

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

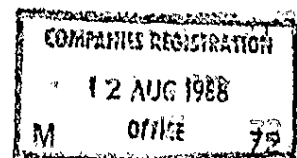
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ARTICLES OF ASSOCIATION

OF

AIRLINES OF BRITAIN HOLDINGS PLC

Clifford Chance
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01/07/1987

INDEX
TO
ARTICLES OF ASSOCIATION

<u>MATTER</u>	<u>ARTICLE NO.</u>
Accounts	146 - 147
Bills, Notes, Cheques and Receipts	152
Capitalisation of Profits	144
Destruction of Documents	159
Directors	85 - 90
Alternate	91 - 92
Borrowing Powers	106 - 110
Disqualification	111
Local Management	105
Managing and Executive	93 - 96
Powers and Duties	97 - 103
Proceedings	122 - 130
Retirement, Election and Appointment	112 - 121
Dividends	133 - 143
Division of Assets in specie	160
Forfeiture and Lien	32 - 41
General Meetings	52 - 75
Increase and Reduction of Capital	49 - 51
Indemnity	162
Notices	153 - 157
Preliminary	1 - 2
President	104
Provision for Employees	161
Record Dates	145

MATTERARTICLE NO.

Reserves

132

Seals

148 - 151

Secretary

131

Share Capital

3 - 9

Transfers

9 - 16

Limitations on Share ownership

20

Calls on Shares

25 - 31

Certificates

20A - 24

Consolidation and sub-division

42 - 44

Conversion of Shares into Stock

45 - 48

Transmission of Shares

17 - 19

Untraced Members

158

Variation of Rights

83 - 84

Voting

76 - 82

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

AIRLINES OF BRITAIN HOLDINGS PLC
(As amended by Special Resolution passed on 29 July 1988)
PART I. - PRELIMINARY

Interpretation

1. The headings hereto shall not affect the construction hereof, and in these Articles unless there be something in the subject or context inconsistent therewith:-

"The Act" means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force.

"These Articles" means these Articles of Association or other the articles of association of the Company from time to time in force.

"The Directors" means the Directors for the time being of the Company.

"The Auditors" means the Auditors for the time being of the Company.

"The Office" means the registered office for the time being of the Company.

"The Register" means the Register of Members to be kept pursuant to Section 352 of the Act.

"Month" means calendar month.

"Dividend" includes bonus.

"Paid-up" includes credited as paid up.

"Secretary" includes an assistant or deputy secretary, and any person appointed by the Directors to perform the duties of the Secretary.

"In writing" and "written" includes printing, lithography, and other modes of representing and reproducing words in a visible form.

Words importing the singular number only include the plural number and vice versa.

Words importing the masculine gender only include the feminine gender.

Words importing persons include corporations.

Words and expressions defined in the Act shall, unless the context otherwise requires, have the same meanings in these Articles.

Table 'A' not to apply

2. None of the regulations contained in Table 'A' in the Schedule to the Companies (Tables A to F) Regulations 1985 shall apply to the Company except so far as embodied in any of the following Articles, which shall be the regulations for the management of the Company.

PART II. - SHARE CAPITAL

3. (A) The capital of the Company at the date hereof is £16,507,750 divided into 5,000,000 'A' Ordinary Shares of 25p each, 45,031,000 'B' Ordinary Shares of 25p each and 4,000,000 Convertible Cumulative Redeemable Preference Shares of £1 each.

(B) The special rights, privileges and restrictions attaching to the 4,000,000 Convertible Cumulative Redeemable Preference Shares of £1 each (hereinafter called "the Preference Shares") shall be as follows:-

1. As regards income

The Preference Shares shall confer upon the holders thereof the right to receive, out of the profits of the Company available for distribution and from time to time resolved to be distributed by way of dividend, a fixed cumulative preferential dividend from the date of allotment until 30th June, 1992 at the rate of 6 per cent. per annum (exclusive of any imputed tax credit available to members) on the capital for the time being credited as paid up thereon and thereafter at the rate of 10 per cent. per annum (exclusive of any imputed tax credit available to members) on the capital for the time being credited as paid up thereon. Such dividends shall be paid by two equal instalments half-yearly on 30th June and 31st December in each year in respect of the half-years ending on those dates except that the first such dividend will be payable on 31st December, 1987 in respect of the period from the date of allotment to 31st December, 1987.

No dividends shall be declared or paid (other than in respect of the Preference Shares) on the Ordinary Shares or on any other class of shares of the Company and no Ordinary Shares or shares of any other class shall be redeemed until all the fixed cumulative preference dividends shall have been paid in full and until all of the Preference Shares shall have been redeemed or converted.

The fixed cumulative preferential dividend shall ipso facto and without any resolution of the Directors or of the Company in General Meeting and notwithstanding anything contained in Articles 133 to 143 (inclusive) accrue from day to day and on

the half-yearly payment dates shall become a debt due from and immediately payable by the Company to the holders of the Preference Shares.

2. As regards capital

On a return of assets in a winding-up or on a reduction of the capital of the Company (other than a redemption of the Preference Shares pursuant to paragraphs 4(A) or 4(D) of these Articles) the Preference Shares shall confer upon the holders thereof the right to receive in priority to any payment made to the holders of any other class of shares in the capital of the Company from time to time in issue out of the assets available for distribution and in the following order of priority:-

(a) repayment in full of the capital paid up or credited as paid up thereon and

(b) payment of a sum equal to any arrears and accruals of the fixed cumulative preferential dividend thereon to be calculated down to the date of the repayment of the capital on the Preference Shares and to be payable irrespective of whether or not such dividend has been earned or declared but the Preference Shares shall not entitle the holders thereof to any further right to participate in the profits or the assets of the Company and the rights hereinbefore set out shall be subject to the provisions set out in paragraph 3(H)(iii) below.

3. As regards conversion

(A) Each holder of two or more Preference Shares shall be entitled, subject to the provisions mentioned below, to convert any two or more Preference Shares into fully paid 'A' Ordinary Shares credited as fully paid at the rate (subject to adjustment as provided in sub-paragraph (H)(i) below) of three 'A' Ordinary Shares for every two Preference Shares being converted (such rate as adjusted from time to time being hereinafter called the "relevant conversion rate").

