conversion Rate then applicable;

Y is the price (expressed in pence) payable for each such new Ordinary Share under the terms of the offer; and

Z is the average of the means of the quotations (expressed in pence) published in the Stock Exchange's Daily Official

List or (as the case may be if the Ordinary Shares are not listed on the Official List) in the nearest equivalent publication showing the market prices for an Ordinary Share) of one such new Ordinary Share, nil paid, during the first five business days on which such new Ordinary Shares are dealt in on the Relevant Exchange, nil paid. Such adjustment shall become effective as at the record date for the offer; and

- (v) upon the happening of any of the events mentioned in this sub-paragraph (3)(o), the Auditors shall, subject to sub-paragraph (6)(b) of this Article 4.2, report whether and, if so, to what extent, an adjustment to the Conversion Rate falls to be made in accordance with the provisions of this sub-paragraph (3)(o) and the Company shall, in the notice to be given to the holders of the Convertible Preference Shares pursuant to sub-paragraph (3)(d) of this Article 4.2 (if such adjustment to the Conversion Rate shall become effective prior to the giving of such notice) or by separate notice to the holders of the Convertible Preference Shares served not less than 28 days and not more than 56 days prior to the Conversion Date next following the date upon which the relevant adjustment to the Conversion Rate takes effect (in any other case), set forth brief particulars of the event or events giving rise to such adjustment, the Conversion Rate in effect prior to such adjustment, the adjusted Conversion Rate and the effective date thereof and shall make available for their inspection (at such place as shall be specified in such notice) a copy of the said report of the Auditors and, where any determination shall have been made pursuant to sub-paragraph (3)(o)(iii) of this Article 4.2, a copy of such determination. In the absence of manifest error, the

adjustment to the Conversion Rate as specified in such notice shall be conclusive and binding on all concerned.

(4) Redemption and Purchase

- (a) For the purposes of this Article 4.2, the expression "**Redemption Dates**" shall mean the following dates, namely 31st August and 30th November, 1994, 28th February, 31st May, 31st August and 30th November, 1995, 28th February 1996, 31st May 1996, 31st August 1996, 31st July 1998, 31st October 1998, 31st January 1999, 30th April 1999, 31st July 1999, 31st October 1999, 31st January 2000, 30th April 2000, 31st July 2000, 31st October 2000 and 31st January 2001 provided always that if any Redemption Date would otherwise fall on a day which is not a business day such Redemption Date shall be the date of the next business day (and "**Redemption Date**" shall in this Article be construed accordingly) and the expression "**the Specified Maximum**" shall mean:
- (i) in relation to the first Redemption Date (on 31st August, 1994) or any subsequent Redemption Date falling on or before 31st May 1996 (subject as provided above), 175,000 Convertible Preference Shares;
 - (ii) in relation to the Redemption Date falling (subject as provided above) on 31st August 1996, 64,474 Convertible Preference Shares;
 - (iii) in relation to the Redemption Dates falling (subject as provided above) on or after 31st July 1998 such number of Convertible Preference Shares as is equal to the aggregate of 32,237 and the amount by which the aggregate number of such Shares in respect of which Redemption Notices (as hereinafter defined) have been given on all previous Redemption Dates falling (subject as provided above) on or after 31st July 1998 falls short of

the figure calculated by multiplying the number of such previous Redemption Dates by 32,237.

- (b) Subject to the provisions of this paragraph (4) any holder of Convertible Preference Shares shall have the right (subject to sub-paragraph 4(g) of this Article 4.2) to require redemption on any Redemption Date of the whole (or any part, being not less than 100 shares) of the Convertible Preference Shares of which he is the holder, such right to be exercisable by completing the notice of redemption endorsed on the share certificate relating to the relevant Convertible Preference Shares (or a notice in such other form as the Board may from time to time prescribe in lieu thereof) (in each case a "**Redemption Notice**") and lodging the same with the Registrars at any time during the period of 28 days ending on the day preceding the relevant Redemption Date (such period being called in this Article 4.2 a "**Redemption Period**") together with such other evidence (if any) as the Board may reasonably require to prove the title and claim of the person exercising such right to redeem. A Redemption Notice once lodged may not be withdrawn without the consent in writing of the Company.
- (c) The Company shall not be obliged to redeem on any Redemption Date more than the Specified Maximum in relation to such Redemption Date. In the event that the Company shall receive during any Redemption Period Redemption Notices in respect of more than the Specified Maximum in relation to the relevant Redemption Date the Company shall (subject to sub-paragraph (4)(g) of this Article 4.2 and to the Statutes) redeem on such Redemption Date the Specified Maximum in relation to such Redemption Date, the Shares to be so redeemed to be allocated between the holders (if more than one) who have delivered such Redemption Notices on the following basis:
 - (i) each such holder shall have allocated to him the lower of:

- (aa) that proportion of the Specified Maximum in relation to the relevant Redemption Date which is equal to the proportion which his holding of Convertible Preference Shares bears to the total number of Convertible Preference Shares in issue immediately prior to such Redemption Date; and
 - (bb) the number of Convertible Preference Shares to which his Redemption Notice relates; and
- (ii) the balance (if any) of the Shares to be redeemed ("**the Balance**") shall be allocated between those holders whose Redemption Notices relate to a number of Convertible Preference Shares in excess of the number allocated to them pursuant to sub-paragraph (4)(c)(i)(aa) of this Article 4.2 ("**the Excess Applicants**") in proportion to their holdings of Convertible Preference Shares immediately prior to the relevant Redemption Date (provided that no holder shall have allocated to him Convertible Preference Shares in excess of the number to which his Redemption Notice relates and accordingly, if pursuant to this sub-paragraph (4)(c)(ii) and sub-paragraph (4)(c)(i) any holder is initially allocated Convertible Preference Shares in excess of the number to which his Redemption Notice relates, the excess shall, subject as aforesaid, be allocated instead among the other Excess Applicants in proportion to their holdings of Convertible Preference Shares immediately prior to such Redemption Date and this process of allocation shall be repeated until all of the Balance has been allocated among the Excess Applicants in such a manner as shall result in no holder of Convertible Preference Shares having allocated to him for redemption Convertible Preference Shares in excess of

the number of such shares to which his Redemption Notice relates).

- (d) Without prejudice to sub-paragraph (4)(b) of this Article 4.2, the Company shall, subject to sub-paragraph (4)(g) of this Article 4.2 and to the Statutes and subject as hereinafter provided, redeem on 2nd March 2001 (a "**Fixed Redemption Date**") any Convertible Preference Share then in issue and unconverted, provided that the Company may, by notice in writing ("**the Election**") served upon the relevant holder not less than 28 days nor more than 56 days prior to the relevant Fixed Redemption Date, elect that such Convertible Preference Share shall be converted and not redeemed and in the event that such an election is made (subject to the right of the relevant holder to serve a counter-notice on the Company not less than 7 days prior to the relevant Fixed Redemption Date requiring that the relevant Convertible Preference Share is redeemed and not converted) the relevant holder shall be treated as having exercised the right to convert in respect of the relevant Convertible Preference Share and the provisions of this Article relating to conversion shall apply mutatis mutandis as if such Fixed Redemption Date were a Conversion Date and such Convertible Preference Share was a "**Relevant Share**" in respect of which a Conversion Notice had been given for the purpose of this sub-paragraph (4)(d).
- (e) Subject to paragraph (4)(g) of this Article 4.2 and to the Statutes, on any Redemption Date or Fixed Redemption Date the Company shall redeem the Convertible Preference Shares to be redeemed on that date and each of the holders of the Convertible Preference Shares concerned shall be bound on or before the relevant Redemption Date or Fixed Redemption Date, as the case may be, to deliver to the Registrars the certificate(s) for such of the Convertible Preference Shares concerned as are held by him (or an indemnity in lieu thereof in a form satisfactory to the

Company). On the relevant Redemption Date or Fixed Redemption Date, as the case may be, (or, if later, upon delivery of such certificate(s) or indemnity as aforesaid) the Company shall pay to the relevant holder the amount due to him in respect of such redemption. If any certificate so delivered to the Registrars includes any Convertible Preference Shares not to be redeemed on the relevant Redemption Date or Fixed Redemption Date, the Company shall either:-