(B) The right to convert shall be exercisable on 30th June in any year or on such other date as may result from the application of the provisions of sub-paragraph (C) below (each such date being hereinafter called a "conversion date") by completing the notice of conversion endorsed on the certificate relating to the number of Preference Shares (being two or any multiple of two) which the holder wishes to convert and delivering the same, together with such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right, to the registered office for the time being of the Company

01/07/1987

or such other place as may be specified, at any time during the period of 30 days ending on the relevant conversion date (each such period being hereinafter called a "conversion period"). Notice of conversion once given may not be withdrawn, without the consent in writing of the Company. The Company shall give the holders of the Preference Shares notice in writing not less than thirty days and not more than sixty days prior to each conversion date reminding them of their right to convert and stating the relevant conversion rate, and such notice shall give the address of the registered office for the time being of the Company or such other place as shall have been specified as aforesaid. The Company shall not later than 28 days following the Conversion Date, in respect of every two Preference Shares being converted allot three 'A' Ordinary Shares, credited as fully paid.

- (C) If in any year the consolidated accounts of the Company for the last preceding financial period shall not have been audited and sent to the holders of the Preference Shares by 31st May the conversion period for that year shall be the period of 30 days next following the date of despatch of such accounts and the relevant conversion date shall be the last day of such period. Where an adjustment in the conversion period and the conversion date falls to be made by reason of the provisions of this sub-paragraph the Company shall not later than 31st May in the relevant year send to the holders of the Preference Shares notification that there will be such an adjustment.
- (D) Subject to the provisions of the Act, conversion of the Preference Shares may be effected in such manner as the Directors shall from time to time determine and without prejudice to the generality of the foregoing may be effected by the redemption of the Preference Shares at par. In the case of a conversion effected by means of the redemption of the Preference Shares, the Directors may effect redemption of the relative Preference Shares out of profits of the Company which would otherwise be available for dividend, out of the proceeds of a fresh issue of shares or in any other manner for the time being permitted by law. In the case of redemption out of such profits a conversion notice given by a holder of such Preference Shares shall be deemed to authorise and instruct the Directors to retain the redemption moneys otherwise payable to such holder in subscribing for the appropriate number of 'A' Ordinary Shares, credited as fully paid, at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the 'A' Ordinary Shares to be subscribed. In the case of redemption out of the proceeds of a fresh issue of shares a conversion notice given by a holder of such Preference Shares

shall be deemed to authorise and instruct the Directors to arrange for the issue of the appropriate number of 'A' Ordinary Shares to some persons selected by the Directors on terms that such person will:-

- (i) subscribe for such 'A' Ordinary shares at par or at such premium as shall be necessary to provide the redemption moneys for the redemption at par of the relative Preference Shares; and
 - (ii) renounce the allotment of such 'A' Ordinary Shares in favour of the holder of the Preference Shares against payment to such subscriber by the Company of the redemption moneys in respect of the Preference Shares so redeemed.
- (E) The Preference Shares so converted shall carry the right to the fixed preferential dividend on such shares in respect of all periods up to and including the end of the half-year ending on the 30th June last preceding the relevant conversion date.
- (F) A certificate for the 'A' Ordinary Shares to which any holder of Preference Shares shall become entitled in consequence of exercising his right to convert shall be issued not later than 28 days after the relevant conversion date together with (if applicable) separate certificates for any balance of the Preference Shares not converted. Such 'A' Ordinary Shares shall rank for all dividends and (except in so far as adjustments shall have been made under sub-paragraph (H)(i) below) other distributions declared, paid or made upon the 'A' ordinary share capital in respect of the financial period of the Company in which the relevant conversion date falls but not in respect of any earlier financial period. In all other respects such 'A' Ordinary Shares shall rank pari passu with the 'A' Ordinary Shares in issue at the relevant conversion date.
- (G) On and with effect from any Conversion Date upon which a holder of Preference Shares shall have converted all except one of his holding of Preference Shares into 'A' Ordinary Shares the one Preference Share so remaining unconverted shall be automatically converted into one 'A' Ordinary Share.
- (H) So long as any of the Preference Shares remain capable of being converted into 'A' Ordinary Shares, the following provisions shall (inter alia) apply:-
- (i) if the Company shall make any issue by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund) to members or any sub-division or consolidation of any class of its share capital

such issue, sub-division or consolidation shall relate only to the holders of the Ordinary Shares and shall be in the form of fully paid Ordinary Shares and the number and/or nominal amount of the 'A' Ordinary Shares to be issued on any subsequent conversion of Preference Shares shall be increased or (as the case may be) reduced pro rata. Notice of any such capitalisation issue setting forth the conversion rate applicable as a result of any such issue shall be sent within 28 days of such issue to the holders of Preference Shares then outstanding;

- (ii) if any offer by way of rights or otherwise (not being an offer falling within sub-paragraph (iv) below) or invitation is made to the holders of the ordinary share capital of the Company the Company shall make or, so far as it is able, procure that there is made a like offer or invitation at the same time to the holders of the Preference Shares as if their conversion rights had been exercisable and exercised in full with effect immediately before the record date for such offer or invitation at the relevant conversion rate then applicable;
- (iii) if a resolution is passed or an order is made for the winding-up of the Company, the Company shall promptly give notice in writing thereof to all holders of the Preference Shares then outstanding and thereupon each such holder shall in respect of all or any of the Preference Shares be entitled within six weeks after the giving of such notice by the Company to elect by notice in writing to the Company to be treated as if the right to convert had been exercisable and exercised by him on the date immediately prior to the date of the resolution for the winding-up of the Company or (as the case may be) the date of the order for the winding up of the Company at the relevant conversion rate then applicable. Each such shareholder shall in respect of the shares specified in his notice be entitled to be repaid in respect thereof a sum equal to the amount to which he would have become entitled in such winding-up if he had been the holder of the 'A' Ordinary Share capital to which he would have become entitled by virtue of such deemed conversion but shall not be entitled to receive any repayment of capital in respect of any arrears or accruals of the fixed preferential dividend on the Preference Shares, in respect of which such notice shall have been given, not declared prior

01/07/1987

to the passing of such resolution or the making of such order.