- (i) endorse a memorandum of the amount and date of the redemption on such certificate, or
 - (ii) cancel the same and issue a fresh certificate for such Convertible Preference Shares free of charge to the holder.
- (f) There shall be paid on each Convertible Preference Share to be redeemed under this paragraph (4) a sum equal to the nominal capital paid up or credited as paid up thereon. The receipt of the registered holder (or, in the case of joint holders, the receipt of any of them) for the time being of any Convertible Preference Shares for the moneys payable on redemption thereof or application of the same as provided in sub-paragraph (3)(f) of this Article 4.2 on any conversion thereof shall constitute an absolute discharge to the Company in respect thereof.
- (g) If on any Redemption Date or Fixed Redemption Date the Company is permitted by the Statutes to redeem some only or none of the Convertible Preference Shares required on that date to be redeemed the Company shall redeem such number thereof as may lawfully be redeemed at such time (the Shares to be redeemed to be selected so that each of the holders who is due to have Convertible Preference Shares redeemed on that date has redeemed an equal proportion of the Shares of which he is the holder and which are to be so redeemed, unless all such holders shall otherwise agree and shall, before the relevant Redemption

Date or Fixed Redemption Date, direct the Company in writing, giving full details of the alternative proportions in which Shares are to be redeemed) and shall redeem as soon thereafter as it shall lawfully be permitted so to do the remaining number which would otherwise then have fallen to be redeemed in accordance with this paragraph (4) (and pending such redemption the amount payable to the relevant holder upon such redemption shall not be regarded as a sum due from the Company to such holder and accordingly the Company shall not be regarded for any purpose as being in default in relation to any indebtedness). The Company shall not be obliged, for the purpose of ascertaining whether it has at any time become lawful to redeem Convertible Preference Shares which could not lawfully be redeemed on the due date, to prepare accounts complying with the requirements of the Statutes as to accounts prepared for such purpose other than to a date which is its accounting reference date for the time being, or a date falling six calendar months after expiry of any accounting reference period. If at any time it becomes lawful for the Company to redeem some (but not all) of the Convertible Preference Shares which could not lawfully be redeemed on the due date(s), the Shares to be redeemed shall be selected such that Shares due to be redeemed on the earliest Redemption Date or Fixed Redemption Date shall be redeemed first and, as between holders whose Shares were to be redeemed on the same date, the relevant shares shall be selected so that each of such holders has redeemed an equal proportion of the Shares held by him and due to be redeemed on such date, unless all such holders shall otherwise agree and shall, on or before the proposed date for redemption, direct the Company in writing, giving full details of the alternative proportions in which Shares are to be redeemed.

- (h) Subject to the provisions of the Statutes, the Company may at any time purchase Convertible Preference Shares on such terms and

conditions as the Company may think fit. The Company may exercise its rights and powers of purchase as regards the Convertible Preference Shares and any Further Convertible Preference Shares (as defined in paragraph (8) of this Article 4.2) which may be issued pursuant to paragraph (8) of this Article 4.2, (not being a series which is identical to and forms a single series with the Convertible Preference Shares) at its sole discretion and without obligation to maintain the ratio between the nominal amounts for the time being outstanding of any series.

- (i) Upon the redemption of any Convertible Preference Shares (whether pursuant to sub-paragraph (4)(b) or (4)(d) of this Article 4.2 or pursuant to sub-paragraph (3)(m) of this Article 4.2 or on conversion pursuant to sub-paragraph (3)(f) of this Article 4.2) the Board may, pursuant to the authority conferred by the passing of the resolution which adopted this Article, consolidate and/or sub-divide and/or convert the authorised preference share capital existing as a consequence of such redemption into Shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the Shares of such class then in issue or into unclassified Shares of the same nominal amount as the Convertible Preference Shares.

(5) Voting and General Meetings

- (a) The holders of the Convertible Preference Shares shall, by virtue or in respect of their holdings of Convertible Preference Shares, have the right to receive notice of every General Meeting of the Company, but shall not have the right to attend, speak or vote at any General Meeting unless a resolution is proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Convertible Preference Shares or for the winding up of the Company or for the appointment of an administrator or for the approval of a voluntary arrangement, in which case such

holders shall have the right to attend the General Meeting and shall be entitled to speak and vote on any such resolution; references in these Articles to "member", "shareholder" and "holder" in relation to receiving notice of, and attending or voting at, General Meetings of the Company shall be construed accordingly.

- (b) Whenever the holders of the Convertible Preference Shares are entitled (in accordance with the provisions of sub-paragraph (5)(a) of this Article 4.2) to vote at a General Meeting of the Company on a resolution proposed at such a General Meeting, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote and on a poll every holder thereof who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote in respect of each fully paid Convertible Preference Share registered in the name of such holder.
- (c) For the purposes of these Articles, the Convertible Preference Shares are deemed not to be voting Shares.

(6) Other Provisions

- (a) So long as any Convertible Preference Shares remain capable of conversion into Ordinary Shares then, save with such consent or sanction on the part of the holders of the Convertible Preference Shares as is required for a variation of the rights attached to such Shares, no Shares shall be issued pursuant to a capitalisation of profits or reserves (including any share premium account and capital redemption reserve) except as set out in sub-paragraphs (7)(a)(i)(A) and (B) of Article 4.1:
- (b) If, while any of the Convertible Preference Shares remain capable of conversion into Ordinary Shares, any offer or invitation by way of rights or otherwise (not being an offer or invitation to

which the provisions of sub-paragraph (6)(c) of this Article 4.2 apply) or any Capital Distribution (in either case not being in connection with the consolidation referred to in sub-paragraph (4)(o)(ii) of this Article 4.2) is made to the holders of Ordinary Shares, the Company shall (unless the Conversion Rate falls to be adjusted pursuant to the provisions of sub-paragraph (3)(o) of this Article 4.2 in consequence of the proposed offer or invitation by way of rights or Capital Distribution and the Board shall have determined to do so) make or, so far as it is able, procure that there is made at the same time a like offer, invitation or Capital Distribution to each holder of Convertible Preference Shares as if his conversion rights had been exercisable and exercised in full on the record date for such offer, invitation or Capital Distribution (as the case may be) on the basis of the Conversion Rate then applicable. Where such a like offer, invitation or Capital Distribution is made in circumstances in which an adjustment would otherwise fall to have been made to the Conversion Rate under sub-paragraph (3)(o) of this Article 4.2, no such adjustment shall be made.

- (c) If while any of the Convertible Preference Shares remain capable of conversion, an offer is made to the holders of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any person acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition and the Company becomes aware that the right to cast more than 50 per cent of the votes which may ordinarily be cast on a poll at a General Meeting of the Company has or will become vested in the offeror and/or such companies or persons aforesaid, the Company shall give written notice to all holders of Convertible Preference Shares of such vesting (or prospective vesting) within

14 days of its becoming so aware and each holder shall be entitled within the period of 42 days from the date of such notice (but not thereafter) to convert some or all of his Convertible Preference Shares into fully paid Ordinary Shares on the basis set out in paragraph (3) of this Article 4.2 except that the Conversion Period shall be the said period of 42 days and the Conversion Date shall be the last day of such period and the Ordinary Shares arising on conversion shall not rank for any dividend or distribution declared paid or made before the Conversion Date or in respect of the financial year during which the Conversion Date occurs.

- (d) If while any of the Convertible Preference Shares remain capable of conversion the Company is wound up, the Company shall forthwith give notice thereof in writing to all holders of Convertible Preference Shares and each holder of Convertible Preference Shares shall in respect of all or any of his Convertible Preference Shares be entitled within 6 weeks after the date of the resolution for winding up the Company or (as the case may be) after the date of the Order of the Court for such winding up (either of such dates being referred to in this sub-paragraph (6)(d) as "**the operative date**") by notice in writing to the Company to elect to be treated as if his conversion rights had been exercisable and had been exercised immediately before the operative date on the basis of the Conversion Rate then applicable and in that event he shall be entitled to be paid in satisfaction of the amount due in respect of such of his Convertible Preference Shares as are to be treated as if converted a sum equal to the amount to which they would become entitled in such winding up if he had been the holder of the Ordinary Shares to which he would have become entitled by virtue of such conversion, fractions being disregarded for this purpose. At the end of such 6 week period any

outstanding Convertible Preference Shares shall cease to be capable of conversion.