Subject to this paragraph the right to convert will lapse on liquidation;

(iv) if:-

(1) the Company or any of its subsidiaries makes an application for its shares to be admitted for listing on any stock exchange or traded on the Unlisted Securities Market of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") or any over-the-counter market; or

(2) (a) an offer is made to all ordinary shareholders of the Company (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 (and the publication of a scheme of arrangement under the Act in consequence of which any person shall acquire the whole or any part of the ordinary share capital of the Company shall be deemed to be the making of an offer); and

(b) no offers, arrangements or proposals are offered or put to the holders of the Preference Shares which in the opinion of a financial adviser appointed by the Company are, having regard to the terms offered to the ordinary shareholders and any other circumstances which may appear to such financial adviser to be relevant, fair and reasonable; and

(c) 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 and/or persons as aforesaid,

the Company shall give notice to the holders of the Preference Shares of such application, vesting or potential vesting (as the case may be) in the case of such application prior to such application and in the case of such vesting or potential vesting within fourteen days of its becoming so aware and each such holder shall have the right within the period of 30 days from the date of such notice to convert all or any of his Preference Shares (such conversion to be effective as on the day immediately following the expiry of the said period of 30 days which day shall be deemed to be a conversion date) at the relevant conversion rate applicable on the said deemed conversion date. Such right to convert shall be exercisable at any time during the said period of 30 days by completing the conversion notice on the relevant share certificate in respect of the number of Preference Shares (being two or any multiple of two) which the holder wishes to convert and depositing the same at the registered office for the time being of the Company or such other place as may be specified and immediately following such period of 30 days the Company shall allot Ordinary Shares to the holders of the Preference Shares upon the basis of conversion described above. Dividends on Preference Shares so converted shall cease to accrue as from the dividend payment date last preceding the deemed conversion date;

(v) the Company shall send to the holders of the Preference Shares a copy of every document sent to ordinary shareholders at the time the same is sent to the ordinary shareholders;

(vi) the Company shall maintain at all times sufficient unissued 'A' Ordinary Shares to implement conversion of the Preference Shares in full.

4. Redemption otherwise than on conversion

(A) Subject to the Act, the Preference Shares shall be redeemed at par by the Company together with all arrears and accruals of the fixed preferential dividend thereon calculated down to the date of redemption in tranches, subject as hereinafter provided, equal to 25 per cent. per annum of the number of Preference Shares

in issue at the date of adoption of these Articles of Association on 30th June (or if such day is not a business day, the next following business day) in each of the years 1992 to 1996 (inclusive) upon giving to the holders of the particular shares not less than two months' previous notice in writing provided that if at the date of redemption the number of Preference Shares in issue shall be less than 25 per cent. as aforesaid all the Preference Shares in issue shall be redeemed. Without prejudice to the generality of the foregoing the Company may elect to redeem the Preference Shares out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a new issue of shares.

- (B) Any notice of redemption shall specify the particular shares (to be selected by drawings or, at the option of the Company pro rata to holdings) to be redeemed, the date fixed for redemption and 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 such of the shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to, or to the order of, such holder (or, in the case of joint holders, the holder whose name stands first in the register of members of the Company in respect of such shares) the amount due to him in respect of such redemption and the receipt of the registered holder or, in the case of joint registered holders the receipt of any of them, for the moneys payable in redemption pursuant to this paragraph 4 shall constitute an absolute discharge to the Company in respect thereof. If any certificate so delivered to the Company includes any shares not redeemable on that occasion a fresh certificate for such shares shall be issued to the holder without charge.
- (C) As from the date fixed for redemption of the Preference Shares the fixed preferential dividend thereon shall cease to accrue unless, upon the presentation of the certificate relating thereto, payment of the redemption moneys is refused.
- (D) Each Preference Share not previously converted or redeemed may be redeemed by the Company at its option, subject to the Act, prior to the Company or any of its subsidiaries making application for its shares to be admitted to listing on any stock exchange or traded on the unlisted securities market of The Stock Exchange or any over-the-counter market.
- (E) At any time after the redemption of any Preference Shares pursuant to this paragraph 4 the Company may

convert the like amount of the Preference Share capital so redeemed into Shares of any other class in the capital of the Company.

5. Other Restrictions on the Company

(A) The following shall be deemed to be a variation of the special rights attached to the Preference Shares:-

- (i) a distribution by the Company out of unrealised profits otherwise than in the form of fully paid equity share capital or in the application of sums in the redemption of Preference Shares;
- (ii) the issue of any equity share capital which as regards dividends, capital or voting carries rights in priority to or greater than those attached to the Ordinary Shares;
- (iii) the issue of securities credited as fully paid up if, as a result, the nominal amount of 'A' ordinary share capital into which any Preference Shares may be converted will exceed the nominal amount of the shares so convertible;
- (iv) the Company changing its accounting reference date from 31st December in each year except to a date not more than seven days earlier or later;
- (v) a further issue of shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Preference Shares except as provided in paragraph 6 below or the grant by the Company of any rights to subscribe for or to convert shares or securities into such shares;
- (vi) any modification or variation of the rights attaching to the Ordinary Shares;
- (vii) any variation in the borrowing powers exercisable by the Directors as provided in Article 106 at the date hereof;
- (viii) the reduction or repayment of all or any part of the capital paid up on any share in the capital of the Company for the time being in issue (other than a repayment in the course of a winding-up of the Company and other than the redemption or conversion of Preference Shares) including share premium account and capital redemption reserve fund or the acquisition by the Company or any of its subsidiaries of any share capital of the Company;

- (ix) the application by way of capitalisation of any profits or reserves of the Company or any sum in or towards paying up any share capital (whether issued or unissued) or any debenture or debenture stock (whether secured or unsecured) except for the application by way of capitalisation of any sum standing to the credit of the share premium account or capital redemption reserve fund in the payment of unissued shares to be allotted to members of the Company as fully paid bonus shares;
- (x) any acquisition, disposal or change in the nature of business for which the consent of the Company in General Meeting is required whether by virtue of law, these Articles, or otherwise;
- (xi) any acquisition or disposal outside the ordinary course of business where one of the tests referred to in the Unlisted Securities Market General Undertaking published by The Stock Exchange amounts to 100% or more;
- (xii) any alteration of any of the provisions of the Articles or the Memorandum of Association of the Company; or
- (xiv) the passing of any resolution to wind-up the Company.

6. Issue of further Preference Shares

The Company shall be entitled to create and issue further convertible redeemable cumulative preference shares ("further convertible preference shares") ranking pari passu as to dividend and in winding-up or reduction of capital with the Preference Shares provided that at the time of any such issue the auditors of the Company have certified that the aggregate nominal amount of the preference share capital and further convertible preference share capital (if any) already issued and of the further convertible preference share capital proposed to be issued will not exceed an amount equal to $33\frac{1}{3}$ per cent. of the aggregate of (i) the total amount which after the issue of such further convertible preference shares will be credited as paid up on the issued share capital of the Company and (ii) the total amount standing to the credit of capital and revenue reserves (including share premium account and profit and loss account) as shown in the then latest audited consolidated balance sheet of the Company and its subsidiaries and so that such last mentioned total amount for this purpose (a) shall be adjusted as may be appropriate in respect of any variations in such share premium account which have occurred subsequent to the date of such consolidated balance sheet or will occur by virtue of the issue of such further convertible preference shares and (b) shall include

any sums set aside for future taxation assessable by reference to profits earned down to the last mentioned date.

7. Voting

- (A) Subject to sub-paragraph (B) of this paragraph Preference Shares shall not entitle the holders thereof (a) to vote on any resolution (other than a resolution for the winding-up of the Company or for the reduction of its share capital or a resolution abrogating or modifying any of the rights and privileges attaching to the Preference Shares) unless at the date of the notice convening the General Meeting at which such resolution is to be proposed the fixed cumulative preferential dividend payable on the Preference Shares is six months in arrear and so that for this purpose the said dividend shall be deemed to be payable half-yearly on 30th June and 31st December in each year, or (b) to attend at any General Meeting unless the business of such General Meeting includes the consideration of a resolution upon which such holders are entitled to vote.
- (B) The Preference Shares shall entitle the holders thereof to receive notice of and to attend and vote at General Meetings of the Company, if the business of the meeting includes the consideration of a resolution:-
- (i) to modify the rights or privileges attaching to the Ordinary Shares as a class; and
 - (ii) to alter or exceed the borrowing limits contained in Article 106 of the Articles of Association; or
 - (iii) to approve an acquisition or disposal of assets outside the ordinary course of business by, or change in the nature of the business of, the Company where one of the tests referred to in the Notes to the Unlisted Securities Market General Undertaking published by The Stock Exchange amounts to 100% or more; or
 - (iv) to reduce share capital or purchase its own shares; or
 - (v) to wind-up the Company; or
 - (vi) to alter the Memorandum or Articles of Association of the Company; or
 - (vii) affecting the rights or privileges attached to the Preference Shares.

and on a poll each holder of Preference Shares who is present in person shall have one vote and on a poll each holder of Preference Shares shall in respect of his holding of those shares have the number of votes to which he would have been entitled if they had been converted into 'A' Ordinary Shares immediately prior to the date of the taking of the poll at the conversion rate then applicable

8. Transfer

The provisions of Article 10 shall apply.

9. Director

If the fixed cumulative preferential dividend payable on the Preference Shares shall be six months in arrear, the holders of the Preference Shares shall be entitled from time to time to appoint one Director of the Company and to remove from office any person so appointed and subject to such removal to appoint another person in his place.

(C) All the 'A' Ordinary Shares and all the 'B' Ordinary Shares (herein together called "the Ordinary Shares") for the time being in issue shall constitute separate classes of shares respectively for the purposes of these Articles and the Act, and any alteration of the Memorandum of Association or the Articles of Association of the Company shall be deemed to be an alteration to the rights attached to each separate class of the Shares in the capital of the Company. In the event of the creation of any additional Ordinary Shares in the capital of the Company, the issue and allotment of such additional Ordinary Shares other than to the holders of Ordinary Shares pro rata as nearly as may be in proportion to the number of Ordinary Shares then held by them respectively shall be deemed to be an alteration to the rights attached to the 'A' Ordinary Shares but, save as otherwise provided by these Articles, the Ordinary Shares shall rank pari passu in all respects.

Allotment of Shares

4. Subject to the authority of the Company in General Meeting required by the Act, the Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any shares of the Company to such persons, at such times and generally on such terms and conditions as the Directors may determine.

Shares may be issued subject to different conditions
as to Calls

5. The Directors may make arrangements on the issue of shares for a difference between the holders of such shares in the amount of Calls to be paid and the time of payment of such Calls.

Instalments on Shares to be duly paid

6. If by the conditions of allotment of any share the whole or part of the issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share.

Liability of joint holders of Shares

7. The joint holders of a share shall be severally as well as jointly liable for payment of all instalments and Calls in respect of such share, and any one of such persons may give an effectual receipt for any return of capital payable in respect of such share.

Payment of commission

8. In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Act of paying commissions to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company. Such commission may be satisfied by payment of cash or (with the sanction of an Ordinary Resolution of the Company) the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

Trusts not recognised

9. Save as herein otherwise provided or as by the Act otherwise required the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not except as ordered by a Court of competent jurisdiction or by law required be bound to recognise any equitable, contingent, future, partial or other claim to or interest in any share on the part of any other person.

TRANSFERS

10. (A) Every holder of shares in the Company who wishes to transfer all or any of his shares (hereinafter referred to as a "Vendor") shall notify the Directors of the Company in writing of his wish to do so. Such notification (hereinafter called "the Transfer Notice") shall constitute the Directors his agent for the sale of the shares specified in the Transfer Notice and registered in the name of the Vendor (hereinafter called "the Sale Shares") at the Sale Price (as hereinafter defined) and (save as hereinafter provided) shall not be withdrawn.