- (e) So long as any Convertible Preference Shares remain capable of conversion into Ordinary Shares then, save with such consent or sanction on the part of the holders of the Convertible Preference Shares as is required for a variation of the rights attached to such Shares:

- (i) no Equity Share Capital shall be issued which is not in all respects uniform with the Ordinary Shares in issue on the date of the passing of the resolution to create the Cumulative Convertible Preference Shares (or, following such consolidation referred to in sub-paragraph (4)(o)(ii) of this Article 4.2, the Ordinary Shares in issue immediately following such consolidation), save as provided in sub-paragraph (7)(a)(iii) of Article 4.1;

- (ii) the Company shall not

except:

- (aa) on or in connection with the conversion, redemption or purchase of any Shares; or
- (bb) on or in connection with the issue or paying up of any securities by way of capitalisation of profits or reserves (including share premium account and any capital redemption reserve) not being a capitalisation which is prohibited by sub-paragraph (6)(a) of this Article 4.2; or
- (cc) as authorised by section 146(2) or, in respect of redeemable shares, by section 159 of the Act; reduce its share capital or any uncalled liability in respect thereof or (except as authorised by sections 130(2), 160(2) and 170(4) of the Act) any share premium account or capital redemption reserve;

- (iii) the Company, if authorised pursuant to these Articles and the Statutes to purchase its own Ordinary Shares, will not do so except in accordance with the requirements from time to time of the Stock Exchange;
- (iv) no resolution shall be passed whereby the rights attached to the Ordinary Shares shall be modified, varied or abrogated, but, for the avoidance of doubt, it is hereby declared that any resolution for the disapplication of section 89(1) of the Act (or any provisions replacing the same) shall be deemed not to abrogate, vary or modify such rights;
- (v) the Company shall not make any offer or invitation to the holders of Ordinary Shares (other than any offer or invitation to which sub-paragraph (3)(o)(iv) or (6)(b) of this Article 4.2 applies) or allot any Shares in pursuance of a capitalisation issue or make any Capital Distribution during a Conversion Period or by a reference to a record date during a Conversion Period or following a Conversion Period by reference to a record date prior to such Conversion Period;
- (vi) the Company shall not make any issue, offer or distribution or take any other action if the effect thereof would be that, on the conversion of any Convertible Preference Shares, the Company would be required to issue Shares at a discount;
- (vii) the Company shall not take any action which would result in an adjustment of the Conversion Rate if, after giving effect thereto, the number of Ordinary Shares to be allotted or issued on conversion would be increased to such an extent that some or all of such Shares could not be allotted or issued at that time without contravening section 80(1) or section 89(1) of the Act (as modified or

re-enacted from time to time) or could not, under any other applicable law then in effect, be legally issued as fully paid unless and to the extent that such conversion can lawfully be effected in a manner which does not involve an allotment or issue of Ordinary Shares; and

- (viii) the Company shall procure that at all times up to the last Conversion Date there shall be sufficient unissued Ordinary Share capital, or unclassified share capital authorised to be issued as Ordinary Shares, available for the purposes of satisfying the requirements of any Conversion Notice as may be delivered pursuant to paragraph (3) or to sub-paragraph (6)(c) of this Article 4.2.

- (f) If the Company shall change its accounting reference date to a date which is more than 14 days before or after 31st May, such adjustment shall be made to the conversion rights attached to the Convertible Preference Shares as the Auditors shall determine to be fair so as not to prejudice such conversion rights and notification of such change and adjustment shall be given to the holders of the convertible Preference Shares.

(7) Re-designation

Upon any Convertible Preference Shares ceasing to be capable of conversion such share shall automatically be re-designated as "a Limited Voting Redeemable Preference Share of £1" without any requirement to alter or substitute the then existing certificate in respect of the relevant Convertible Preference Share.

(8) Further Issues

Subject to the provisions of sub-paragraph (6)(e) of this Article 4.2, the Company may from time to time create, (including by redesignation) and issue further convertible preference shares (in these Articles called "**Further Convertible Preference Shares**"), which Further Convertible Preference Shares may, as regards participation in the profits and assets

of the Company, either carry rights identical in all respects with the Convertible Preference Shares or with any other series of Further Convertible Preference Shares or rights differing therefrom in any respect save that they shall not rank in any respect equal or prior to any rights attaching to any Cumulative Convertible Preference Share then in issue and not converted, including (but without prejudice to the generality of the foregoing and subject to them not ranking in any respect equal or prior to any rights attaching to any Cumulative Convertible Preference Share then in issue and not converted) in that:

- (a) a premium may be payable on a return of capital or there may be no such premium;
- (b) the Further Convertible Preference Shares may be redeemable on such terms and conditions as the terms of issue thereof and/or the Articles of Association of the Company for the time being may prescribe; and
- (c) the Further Convertible Preference Shares may be convertible into Ordinary Shares or any other class of Shares ranking as regards participation in the assets of the Company after the Convertible Preference Shares, in each case on such terms and conditions as the terms of issue thereof may prescribe.

Except as hereinbefore provided, and without prejudice to paragraph (8) of Article 4.1, the issue of Further Convertible Preference Shares ranking as regards participation in the assets of the Company in any respect in priority to the Convertible Preference Shares or the Further Convertible Preference Shares shall be deemed to be a variation of the special rights attached to such Shares.

(9) Documents

While any of the Convertible Preference Shares remain capable of conversion the Company shall send to the holders of Convertible Preference Shares a copy of every document sent to the holders of Ordinary Shares at the same time as it is sent to such holders.

5. Subject to the provisions of the Statutes and these Articles, the Company may purchase all or any of its Shares of any class, including any redeemable Shares. Every contract 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 Statutes and these Articles and by an Extraordinary Resolution passed at a separate General Meeting of the holders of any Shares or other securities which at the date on which the contract is 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 or securities 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. Notwithstanding anything to the contrary contained in these presents, the rights attached to any class of Shares shall be deemed not to be varied by anything done by the Company pursuant to this Article.

6. The Company may in connection with the issue of any Shares exercise all powers of paying commission and brokerage conferred or permitted by the Statutes.

7. Any such commission or brokerage may be satisfied in fully paid Shares of the Company in which case Section 97 of the Act shall be complied with.

8. (a) Subject to the provisions of the Act relating to authority, pre-emption and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued Shares shall be at the disposal of the Board, who may allot, grant options over or otherwise deal with or dispose of the same to such persons, at such times and generally on such terms as they think proper, but so that no Shares shall be issued at a discount.

- (b) Subject to the provisions of the Statutes and these Articles, 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.
- (c) Subject to the provisions of the Statutes and to any rights conferred on the holders of any other Shares, any Share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the Company or the holder, on such terms and in such manner as may be provided by these Articles.

9. If two or more persons are registered as joint holders of any Share, any one of such persons may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such Share.

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

11.1 Notwithstanding any other provision of these Articles, title to any securities in the Company may be evidenced and may be transferred without a written instrument in accordance with the Statutes and subject to the Statutes the Board shall have power to implement or adopt any arrangements it may think fit for such evidencing and/or transfer which accord with the Statutes.

11.2 On becoming the holder of a Certificated Share, every person (except a Stock Exchange nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall without payment be entitled to

receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) a certificate under the Seal or under the Official Seal kept by the Company by virtue of Section 40 of the Act specifying all the Certificated Shares of one class allotted or transferred to him and the amount paid up thereon, provided that in the case of joint holders the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all. Where part only of the Certificated Shares comprised in a certificate are transferred, the member transferring shall be entitled without payment to a certificate for the balance thereof. No certificate shall be issued representing Shares of more than one class or in respect of any Uncertificated Shares.

12. If any share certificate representing Certificated Shares shall be defaced, worn out, destroyed or lost, it may be renewed without fee and on such terms (if any) as to evidence and indemnity as the Board shall require, and the payment of the out-of-pocket expenses of the Company of investigating such evidence as the Board thinks fit and (in the case of defacement or wearing out) on delivery up of the old certificate.

13. No shareholder shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a member, until he shall have paid all calls for the time being due and payable on every Share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

CALLS AND INSTALMENTS ON SHARES, FORFEITURE AND LIENS

14. The Board may from time to time by resolution make calls upon the members in respect of all or any moneys unpaid on their Shares (whether on account of nominal value or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each member shall, subject to receiving at least fourteen days' notice from the Company specifying the time or times and place of payment, pay to the Company at the time or times and place of payment specified the amount called

upon his Shares. In the case of joint holders the liability to pay a call and interest thereon shall be joint and several.

15. The Board shall not be required to accept any payment in advance of a call or, if they do so, to pay any interest thereon.

16. Any sum called in respect of a Share which is not paid on or before the date for payment shall (unless the Board otherwise determine) attract interest from that date until the time of actual payment at such rate (not exceeding 20 per cent per annum) as the Board may determine.

17. The Board may make arrangements on any issue of Shares for a difference between the holders of such Shares in the amounts and times of payments of calls on their shares.

18. The Company shall have a first and paramount lien on every unpaid or partly paid Share for all moneys called in respect thereof. The Company's lien (if any) on a Share shall extend to all dividends payable thereon.

19. If a member fails to pay the amount of a call or any part thereof on the due date for payment the Board may at any time thereafter serve on him not less than fourteen days' notice requiring payment thereof together with accrued interest on or before such fourteenth day and at such place as is specified in the notice which shall also state that in default the Shares in question will be liable to forfeiture.

20. If the requirements of the last mentioned notice are not complied with the relevant Shares may at any time thereafter before payment has been made, be forfeited by resolution of the Board (any such forfeiture to include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture) whereupon they shall become the property of the Company and may be sold, re-allotted or otherwise disposed of to such person and on such terms as the Board think fit and whether with or without all or any part of the amount previously paid up on the Shares

being credited as so paid up. The Board may, if necessary, authorise some person to transfer a forfeited Share to any person to whom the same has been sold, re-allotted or disposed of and may enter the name of the transferee in respect of such transferred Share in the Register notwithstanding (in the case of a Certificated Share) the absence of any share certificate being lodged in respect thereof. An instrument of transfer executed by that duly authorised person, or a dematerialised instruction given at the request of that person, shall be as effective as if it had been executed or given by the holder of, of the person entitled by transmission to, the Share.

21. A person whose Shares have been forfeited shall cease to be a member in respect of those Shares but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys payable by him to the Company including interest Provided that the Board may waive payment as aforesaid in whole or in part.

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

23. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a Share has been duly forfeited in pursuance of these Articles, and stating the time when it was forfeited, shall, as against all persons claiming to be entitled to the Share, be conclusive evidence of the facts therein stated, and such declaration, together with in the case of a Certificated Share a certificate of proprietorship of the Share under the Seal delivered to a purchaser or allottee thereof, shall (subject to the execution of any necessary transfer) constitute a good title to the Share, and the new holder thereof shall be discharged from all calls made prior to such purchase or allotment, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any omission, irregularity

or invalidity in or relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the Share.

TRANSFER OF SHARES

24.1 Subject to the restrictions of these Articles, any member may transfer all or any of his Certificated Shares by instrument of transfer in writing in any usual or common form or in any other form acceptable to the Directors. Such instrument of transfer, which must be left at the Office, or at such other place in England and Wales as the Board may determine, accompanied by the certificate of the Shares to be transferred, and such other evidence (if any) as the Board may require to prove the title of the intended transferor.

24.2 Subject to these Articles, each member may transfer all or any of his Uncertificated Shares in accordance with the rules and regulations for the time being applicable to a relevant system.

25. The instrument of transfer of a Certificated Share shall be signed by the transferor and, when the share is not fully paid, by 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 thereof.

26. (a) The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register the transfer of any unpaid or partly paid Share in respect of which the Company shall have a lien.
- (b) The Board may also decline to register any transfer unless:
- (i) (in the case of a Certificated Share) the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the Certificated Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make any transfer;
 - (ii) it is in respect of only one class of Share;

- (iii) in the case of a transfer to joint holders the number of joint holders to whom the Shares have been transferred does not exceed 4.

27. If the Board refuse to register a transfer of any Share, it shall (in the case of a Certificated Share) within two months after the date on which the transfer was lodged with the Company, and (in the case of an Uncertificated Share) within two months of receipt by the Company of notice of transfer in accordance with a relevant system, send to the transferee notice of the refusal, as required by Section 183(5) of the Act.

28. (a) The registration of transfers may be suspended and the Register closed during the fourteen days immediately preceding every Annual General Meeting of the Company, and at such other times (if any) and for such period as the Board may from time to time determine, provided always that the Register shall not be closed for more than thirty days in any year.

(b) No fee shall be charged for registration of a transfer or on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any Shares.

29. (a) All instruments of transfer which shall be registered shall (subject to the provisions of paragraph (b) of this Article) be retained by the Company, but any instrument of transfer which the Board may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

(b) The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof, and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof, and all share certificates which

have been cancelled at any time after the expiration of one year from the date of cancellation thereof, and it shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other such document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument and duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:-

- (i) the provision aforesaid shall apply to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
- (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

30. In the case of the death of a member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his Shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any Share solely or jointly held by him.

31. Any person becoming entitled to a Share in consequence of the death or bankruptcy or otherwise by operation of law of any member may upon producing such evidence of title as the Board shall require, and subject as hereinafter provided, either be registered himself as holder of the Share, or elect to have some person nominated by him registered as the transferee thereof.

32. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects. For all purposes of these Articles relating to the registration of transfers of Shares, such notice shall be deemed to be a transfer, and the Board shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred and the notice were a transfer executed by the person from whom the title by transmission is derived.

33. If the person so becoming entitled shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such Share or, as the case may be, procure the transfer of such Share to that person by means of a dematerialised instruction. The Board shall have, in respect of transfers (or, as the case may be, dematerialised instructions) so executed or made, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.

34. A person entitled to a Share by transmission shall be entitled to receive and give a good discharge for any dividends or other moneys payable in respect of the Share, but he shall not be entitled to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he shall have become a member in respect of the Share Provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share and, if within ninety days the notice is not complied with, the Board may thereafter withhold payment of all dividends

or other moneys payable in respect of the Share until the requirements of the notice have been complied with.

SALE OF SHARES

35. (a) The Company shall be entitled to sell at the best price reasonably obtainable any Share of a member or any Share to which a person is entitled by transmission if and provided that:
- (i) for a period of twelve years during which at least three dividends have become payable in respect of such Share, no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the member or to the person entitled by transmission to such Share at his address on the Register or the other last known address given by the member or the person entitled by transmission to which warrants and cheques are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission; and
 - (ii) the Company has, at the expiration of the said period of twelve years by advertisement in one national daily newspaper and in a newspaper circulating in the area in which the address referred to in sub-paragraph (i) above is located, given notice of its intention to sell such Share; and
 - (iii) the Company has not, during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale conferred by this Article, received any communication from the member or person entitled by transmission; and
 - (iv) if any Shares of the Company are at the relevant time quoted in the Official List of the Stock Exchange the Company has first given notice in writing to the Stock Exchange of its intention to sell such Share.

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

CONVERSION OF SHARES INTO STOCK

36. (a) The Company may, from time to time, by resolution of a General Meeting, convert all or any of its paid-up Shares into stock and may from time to time, in like manner, reconvert any such stock into paid-up Shares of any denomination.
- (b) When any Shares have been converted into stock, the several holders of such stock may transfer their respective interests therein, or any part of such interests, in such manner as the Company in General Meeting shall direct, but in default of any direction in the same manner and subject to the same regulations as and subject to which the Shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will admit. However, the Company in General Meeting, or failing a resolution of a General Meeting, the Board may, if it thinks fit, from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, provided that the minimum shall not exceed the nominal

amount of the Shares from which the stock arose, and may prescribe that stock is to be divided and transferable in units of corresponding amount.

37. The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock, and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participating in the dividends, profits and assets of the Company, shall be conferred by any such aliquot part of stock as would not, if existing in Shares, have conferred such privilege or advantage.

38. All such provisions of these Articles as are applicable to paid-up Shares shall apply to stock, and in all such provisions the words "Share" and "shareholder" shall include "stock" and "stockholder".

INCREASE OF CAPITAL

39. The Company may from time to time in General Meeting by Ordinary Resolution increase its Share Capital by such sum to be divided into such amount as it so resolves.

ALTERATIONS OF CAPITAL

40. The Company may from time to time in General Meeting:
- (a) Consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares; or
 - (b) Cancel any Shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person; or
 - (c) By sub-division of its existing Shares, or any of them, divide its capital, or any part thereof, into Shares of smaller amount than is fixed by its Memorandum of Association, and so that as

between the holders of the resulting Shares one or more of such shares may by the resolution by which the sub-division is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such Shares.

41. Subject to any direction by the Company in General Meeting, whenever as a result of any consolidation of Shares any members would become entitled to fractions of a Share, the Board may for the purpose of eliminating such fractions deal with such fractions as they shall determine and in particular may sell the Shares representing the fractions for the best price reasonably obtainable and distribute the proceeds of sale in due proportion among the members who would have been entitled to the fractions of Shares, save to the extent that the amount of such proceeds to which a member is entitled hereunder shall be less than such amount as may be specified by the Board as the minimum sum for distribution in the circumstances of such consolidation, in which event such entitlement shall be retained for the benefit of the Company. For the purpose of giving effect to any such sale the Board may authorise some person to transfer the Shares representing the fractions to the purchaser thereof, whose name shall thereupon be entered in the Register as the holder of the Shares and who shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

42. The Company may from time to time by Special Resolution reduce its Share Capital and any capital redemption reserve or share premium account in any manner authorised and with and subject to any incident prescribed or allowed by the Statutes.