(B) For the purposes of this Article "the Sale Price" means in relation to the Sale Shares, and subject to the proviso hereinafter mentioned, a price to be agreed between the Vendor and the Directors, or failing agreement within 30 days of service of the Transfer Notice by the Vendor to be established by an independent Chartered Accountant ("the Valuer") (acting as expert and not as arbitrator) agreed upon by the Vendor and the Directors or in default of agreement within 30 days appointed by the President of the Institute of Chartered Accountants in England and

01/07/1987

Wales on the application of the Vendor or the Directors, as the fair price of the Sale Shares on a going concern basis between a willing seller and a willing buyer on the basis that each of the Ordinary Shares in the capital of the Company has the same value corresponding to its proportion of the value of all the Ordinary Shares in the Company taken as a whole, that each Preference Share has the same value corresponding to its proportion of the value of all the Preference Shares in the Company taken as a whole (such value being the greater of the nominal value of such Preference Shares and the value of the Ordinary Shares into which such Preference Shares are convertible determined as aforesaid) and that no additional or reduced value is attached to any holding of shares by virtue only of such holding comprising or after purchase conferring or giving rise to a majority or minority of the total issued share capital of the Company. Any fees and expenses of the Valuer shall be borne as to one-half by the Vendor and as to the other half amongst the purchasers (if any) of the Sale Shares in proportion to the number of Sale Shares to be purchased by them respectively or if there are no such persons or if the Vendor gives a counter notice pursuant to paragraph (C) of this Article such remaining half shall also be borne by the Vendor.

(C) In cases where the Sale Price has been referred to the Valuer the Directors shall within 7 days of the receipt by them of the Valuer's certificate as to the Sale Price notify the Vendor of the Sale Price so certified and the Vendor shall have the right, by notice in writing to the Directors to be served upon them within 45 days after service upon him of such notification, to withdraw the Transfer Notice given by him and in the event of such withdrawal the same shall cease to have any effect.

(D) Upon the Sale Price being so agreed as aforesaid or if (the Sale Price having been certified as aforesaid) the Vendor has not given a notice operating to withdraw the Transfer Notice within the period of 45 days pursuant to paragraph (C) hereof the Directors shall forthwith give to the members (other than the Vendor) entitled to receive the same under the provisions hereinafter contained notice in writing stating the number and price of the Sale Shares and inviting each of them to state in writing within 45 days from the date of the notice whether he is willing to purchase and if so what maximum number of the Sale Shares.

(E) Subject to the provisos hereinafter mentioned:-

(i) to the extent that the Sale Shares are 'A' Ordinary Shares the Sale Shares shall be offered in the first instance to all the holders of 'A' Ordinary Shares (other than the Vendor) pro rata as nearly as may be in proportion to the number of 'A' Ordinary Shares then held by them respectively and

(ii) to the extent that the Sale Shares are 'B' Ordinary Shares the Sale Shares shall be offered in the first instance to all the holders of 'B' Ordinary Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing number of 'B' Ordinary Shares then held by them respectively

If a holder of 'A' Ordinary Shares or (as the case may be) 'B' Ordinary Shares fails to give notice to the Directors within thirty days of his

01/07/1987

desire to accept all or any of the Sale Shares offered to him then the Directors shall re-offer those shares (or the balance thereof) to the holders of 'A' Ordinary Shares or (as the case may be) 'B' Ordinary Shares who have accepted the Sale Shares originally offered to them in proportion to their holding of 'A' Ordinary Shares or (as the case may be) 'B' Ordinary Shares and to the extent that such further offer shall not have been accepted within 15 days it shall be deemed to have been declined and such shares (or the balance thereof) shall be dealt with as follows:-

(i) to the extent that such shares comprise 'A' Ordinary Shares such shares shall be offered to all the holders of 'B' Ordinary Shares pro rata as nearly as may be in proportion to the existing number of 'B' Ordinary Shares held by them respectively and

(ii) to the extent that such shares comprise 'B' Ordinary Shares such shares shall be offered to all the holders of 'A' Ordinary Shares pro rata as nearly as may be in proportion to the number of 'A' Ordinary Shares held by them

If a holder of 'A' Ordinary Shares or (as the case may be) 'B' Ordinary Shares fails to give notice to the Directors within thirty days of his desire to accept all or any of the 'A' Ordinary Shares or (as the case may be) the 'B' Ordinary Shares offered to him then the Directors shall re-offer those shares (or the balance thereof) to the holders of 'A' Ordinary Shares who have accepted the 'B' Ordinary Shares or (as the case may be) to the holders of the 'B' Ordinary Shares who have accepted the 'A' Ordinary Shares offered to them in proportion to their holding of 'A' Ordinary Shares or (as the case may be) 'B' Ordinary Shares and to the extent that such further offer shall not have been accepted within 15 days it shall be deemed to have been declined and such shares (or the balance thereof) shall be dealt with as provided in paragraph (F) of this Article PROVIDED THAT to the extent that such shares comprise 'A' Ordinary Shares such further offer to the holders of the 'B' Ordinary Shares shall be deemed to extend to such person or persons as the holders of a majority of the 'B' Ordinary Shares shall procure.

To the extent that the Sale Shares are Preference Shares the Sale Shares shall be offered in the first instance to all the holders of Preference Shares and 'A' Ordinary Shares (other than the Vendor) pro rata as nearly as may be in proportion to the number of 'A' Ordinary Shares which they would respectively hold if all the Preference Shares had been converted into 'A' Ordinary Shares

If a holder of 'A' Ordinary Shares or Preference Shares fails to give notice to the Directors within thirty days of his desire to accept all or any of the Sale Shares offered to him then the Directors shall re-offer those shares (or the balance thereof) to the holders of 'A' Ordinary Shares and/or Preference Shares who have accepted the Sale Shares originally offered to them in proportion to the number of 'A' Ordinary Shares which they would respectively hold if all the Preference Shares had been converted into 'A' Ordinary Shares and to the extent that such further offer shall not have been accepted within 15 days it shall be deemed to have been declined and such shares (or the balance thereof) shall be offered to all the holders of 'B' Ordinary Shares pro rata as nearly as may be in proportion to the number of 'B' Ordinary Shares held by them

01/07/1987

If a holder of 'B' Ordinary Shares fails to give notice to the Directors within thirty days of his desire to accept all or any of the Preference Shares offered to him then the Directors shall re-offer those shares (or the balance thereof) to the holders of 'B' Ordinary Shares who have accepted the Preference Shares offered to them in proportion to their holding of 'B' Ordinary Shares and to the extent that such further offer shall not have been accepted within 15 days it shall be deemed to have been declined and such shares (or the balance thereof) shall be dealt with as provided in paragraph (F) of this Article.

(F) If the shareholders do not agree to take up all the Sale Shares within the aggregate period of 90 days then, the Directors may offer the Sale Shares not so taken up to any other person whom the Directors decide to admit to membership and who is willing to purchase the same at a price not less than the Sale Price.