43. Anything done in pursuance of either of the last three preceding Articles shall be done in manner provided and subject to any conditions imposed by the Statutes, so far as they shall be applicable, and, so far as they shall not be applicable, in

accordance with the terms of the resolution authorising the same, and so far as such resolution shall not be applicable, in such manner as the Board deems most expedient.

MODIFICATION OF RIGHTS

44. (a) Subject to the provisions of Sections 125, 126 and 127 of the Act, if at any time the Share Capital of the Company is divided into different classes of Shares, the rights or privileges for the time being attached to any class of Shares may (notwithstanding that the Company may be or be about to be in liquidation) be varied or abrogated with the consent in writing of the holders of three-quarters 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 the Shares of that class, all the provisions hereinafter contained as to General Meetings shall, *mutatis mutandis*, apply to every such meeting, but so that the quorum thereat shall be two persons at least holding or representing by proxy one third of the issued Shares of the class and that each holder of Shares of the class, present either in person or by proxy, shall on a poll be entitled to one vote for each Share of the class held by him and, if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of Shares of the class who are personally present shall be a quorum. The Board shall comply with the provisions of the Act as to forwarding a copy of any such consent or resolution to the Register of Companies.
- (b) The special rights attached to any class of Shares having preferential or other rights shall not, unless otherwise expressly provided for by the terms of issue thereof, be deemed to be varied by the creation or issue of further Shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

GENERAL MEETINGS

45. The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Provided that so long as the Company holds its first Annual General Meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.

46. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

47. The Board may call an Extraordinary General Meeting whenever it thinks fit (and shall do so in the circumstances prescribed by the Statutes), and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes.

48. Twenty-one days' notice in writing at the least of every meeting convened for the purpose of passing a Special Resolution and of every Annual General Meeting and fourteen days' notice in writing at the least of every other General Meeting (the length of notice being exclusive in every case both of the day on which the notice is served or deemed to be served and of the day for which the notice is given), specifying the place, the day and the hour of meeting, and in the case of special business the general nature of such business, shall be given in manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions hereinafter contained or under the Act entitled to receive notices from the Company, provided always that with such consents as are prescribed by Sections 369 and 378 of the Act a meeting may be convened upon a shorter notice and in such manner as the consenting members may approve; but the accidental omission to give such notice to or the non-receipt of such notice by any person entitled to receive the same shall not invalidate any resolution passed or proceeding at any such meeting. Every notice of an Annual General Meeting

shall describe the meeting as an Annual General Meeting and every notice of a General Meeting or of a class meeting shall comply with any requirements of the Statutes as regards the notification to members of their rights as to the appointment of proxies.

49. All business shall be deemed special that is transacted at an Extraordinary General Meeting. All business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of declaring a dividend, the consideration of the balance sheet and profit and loss account, the group accounts (if any), and the reports of the Directors and Auditors and other documents required to accompany or to be annexed to the balance sheet, the election of Directors in place of those retiring, and the appointment and fixing of the remuneration of the Auditors.

50. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business; save as herein otherwise provided, two members present in person or by proxy shall be a quorum.

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

52. The Chairman, with the consent of any meeting at which a quorum is present, may (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, as the meeting shall determine. Whenever a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, the members shall not be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than

the business which might have been transacted at the meeting from which the adjournment took place.

53. The Chairman (if any) of the Board shall preside at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be present but unwilling to act as Chairman, the members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting.

54. At any General Meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman of the meeting or by at least two members present in person or by proxy or by a member or members present in person or by proxy representing one-tenth or more of the total voting rights of all the members having the right to vote at the meeting, or by a member or members holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right, and unless a poll be so demanded a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn. The instrument appointing a proxy to vote at a meeting shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of this Article a demand by a person as proxy for a member shall be the same as a demand by the member.

55. (a) Subject as provided in Article 57, if a poll be demanded in manner aforesaid, it shall be taken at such time (within fourteen days) and place and in such manner as the Chairman shall direct, and the result of the

poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

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

56. In the case of an equality of votes, either on a show of hands or at a poll, the Chairman of the meeting shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member.

57. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.

58. If any amendment shall be proposed to any Resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, the proceedings on the substantive Resolution shall not be invalidated by any error in such ruling. In the case of a Resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a manifest error) may in any event be considered or voted upon.

VOTES OF MEMBERS

- 59. (a) Subject to any special voting powers or restrictions for the time being attached to any Shares which may be subject to special conditions at any General Meeting on a show of hands every member present in person or by attorney shall have one vote, and in the case of a poll every member present in person or by attorney or by proxy shall have one vote for each Share held by him. On a poll being taken at a meeting of the Company or at any meeting of any class of members, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- (b) Save as herein expressly provided, no member other than a member duly registered who shall have paid everything for the time being due from

him and payable to the Company in respect of his Shares shall be entitled to vote on any question either personally or by proxy at any General Meeting.

60. If two or more persons are jointly entitled to a Share then, in voting upon any question, the vote of a senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other holders of the Share, and for this purpose seniority shall be determined by the order in which the names stand in the Register.

61. 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. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered at the Office (or at such other place as may be specified in accordance with these presents for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy could be so delivered in order to be valid.

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

63. (a) No member holding 0.25% or more of the issued share capital of the Company shall, unless the Board otherwise determines, be entitled in respect of any Share or Shares held by him to vote at a General Meeting, either personally or by proxy, or to transfer the said Share or Shares (save in the case of a sale to a bona fide unconnected third party (such as a sale through the Stock Exchange or an overseas exchange or by the

acceptance of a takeover offer)) or to receive any dividend in respect thereof, if he has been duly served with a notice in accordance with the Statutes requiring him to supply to the Company within a period of not less than 14 days following the date of such notice information regarding the capacity in which he holds any Shares in the Company, the identity of any other person interested in the said Shares, or the existence or nature of any agreement or arrangement under which any other person is entitled to control the exercise of any of the voting rights attaching to such Shares and he is in default in supplying to the Company the information thereby required.

- (b) No member holding less than 0.25% of the issued share capital of the Company shall, unless the Board otherwise determines, be entitled in respect of any Share or shares held by him to vote at a General Meeting, either personally or by proxy, if he has been duly served with a notice in accordance with the Statutes requiring him to supply to the Company within a period of not less than 28 days following the date of such notice information regarding the capacity in which he holds any Shares in the Company, the identity of any other person interested in the said Shares, or the existence or nature of any agreement or arrangement under which any other person is entitled to control the exercise of any of the voting rights attaching to such Shares and he is in default in supplying to the Company the information thereby required.
- (c) For the purposes of this Article:
 - (i) where the Company, by notice given in accordance with the Statutes, has required information in accordance with the Statutes from any other person interested or appearing to be interested in the Shares registered in the name of a member (whether that other person's interest consists of a beneficial interest in such Shares or arises under any such agreement or arrangement as is previously referred to in this Article), and such other person has failed properly to comply with such notice, the member in whose name the relevant Share or Shares are registered shall be

disqualified in the manner referred to in paragraph (a) or (b) of this Article (as the case may be) in a like fashion as if he himself had failed to comply with such a notice as is referred to in such paragraphs;

- (ii) a person shall be treated as appearing to be interested in any Share or Shares if the member in whose name such Share or Shares are registered has given to the Company a notification under the Statutes which fails to establish to the reasonable satisfaction of the Company the identities of those interested in the relevant Share or Shares and if (after taking into account the said notification and any other relevant notification pursuant to the Statutes) the Company knows, or has reasonable cause to believe, that the person in question is, or may be, interested in the relevant Share or Shares.
- (d) All restrictions attaching to Shares by virtue of this Article shall cease to have effect at the end of the period of one day after the earlier of:
 - (i) receipt by the Company of notice that the relevant Shares have been transferred to a bona fide unconnected third party (such as one contemplated by paragraph (a) of this Article); and
 - (ii) receipt by the Company of the information required by the notice referred to in sub-paragraph (c)(i) of this Article and the Board being fully satisfied that such information is complete.
- (e) The provisions of paragraphs (a) and (b) of this Article shall not apply to any member who is specifically exempted under the provisions of the Statutes from complying with the requirements of any such notice as is therein referred to, but, subject as aforesaid, this Article shall apply in relation to all members of the Company whether or not they reside within the United Kingdom.

PROXIES

64. A member may appoint more than one proxy to attend at the same meeting. A proxy need not be a member.

65. Any corporation which is a member of this Company may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of this Company or of any class of members thereof; and such representative shall be entitled to exercise the same powers on behalf of the Corporation which he represents as if he had been an individual member, including power, when personally present, to vote on a show of hands.