(G) Within seven days of the expiration of the said period of 45 days or 90 days as the case may be or in the case of the Directors offering the said shares to a third party within seven days of such offer being accepted, the Directors shall allocate the Sale Shares to the member, members or third party who shall have expressed his or their willingness to purchase as aforesaid.

(H) Upon such allocation being made the Vendor shall (subject as aforesaid) be bound upon payment of the Sale Price to transfer the shares so sold to the purchaser or purchasers.

(I) If in any case the Vendor, after having become bound to transfer any shares as aforesaid, makes default in so doing the Company may receive the purchase money on behalf of the Vendor and the Directors may appoint some person to execute instruments of transfer of such shares in favour of the purchaser, and shall thereupon cause the names of the purchasers to be entered in the Register as the holders of the shares and shall hold the purchase money in trust for the Vendor. The receipt of the Company for the purchase money shall be a good discharge to the purchasers, and after their names have been entered in the Register in exercise of the aforesaid power the validity of the said transaction shall not be questioned by any person.

(J) If the Directors do not dispose of all the Sale Shares comprised in the said Transfer Notice within the periods limited in paragraphs (E), (F) and (G) of this Article they shall so notify the Vendor forthwith and during the period of 90 days next following the receipt of such notice the Vendor may (subject to the provisions of Article 20) sell all or part of the outstanding shares comprised in the Transfer Notice to any person at a price not less than the Sale Price.

(K) In the event that any member:-

(i) makes an assignment for the benefit of creditors generally or fails to pay its debts generally as they become due; or

(ii) is adjudicated bankrupt or insolvent, or petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar

official of it or any substantial part of its assets, or commences any proceeding relating to it under any such law of any jurisdiction, or any such petition or application is filed or any such proceedings are commenced against it and by any act it indicates its approval thereof, consent thereto or acquiescence therein, or an order for relief is entered in an involuntary case under the applicable bankruptcy or insolvency laws, whether now or hereafter in effect, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 30 days; or

(iii) has an attachment or execution levied or issued against its assets and the same is not bonded, vacated, satisfied or stayed within 30 days; or

then in any such event the Member in question (or if appropriate the holder of the relevant shares) shall be deemed to have served a transfer notice pursuant to paragraph (A) of this Article save that there shall be no right to withdraw the transfer notice and the procedure outlined in paragraphs (C) and (D) of this Article shall be modified accordingly.

(L) Subject to Article 20 no member shall transfer the beneficial ownership of any Ordinary Shares registered in his name except by means of a transfer and subject to the provisions of this Article 10 and the Directors shall refuse to register any proposed transfer of an Ordinary Share or Shares other than a transfer made pursuant to this Article 10.

Form of transfer

11. The instrument of transfer of any share in the Company shall be in the usual common form or in such other form as shall be approved by the Directors, and shall be signed by or on behalf of the transferor and (in the case of a transfer of a partly paid share) by the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof, and when registered the instrument of transfer shall be retained by the Company.

Restraint on transfer

12. (A) The Directors may, in their absolute discretion and without assigning any further reason therefor, refuse to register any share transfer unless:-

- (i) it is in respect of a fully paid share;
- (ii) it is in respect of a share on which the Company does not have a lien;
- (iii) it is in respect of only one class of shares;
- (iv) it is in favour of not more than four joint holders as transferees; or

(v) the conditions referred to in the next succeeding Article have been satisfied in respect thereof.

(B) The Directors may refuse to register a share transfer if

(i) they have reasonable cause to believe that the transferee or transferees is or are, or is or are connected with or interested in 5% or more of the share capital of any company, engaged in business as an airline or air transport undertaking other than the Company or any of its subsidiaries or associated companies (a "Relevant Company") and the Directors may by notice in writing require the transferor or transferors within such reasonable time as may be specified in the notice to give particulars of the transferee or transferees past or present interests in any Relevant Company and in the event that such particulars shall not be supplied within such time the Directors shall be deemed to have reasonable cause to believe that the transferee or transferees is or are so connected with or interested in the share capital of a Relevant Company; or

(ii) it is a transfer of an 'A' Ordinary Share or Preference Share and, if registered in favour of the transferee, such transferee's shareholding would amount to more than 25% of the 'A' Ordinary Share Capital on the assumption that all the Preference shares had been fully converted

Registration of transfer

13. Every instrument of transfer must be left at the Office, or at such other place as the Directors may from time to time determine, to be registered, accompanied by the certificate of the shares comprised therein, and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf the authority of that person so to do and thereupon the Directors, subject to the power vested in them by the last preceding Article, shall register the transferee as the holder.

Fees on Registration

14. No fee shall be payable for registering any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, or other document relating to or affecting the title to any shares or the right to transfer the same.

Suspension of registration and closing of Register

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

Location of instruments of transfer

16. All instruments of transfer which are registered shall, subject to Article 159(iii), be retained by the Company, but any instrument

of transfer which the Directors may refuse to register shall (except in the case of fraud) be returned to the person depositing the same.

TRANSMISSION OF SHARES

Representatives of interest of deceased Members

17. The executors or administrators of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to shares held by him alone; but in the case of shares held by more than one person, the survivor or survivors only shall be recognised by the Company as being entitled to such shares.

Evidence in case of death or bankruptcy

18. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon such evidence being produced as may be required by the Directors, elect in writing either to be registered as a Member (in respect of which registration no fee shall be payable) by giving notice in writing to that effect or, without being so registered, execute a transfer to some other person who shall be registered as a transferee of such share and the execution of such a transfer shall signify his election as aforesaid; but the Directors shall in either case have the like power of declining or refusing to register such transfer as is provided with respect to ordinary transfers. The Directors may at any time give notice requiring any such person to elect as aforesaid and if such notice is not complied with within sixty days the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until compliance therewith.

Rights as to dividends and voting

19. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, unless and until he is registered as a Member in respect of the share, be entitled in respect of it to receive notices of or to exercise any rights conferred by membership in relation to meetings of the Company.

LIMITATIONS ON SHARE OWNERSHIP

20. (A) The purpose of this Article is to ensure that so long as and to the extent that the holding or enjoyment by the Company or any subsidiary of the Company of any Operating Right is conditional on the Company being to any degree owned or controlled by United Kingdom nationals, the Company is so owned and controlled.