66. (a) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation either under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
- (b) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified or office copy of such power of authority, shall be deposited at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or any notice of any adjournment or, in either case, any documents sent therewith) at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or in the case of a poll taken more than forty-eight hours after it is demanded, after the poll has been demanded but not less than twenty-four hours before the time appointed for the taking of the poll or in the case of a poll not taken forthwith, but taken not more than forty-eight hours after it is demanded, at the meeting at which the poll is demanded to the Chairman of the meeting or to the Secretary or to any Director of the Company and in default the instrument of proxy shall not be treated as valid.

67. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which it was executed, provided that no intimation in writing of the death, insanity or revocation shall have been received by

the Company at the Office one hour at least before the time fixed for holding the meeting.

68. (a) An instrument appointing a proxy shall be in any usual or common form or any other form which the Board shall from time to time approve.
- (b) The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

69. Subject to the provisions of the Statutes, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held.

DIRECTORS

70. The number of Directors shall not be less than two.

71. Unless and until otherwise determined by the Company in General Meeting, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy or any other age, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed as Director shall be capable of being re-appointed or appointed (as the case may be) as a Director notwithstanding that at any time of such re-appointment or appointment he has attained the age of seventy, and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a Director of a person who shall have attained the age of seventy, but where the Board convenes any General Meeting of the Company at which (to the knowledge of the Board) a Director will be proposed for appointment or re-appointment who has at the date of such Meeting attained the age of seventy years, the Board shall give notice of his having attained such age in the notice convening the Meeting or in any document sent therewith, but the accidental omission to give such notice shall not invalidate any

proceedings at that Meeting or any appointment or re-appointment of such Director thereat.

72. The Board may from time to time appoint any other person to be a Director either to fill a casual vacancy or by way of addition to the Board. Any Director appointed under this Article shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall be eligible for election as a Director at that meeting.

73. The continuing Directors at any time may act, notwithstanding any vacancy in their body, provided always that in case the number of Directors shall at any time be or be reduced below the number fixed by or in accordance with these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number or calling a General Meeting of the Company, but not for any other purpose.

74. A Director shall not be required to hold any qualification Shares but shall be entitled to receive notice of, attend and speak at all General Meetings of the Company and of any class of members of the Company.

75. (a) The maximum aggregate annual fees of the Directors other than those holding salaried employment in the Company shall be the sum of £50,000 or such greater sum as may from time to time be determined by an Ordinary Resolution of the Company and shall (unless such resolution otherwise provides) remain fixed until altered by a subsequent Ordinary Resolution and the amount of the fees payable to each such Director shall be determined by the Board who may resolve not to pay the whole of the aggregate fees in any one year. Unless the Ordinary Resolution otherwise provides, the fees shall be deemed to accrue from day to day.

(b) The Directors shall be entitled to be repaid by the Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending meetings of the Board or of any Committees of

the Board or General Meetings or which they may otherwise incur in or about the business of the Company.

MANAGING DIRECTORS AND OTHER APPOINTMENTS

76. (a) The Board may, from time to time, appoint one or more of their number to the office of Managing Director or Joint Managing Director, or to any other office or employment under the Company other than the office of Auditor, for such period and on such terms as they think fit, and may also continue any person appointed to be a Director in any other office or employment, other than the office of Auditor, held by him before he was so appointed.
- (b) The remuneration and other terms and conditions of appointment of a Director appointed Managing Director or Joint Managing Director, or to any other office or employment under the Company pursuant to the preceding paragraph of this Article, shall from time to time (subject to the provisions of any agreement between him and the Company) be fixed by the Board and may be by way of fixed salary or of commission on the profits of the Company or of any other company in which the Company is interested or of other participation in any such profits or otherwise, or by any or all or partly by one and partly by another of those modes.
- (c) A Managing Director or Joint Managing Director shall not, while he continues to hold such office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors, but (subject to the provisions of any agreement between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and shall ipso facto and immediately cease to be Managing Director if he ceases to hold the office of Director from any cause.
- (d) A Director holding any office or employment under the Company, other than that of Managing Director or Joint Managing Director, shall not be exempt from retirement by rotation and his tenure of such office or employment shall not be determined by reason only of his ceasing for

any reason to be a Director, unless otherwise expressly so provided in any agreement between him and the Company.

- (e) The Board may, from time to time, entrust to and confer upon the Managing Director or Joint Managing Directors or upon the holder of any office mentioned in paragraph (a) of this Article, such of the powers exercisable under these Articles by the Board as they may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they may consider expedient, and may confer such powers collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

SECRETARY

- 77. (a) Subject to Section 10(2) of the Act, the Secretary shall be appointed by the Directors for such time, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them. The provisions of Sections 283, 284 and 286 of the Act shall apply and be observed. The Directors may from time to time if there is no Secretary or no Secretary capable of acting by resolution appoint an assistant or deputy Secretary to exercise the functions of the Secretary.
- (b) Any provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, the Secretary.

THE SEAL

- 78. (a) The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board, or of a Committee of the Board, and (except in the case of the certificates hereinafter mentioned) in the presence of at least one Director and shall be countersigned by the

Secretary or by a Second Director or by some other person appointed by the Board for the purpose and the said persons shall sign every instrument to which the Seal shall be so affixed in their presence and, in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

(b) Every certificate of Shares, debentures or debenture stock of the Company shall be issued under the Seal and autographically signed by two Directors, or by one Director and the Secretary (or some other person authorised by the Board), unless there shall be for the time being in force:-

- (i) a resolution of the Board adopting some method of mechanical signature which is controlled by, or approved by, the Registrars, Auditors or Bankers of the Company, in which event, such signatures (if authorised by such resolution) may be effected by the method so adopted; and/or
- (ii) a resolution of the Board that such certificates need not (save to the extent that the terms and conditions for the time being relating to any debenture stock or unsecured loan stock of the Company require the certificate therefor to be signed or countersigned) bear any such signature as aforesaid, Provided that the method of sealing of such certificates shall be controlled or approved by the Registrars, Auditors or Bankers of the Company under arrangements authorised by the Board within the terms of such resolution as aforesaid.

POWERS OF THE BOARD

79. The business of the Company shall be managed by the Board, who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by the Statutes or by these Articles

required to be exercised or done by the Company in General Meeting, subject, nevertheless, to any regulations of these Articles, to the provisions of the Statutes, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

80. The Board may make such arrangements as may be thought fit for the management of the Company's affairs abroad, and may for this purpose (without prejudice to the generality of their powers) appoint local boards, attorneys and agents, and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The Company may exercise all the powers of Section 39 of the Act, and the Official Seal shall be affixed by the authority and in the presence of, and the instruments sealed therewith shall be signed by, such persons as the Board shall from time to time by writing under the Seal appoint. The Company may also exercise the powers of Section 362 of the Act with reference to the keeping of Dominion Registers. The obligations and conditions imposed by those Sections and any Sections ancillary thereto shall be duly observed.

81. (a) Subject as hereinafter provided the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and, subject to the provisions of these Articles and the Statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (b) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers or control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (as regards subsidiary companies so far as by such exercise as they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (which expression means and includes the Company and its subsidiaries for the time being) inclusive of any

fixed or minimum premium payable on final repayments but exclusive of any intra-Group borrowing shall not except with the consent of the Company in General Meeting exceed an amount equal to five (5) times the Share Capital and Consolidated Reserves of the Company.

- (c) (i) For the purposes of this Article "**Consolidated Reserves**" means the aggregate from time to time of the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve and any credit balance on profit and loss account) all as shown by the audited balance sheet but adjusted to reflect any variation in the share premium account or capital redemption reserve since the date of the audited balance sheet and to exclude any amounts representing the proportion of minority interests in partly-owned subsidiaries as varied since the date of the audited balance sheet, any debit balance on revenue account (except to the extent that such deduction has already been made), any sums set aside for taxation, other than sums set aside in respect of taxation equalisation and deferred taxation, and any amount for goodwill or other intangible asset (not being an amount representing part of the cost of an acquisition of shares or other property) incorporated as an asset in the audited balance sheet.
- (ii) "**the audited balance sheet**" means the latest audited balance sheet of the Company unless as at the date of such balance sheet there shall have been made up as at such date an audited consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Statutes) and in the latter event "**the audited balance sheet**" means the audited consolidated balance sheet of the Company and such subsidiaries and references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there

shall be excluded any amounts attributable to outside interests in subsidiaries.

- (d) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions be concerned to see or enquire whether this limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the limit hereby imposed had been or would thereby be exceeded.

82. The Board may appoint a Registrar to be responsible for the safe custody of any of the assets of the Company and to perform such other duties upon such terms as the Board may determine. The remuneration of any such Registrar shall be payable by the Company. The terms of appointment of any such Registrar may authorise such Registrar to appoint (with powers of sub-delegation) such registrars, nominees, agents or delegates at the expense of the Company or otherwise.

83. All cheques, promissory notes, drafts, bills of exchange and other negotiable 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 Board shall from time to time by resolution determine.

84. (a) The Board may procure the Company to establish and maintain or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of (and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to) any person, including Directors and ex-Directors and other persons, who are or shall have been at any time in the employment of the Company or of any other company which is a subsidiary of the Company or a holding company of the Company or a subsidiary of any such holding company or of the predecessors in business of the Company or any such other company, or

to the wives, widows, husbands, widowers, families or dependents of any such persons.

- (b) The Board may also procure the Company to establish and subsidise, or subscribe to, any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid, or otherwise to advance the interests and well-being of the Company or any of such other companies as aforesaid or of its members, and to make payments for or towards the insurance of any such persons as aforesaid and to make subscriptions or give guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
- (c) The Board may procure any of the matters referred to in paragraph (a) or (b) of this Article to be done by the Company either alone or in conjunction with any other person.
- (d) The Board may by resolution exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries 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.

DISQUALIFICATION OF DIRECTORS

85. The office of a Director shall be vacated:-

- (a) If a receiving order is made against him, or he makes any arrangement or composition with his creditors.
- (b) If he is, or may be, suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver,

curator bonis or other person to exercise powers with respect to his property or affairs.

- (c) If he absents himself from the meetings of the Board during a continuous period of six months without special leave of absence from the Board, and they pass a resolution that he has by reason of such absence vacated office.
 - (d) If he is prohibited from being a Director by any order made under the Statutes.
 - (e) If by notice in writing to the Company (not being a Director whose contract precludes resignation) he resigns his office.
 - (f) If he is removed from office by a resolution duly passed pursuant to Sections 303 and 304 of the Act.
 - (g) If his resignation is requested in writing by all of the other Directors (and all of the other Directors are not less than three in number).
86. (a) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (b) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors of any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

- (c) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- (d) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors or offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns 1 per cent or more.
- (e) Subject to the Statutes and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (f) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the

contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. A general notice to the Board given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

- (g) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he has an interest which (together with any interest of any person connected with him (within the meaning of section 346 of the Companies Act 1985)) is to his knowledge a material interest and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;
 - (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the Director has himself guaranteed or secured in whole or in part;
 - (iii) any contract or arrangements by a Director to subscribe for Shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any Shares, debentures or other securities of the Company;

- (iv) any contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
 - (v) any contract or arrangement concerning any other company (not being a company in which the Director and any person connected with him (within the meaning of section 346 of the Companies Act 1985) own 1 per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
 - (vi) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which does not award the Director any privilege or benefit not awarded generally to the employees to whom the arrangement relates;
- (h) A company shall be deemed to be a company in which a Director and any persons connected with him (within the meaning of section 346 of the Companies Act 1985) own 1 per cent or more if and so long as (but only if and so long as) the Director and any such persons connected with him, to the knowledge of the Director are interested in shares (as that term is used in Part VI of the Companies Act 1985) representing 1 per cent or more of either any class of the Equity Share Capital, or the voting rights available to members, in such company.
- (i) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall

arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

ROTATION OF DIRECTORS

87. (a) Subject to the provisions of these Articles at the first Annual General Meeting of the Company, and at the Annual General Meeting in every subsequent year, one-third of the Directors (excluding any Director holding the office of Managing Director or Joint Managing Director) for the time being or if their number is not a multiple of three then the number nearest to but not exceeding one-third shall retire from office, in addition to any Director retiring pursuant to Article 72.
- (b) The Directors to retire at every Annual General Meeting (other than those bound to retire under Article 72) shall be the Directors who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall in the absence of agreement be selected from among them by lot. A retiring Director shall be eligible for re-election and shall act as a Director throughout the meeting at which he retires.
- (c) The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at a date not earlier than twenty-eight days before 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 such date but before the close of the Meeting.
88. The Company may at the meeting at which any Director retires in manner aforesaid, fill up the vacated office by electing a person thereto. In default the

retiring Director shall, if duly qualified and offering himself for re-appointment, be deemed to have been re-elected unless at such meeting it is resolved not to fill up the vacated office or a resolution for the re-election of the retiring Director has not been passed.

89. (a) No person not being a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for the office of Director at any General Meeting unless, not less than twenty-one days before the day appointed for the meeting, there shall have been given to the Secretary notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing, signed by the person to be proposed, of his willingness to be elected.
- (b) Every Resolution of a General Meeting for the appointment of a Director shall relate to one named person and a single Resolution for the appointment of two or more persons shall be void, unless a Resolution that it shall be so made has first been agreed to by the Meeting without any vote being given against it.

90. The Company may from time to time in General Meeting increase or reduce the number of Directors, and may make the appointments necessary for effecting any such increase, and may determine in what rotation such increased or reduced number shall go out of office.

91. In addition and without prejudice to the provisions of Sections 303 and 304 of the Act, the Company may by Special Resolution remove any Director before the expiration of his period of office, and may, if thought fit, by Ordinary Resolution appoint another person in his stead; any person so appointed shall retain his office so long only as the Director in whose place he is appointed would have held the same if he had not been removed, but shall be eligible for re-election.

PROCEEDINGS OF DIRECTORS

92. The Board or any committee of the Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined two shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. For the purposes of this Article an alternate director shall be counted in a quorum and a Director who is an alternate director shall be entitled to a separate vote on behalf of the Director he is representing in addition to his own vote.

93. A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board by notice given to the several members of the Board personally or by word of mouth or sent in writing to each of them 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 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. Where any such Director is represented by an alternate Director due notice shall be given to such alternate Director personally or by word of mouth or sent to him at the address in the United Kingdom given by him to the Company for this purpose. A Director may waive notice of any Meeting either prospectively or retrospectively.

94. The Board or any committee of the Board may from time to time elect a Chairman, who shall preside at their meetings, but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, a substitute chairman for that meeting shall be appointed by such meeting from among the Directors present.

95. (a) The Board may delegate any of their powers, authorities or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. 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 Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that:-
- (i) the number of co-opted members 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.
- (b) 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 Board, so far as the same are applicable and are not superseded by any regulations made by the Board under the preceding paragraph of this Article.
96. All acts bona fide done by any meeting of the Board, or by a committee of the Board or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Director.
97. The Board shall cause proper minutes to be made in books to be provided for the purpose of all appointments of officers made by the Directors, of the proceedings of all meetings of the Board and committees of the Board, and of the attendance thereat, and of the proceedings of all meetings of the Company and all business transacted, resolutions passed and orders made at such meetings, and any such

minutes of any such meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting of the Company or the Board or committee, as the case may be, shall be sufficient evidence without any further proof of the facts therein stated.

98. (a) A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Board generally.
- (b) A resolution in writing, signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (if that number is sufficient to constitute a quorum) or by all the members for the time being of a committee, shall be as valid and effective as if it had been passed at a meeting of the Board or, as the case may be, of the relevant committee duly convened and held. The resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned.
- (c) A Meeting of the Board or of a committee of the Board may, subject to notice thereof having been given in accordance with these Articles, be for all purposes deemed to be held when a Director or member of a committee is or Directors or members of a committee are in communication by telephone or audio visual communications media with another Director or member of such committee or other Directors or members of such committee and all of the said persons agree to treat the Meeting as so held, provided always that the number of the said persons participating in such communication constitutes a quorum of the Board or of the relevant committee of the Board (as the case may be) hereunder. A Resolution made by a majority of the said Directors or members of the said relevant committee in pursuance of this Article shall subject in the case of a committee to compliance with Article 95 be as valid as it would have been if made by them at an actual Meeting duly convened and held.

ALTERNATE DIRECTORS

99. (a) Each Director shall have the power to nominate any other Director or any person approved for that purpose by resolution of the Board to act as alternate Director at meetings of the Board in his place during his absence and, at his discretion, to revoke such nomination.
- (b) Any appointment or removal of an alternate Director shall be effected by an instrument in writing delivered at the Office and signed by the appointor.
- (c) An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notice of meetings of the Board and to attend and vote at any such meeting and to perform thereat all the functions of his appointor. An alternate Director shall have one vote for each Director he represents, in addition to his own vote if he is a Director, but he shall not be counted more than once in the quorum. If his appointor is for the time being absent from the United Kingdom or otherwise not available the appointee's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. Save as aforesaid, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- (d) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- (e) An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-elected at the same

meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force.