(B) In this Article:-

"Affected share" means any share which shall be treated as such pursuant to sub-paragraph (ii) of paragraph (D) of this Article;

"Affected Share Disposal" means a disposal or disposals of or of interests in an Affected Share such that the Share ceases to be an Affected Share;

"Affected Share Notice" means a notice in writing served in accordance with the provisions of paragraph (E) of this Article;

"British Citizen" has the meaning ascribed thereto in the British Nationality Act 1981;

"Intervening Act" means the refusal, withholding, suspension or revocation of any Operating Right applied for, granted to or enjoyed by the Company or any subsidiary of the Company, or the imposition of any conditions or limitations upon any such Operating Right which materially inhibit the exercise thereof, in either case by any state, authority or person in reliance upon any provision or by reason of any matter or circumstances relating to the nationality of persons owning or controlling (however described) the Company;

"Operating Right" means all or any part of any authority, permission, licence or privilege whatsoever, which enables an air service to be operated;

"Permitted Maximum" means, if at any time the Directors have specified a maximum under sub-paragraph (ii)(c) of paragraph (D) of this Article, that aggregate number of Shares which they have so specified as the maximum aggregate permitted number of Relevant Shares;

"Relevant Person" means:-

- (i) any individual who is not a British Citizen;
- (ii) any body corporate other than a body corporate which is incorporated under the laws of any part of, and which has its principal place of business and central management and control in, the United Kingdom;
- (iii) a government or governmental department, agency or body, otherwise than of the United Kingdom or any part thereof;
- (iv) any municipal, local, statutory or other authority or any undertaking or body formed or established in any country other than the United Kingdom; and
- (v) any person who (a) falls within any of the foregoing paragraphs of this definition and (b) would be taken to be interested in any Shares pursuant to the provisions of Section 203 of the Act if a body corporate were interested in those Shares;

"Relevant Share" means any Share, other than a Share particulars of which are removed by the Directors from the Separate Register pursuant to paragraph (C)(iv) of this Article, in which a Relevant Person has an Interest or which is declared by the Directors to be a Relevant Share pursuant to paragraph (C)(iii) of this Article;

"Separate Register" means the register to be maintained in accordance with paragraph (C)(i) of this Article; and

"Share" means any share in the relevant share capital of the Company as that expression is defined in Section 198(2) of the Act; and

a person shall be deemed to have an "Interest", in relation to shares, if:-

(i) such person has an interest which would (subject as provided below) be taken into account, or which he would be taken as having, in determining for the purposes of Part VI of the Act whether a person has a notifiable interest; or

(ii) he has any such interest as is referred to in Section 209(1)(a), (b), (e) or (j) of the Act

but shall not be deemed to have an Interest in any shares in which his spouse or any infant child or stepchild (or, in Scotland, pupil or minor) of his is interested by virtue of that relationship or which he holds as a bare or custodian trustee under the laws of England or as a simple trustee under the laws of Scotland, and "interested" shall be construed accordingly.

(C) (i) The Directors shall maintain, in addition to or, if the Register of Members is maintained in a non-documentary form, in a fashion such that it is distinct from, the Register of Members, a Separate Register, in which shall be entered particulars of any Share which:-

(a) has been acknowledged by the holder (or by any one of joint holders), whether pursuant to a declaration made in accordance with sub-paragraph (ii) below or otherwise, to be a Relevant Share; or

(b) has been declared to be a Relevant Share pursuant to sub-paragraph (iii) below;

and in either case which has not ceased to be a Relevant Share. The particulars entered on the Separate Register in respect of any Share shall comprise, in addition to the identity of the holder or jointholders, such information as has been requested by and supplied to the Directors (regarding, where appropriate, the name and nationality of any person having an interest in such Share and the nature and extent of the Interest of each such person) pursuant to a declaration made in accordance with sub-paragraph (ii) below or otherwise or, if no such information has been supplied, such information as the Directors consider appropriate. The Directors may from time to time (if they so determine) cause to be entered in the Separate Register particulars of any Share in respect of which

neither the holder nor any joint holder has made a declaration as to whether or not the Share is a Relevant Share.

(ii) Each registered holder of a Share which has not been acknowledged to be a Relevant Share who becomes aware that such Share is or has become a Relevant Share shall forthwith notify the Company accordingly.

(iii) The Directors may, and if at any time it appears to the Directors that a Share, particulars of which have not been entered in the Separate Register may be a Relevant Share shall, give notice in writing to the registered holder thereof or to any other person who appears to them to be interested in that Share requiring him to show to their satisfaction that such a Share is not a Relevant Share. Any person on whom such notice has been served and any other person who is interested in such Share may within twenty-one days thereafter (or such longer period as the Directors may consider reasonable) make representations to the Directors as to why such Share should not be treated as a Relevant Share but if, after considering such representations and such other information as seems to them relevant, the Directors are not so satisfied, the Directors shall declare such Share to be a Relevant Share and it shall thereupon be treated as such.

(iv) The Directors shall remove from the Separate Register particulars of any Relevant Share if there has been furnished to them a declaration (in such form as the Directors may from time to time prescribe) by the holder of such Relevant Share, together with such other evidence as the Directors may require, which satisfies the Directors either that such Share is no longer a Relevant Share or that, by reason of the fact that an Interest in such Share is held by a person who is not a Relevant Person or the nature of the Interest of the Relevant Person, such Share should not be treated as a Relevant Share.

(D) (i) The provisions of sub-paragraph (ii) below shall apply where the Directors determine that it is necessary to take steps in order to protect any Operating Right of the Company or any subsidiary of the Company or the status of the Company or such subsidiary as a United Kingdom airline by reason of the fact that:-

- (a) an Intervening Act has taken place;
- (b) an Intervening Act is contemplated, threatened or intended;
- (c) the aggregate number of Relevant Shares particulars of which are entered in the Separate Register is such that an Intervening Act may occur; or
- (d) the ownership or control of the Company is otherwise such that an Intervening Act may occur.