DIVIDENDS AND RESERVES

100. (a) Subject to the preceding provisions of these Articles and the Statutes the Company in General Meeting may declare dividends to be paid out of the profits of the Company available for distribution, but no dividend shall exceed the amount recommended by the Board. Unless the rights and terms attached to any Shares otherwise provide all dividends shall be declared and paid according to the amount paid up on the shares in respect whereof the dividend is paid (but payment in advance of calls shall be ignored in determining the amount paid up). Dividends will be paid pro rata according to the amount paid up on the Share during any portion or portions of the period in respect of which the dividend is paid, but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
- (b) Subject to the provisions of the preceding provisions of these Articles and the Act, the Board may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Board may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if at the time of payment any preferential dividend is in arrear. The Board may also pay at intervals settled by them any dividend payable at a fixed rate, if it appears to them that the profits available for distribution justify the payment. Provided the Board act in good faith, they shall not incur any liability to the holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of

an interim dividend on any Shares having deferred or non-preferred rights.

- (c) No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of Part V of the Act which apply to the Company.

101. The Board may deduct from dividends payable to any shareholder amounts owed by him to the Company and may retain the dividend on any share on which it has a lien.

102. All dividends unclaimed for twelve months after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company and any payment by the Board of any such 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. Any dividend unclaimed for a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

103. Any General Meeting declaring a dividend or bonus may, upon the recommendation of the Board, direct payment or satisfaction of such dividend or bonus wholly or partly by the distribution of specific assets and, in particular, of paid up shares or debentures or debenture stock of any other company, and the Board shall give effect to such resolution and, where any difficulty arises in respect of such distribution, the Board may settle the same as they think expedient and, in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in such dividend and may also vest any assets in trustees as may seem expedient to the Board.

104. The Board may, before recommending any dividend, set aside out of the profits of the Company available for distribution such sums as it thinks proper as a

reserve or reserves, which shall at the discretion of the Board be applicable for meeting contingencies, or for repairing or maintaining any works connected with the business of the Company, or for any other purposes for which the profits of the Company may lawfully be applied, or shall, with the sanction of the Company in General Meeting, be as to the whole or in part applicable for equalising dividends, or for distribution by way of special dividend or bonus, and the Board may divide the reserve or reserves into separate accounts for special purposes, and may either employ the sums from time to time carried to the credit of such account or accounts in the business of the Company or invest the same in such investments (other than the Shares of the Company) as they may select. The Board may also from time to time carry forward such sums as they may deem expedient in the interests of the Company.

105. (a) Any dividend or other moneys payable in cash on or in respect of a Share may be paid by any method provided by the rules of a relevant system or by cheque or warrant sent though the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the Share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons), or to such person and such address as such member or person or persons may by writing direct or by any other method (including electronic media) as the Board may consider appropriate.
- (b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holder or person or persons entitled to the Share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a full discharge to the Company.
- (c) Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
- (d) No unpaid dividend or interest shall bear interest as against the Company.

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

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

108. A Resolution of the Board declaring any dividend, other than a dividend requiring approval by the Company in General Meeting, shall (once published with their authority) be irrevocable and have the same effect as if such dividend had been declared upon the recommendation of the Board by an Ordinary Resolution of the Company.

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

110. The Company may upon the recommendation of the Board by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Board shall give effect to such resolution, and where any difficulty arises in

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

CAPITALISATION OF RESERVES, ETC

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

to be allotted as fully paid up Shares to those members of the Company who would have been entitled to that sum if it were distributed by way of dividend and in the same proportions and the Board shall give effect to such resolution.

- (c) Whenever a resolution is passed in pursuance of paragraph (a) or (b) of this Article the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares or debentures, if any, and generally shall do all acts and things required to give effect thereto. Where any difficulty arises in regard to any distribution under this Article the Board may settle the same as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions for the best price reasonably obtainable and arrange for the distribution of the net proceeds of sale in due proportion among the members who would have been entitled to the fractions or, to the extent that the amount of such proceeds to which a member is entitled hereunder shall be less than such amount as may be specified by the Board as the minimum sum for distribution in the circumstances of such capitalisation, for the retention of such net proceeds for the benefit of the Company, or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may resolve to 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. The Board may authorise any person to enter into any agreement with the Company on behalf of the persons entitled to participate in the distribution provided 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 upon those persons.

ACCOUNTS

112. (a) The Board shall cause books of account or accounting records to be kept in accordance with the provisions of the Statutes.
- (b) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to inspection of members, and no member (other than an officer of the Company) shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or authorised by the Board or by a resolution of the Company in General Meeting.

113. The Board shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Statutes.

114. A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the report of the Directors as to the state of the Company's affairs (which shall duly comply with the requirements of the Statutes), and a copy of the report of the Auditors, shall not less than twenty-one clear days before the date of the meeting, be delivered or sent by post to the registered address of every member who is entitled to receive the same, to the Auditors, and to every holder of debentures of the Company who is entitled to receive the same, as required by Section 240 of the Act, but subject as provided in paragraphs (b) and (c) of the proviso to sub-Section (1) of that Section.

AUDIT

115. The appointment, powers, rights, remuneration and duties of the Auditors shall be regulated by the provisions of the Statutes relating thereto.

NOTICES

116. A notice or other document may be served by the Company upon any member either personally or by sending it through the post in a pre-paid letter addressed to such member at his registered address.

117. All notices directed to be given to the members shall with respect to any share to which persons are jointly entitled be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such share.

118. Any member described in the Register by an address not within the United Kingdom who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but, save as aforesaid and as provided by the Act, only those members who are described in the Register by an address within the United Kingdom shall be entitled to receive notices from the Company.

119. (a) Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it by registered post or recorded delivery service addressed to the Company, or to such officer, at the Office.
- (b) Any notice or other document to be served on any person if served by post shall be deemed to have been served (i) if sent by second class post on the second day, (ii) in any other case on the first day, following that on which the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a pre-paid letter.

120. If at any time by reason of the total suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a

General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same day in at least two national daily newspapers and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days before the Meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

121. (a) Any notice or other document served upon or sent to any member in accordance with these Articles shall, notwithstanding that he be then deceased or bankrupt and whether the Company have notice of his death or bankruptcy or not, be deemed to be duly served or sent in respect of any Shares held by him (either alone or jointly with others) until some other person is registered in his stead as the holder or joint holder of such Shares, and such service or sending shall be a sufficient service or sending on or to his executors, administrators or assigns and all other persons (if any) interested in such Shares.
- (b) Every person who, by operation of law, transfer or any other means whatsoever, shall become entitled to any Shares shall be bound by every notice in respect of such Shares (other than a notice served under Section 212 of the Act or Article 63) which, previously to his name and address being entered in the Register, shall be duly given to the person from whom he derives his title to such shares.

WINDING UP

122. (a) Subject to the preceding provisions of these Articles, if the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the members in proportion to the capital which at the commencement of the winding up is paid up, or ought to have been paid up, on the Shares held by them respectively and, if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed so that, as nearly as may be, the losses

shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the Shares held by them respectively. But this Article is to be subject to the rights of any Shares which may be issued on special terms or conditions.

- (b) Subject to the preceding provisions of these Articles, if the Company shall be wound up, the liquidator may, with the sanction of an Extraordinary Resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes or members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.
- (c) In the event of a winding up of the Company, every member of the Company who is not for the time being in the United Kingdom shall be bound, within fourteen days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person in England and Wales upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served and, in default of such nomination, the liquidator of the Company shall be at liberty on behalf of such member to appoint some such person and service upon any such appointee shall be deemed to be a good personal service on such member for all purposes and, where the liquidator makes any such appointment, he shall, with all convenient speed, give notice thereof to such member by advertisement in two leading London daily newspapers or by a registered letter sent through the post and addressed to such member at his address as appearing in the

Register, and such notice shall be deemed to be served on the day following that on which the advertisement appear or the letter is posted.

- (d) The Board shall have power in the name and on behalf of the Company to present a Petition to the Court for the Company to be wound up.

INDEMNITY

123. Every Director, Secretary or other officer or servant of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in paragraph (3) of Section 310 of the Act), which he may sustain or incur in or about the execution of his office or otherwise in relation thereto, and no Director, Secretary or other officer or servant shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in execution of the duties of his office or in relation thereto. However, this Article shall only have effect insofar as its provisions are not avoided by the said Section.