(11) Where a determination has been made by the Directors under sub-paragraph (1) of this paragraph, the Chairman (or any Director duly acting in place of the Chairman) or the Directors, as the case may be, shall take such of the following steps, either immediately

upon such determination being made or at any time or times thereafter, as seems to him or them necessary or desirable to overcome, prevent or avoid an Intervening Act:-

(a) the Chairman (or any Director duly acting in place of the Chairman) may remove any Director before the expiration of his term of office;

(b) the Directors may resolve to seek to identify those Shares or Relevant Shares which gave rise to the determination, or would in their sole opinion, if details thereof had been entered on the Separate Register at the relevant time, have given rise to a determination and to deal with such Shares as Affected Shares;

(c) the Directors may specify a Permitted Maximum of Relevant Shares or vary any Permitted Maximum previously specified, provided that at no time shall the Permitted Maximum be less than 25 per cent. of the aggregate number of Shares and, at any time when the aggregate number of Relevant Shares of which particulars are entered in the Separate Register exceeds the Permitted Maximum applying for the time being, the Directors may deal with such of the Relevant Shares as they decide are in excess of the Permitted Maximum as Affected Shares.

(E) The Directors shall give an Affected Share Notice to the registered holder of any Share which they determine to deal with as an Affected Share and to any other person who appears to them to be interested in that Share and shall state which of the provisions of paragraph (F) of this Article (all of which shall be set out in the Notice) are to be applied forthwith in respect of such Affected Share. The Directors shall be entitled from time to time to serve further Affected Share Notices in respect of any Affected Share applying further provisions of paragraph (F) of this Article. The registered holder of a Share in respect of which an Affected Share Notice has been served or any other person on whom an Affected Share Notice in respect of that Share has been served may make representations to the Directors as to why such Share should not be treated as an Affected Share and if, after considering such representations and such other information as seems to them relevant, the Directors consider that the Share should not be treated as an Affected Share they shall forthwith withdraw the Affected Share Notice served in respect of such Share and the provisions of paragraph (F) shall no longer apply to it. For the avoidance of doubt, any Share which the Directors determine to deal with as an Affected Share shall continue to be an Affected Share unless and until the Directors withdraw the Affected Share Notice relating thereto.

(F) (1) A registered holder of an Affected Share upon whom an Affected Share Notice has been served shall not (if such Affected Share Notice specifies that the provisions of this sub-paragraph (i) are to apply thereto) be entitled, in respect of such Share, to attend or to speak at any General Meeting of the Company or any meeting of the holders of any class of Shares or to vote at any such meeting and the rights to attend (whether in person or by proxy), to speak and to demand and vote on a poll which, but for the provisions of this sub-paragraph (F)(i), would have

attached to the Affected Share shall vest in the chairman of such meeting. The manner in which the chairman exercises or refrains from exercising any such rights shall be entirely at his discretion. The chairman of any such meeting as aforesaid shall be informed by the Directors of any Share becoming or being deemed to be an Affected Share.

(ii) (a) The persons on whom an Affected Share Notice has been served shall (if such Affected Share Notice specifies that the provisions of this sub-paragraph (ii) are to apply thereto), within twenty-one days of receiving such Affected Share Notice (or such longer period as may in such Notice be prescribed by the Directors), make an Affected Share Disposal so that no Relevant Person has an Interest in that Share and, upon such Affected Share Disposal being made to the satisfaction of the Directors, such Affected Share shall cease to be a Relevant Share. The provisions of paragraph (H) of this Article shall apply to any transfer in connection with an Affected Share Disposal if as a consequence of the transfer such Share would continue, or be capable of continuing, to be an Affected Share.

(b) If after twenty-one days from the date of service on the registered holder of an Affected Share of an Affected Share Notice specifying that the provisions of this sub-paragraph (ii) are to apply (or such longer period as the Directors may have prescribed), the Directors are not satisfied that an Affected Share Disposal has been made of or in relation to the Affected Share the subject thereof, the Directors may arrange for the sale of the Affected Share on behalf of the registered holder so that it ceases to be or to be capable of being treated as an Affected Share at the best price reasonably obtainable at the relevant time. The manner, timing and terms of any such Affected Share Disposal made or sought to be made by the Directors (including but not limited to the price or prices at which the same is made) shall be such as the Directors determine, based upon advice from bankers, brokers or other appropriate persons consulted by them for the purpose, to be reasonably practicable having regard to all the circumstances (including but not limited to the number of Shares to be disposed of); and the Directors shall not be liable to any person for any of the consequences of reliance on such advice.

(G) In deciding which Shares are to be dealt with as Affected Shares the Directors shall be entitled to have regard to the Interests in Relevant Shares which in their sole opinion have directly or indirectly caused the determination under sub-paragraph (i) of paragraph (D) but subject thereto shall, so far as practicable, have regard to the chronological order in which particulars of Relevant Shares have been, or are to be, entered in the Separate Register (and accordingly treat as Affected Shares those Relevant Shares which have been acquired, or details of which have been entered in the Separate Register, most recently) save in circumstances where such criterion would in the sole opinion of the Directors be inequitable in which event the Directors shall apply such other criterion or criteria as they may, in their absolute discretion, consider appropriate.

(H) The transfer of any Share shall be subject to the approval of the Directors if, in the opinion of the Directors, such Share would upon transfer become, or would be capable of being treated as, or

would continue or be capable of continuing to be capable of being treated as, an Affected Share and the Directors may refuse to register the transfer of any such Share.

(I) For the purpose of a sale under paragraph (F)(ii)(b) of this Article, the Directors may appoint any person to execute as transferor an instrument of transfer in favour of the transferee and may enter the name of the transferee in respect of the transferred Share in the Register of Members notwithstanding the absence of any share certificate and such instrument of transfer shall be as effective as if it had been executed by the registered holder and the title of the transferee shall not be affected by any irregularity or invalidity of the proceedings relating thereto. The net proceeds of sale of an Affected Share shall be received by the Company (whose receipt shall be a good discharge for the purchase money), and shall be held on trust for and paid (together with interest at such rate as the Directors deem appropriate) to the former registered holder (or, in the case of joint holders, the first-named joint holder thereof in the Register of Members) upon surrender by him or on his behalf of any certificate in respect of the Affected Shares sold and formerly held by him. When an Affected Share has been sold as aforesaid the Directors shall notify the former registered holder of the Share and inform him that the net proceeds of sale of the Share will be paid to him upon surrender by him or on his behalf of any certificate in respect of the Share.

(J) Subject to the provisions of this Article the Directors shall, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that all Shares are neither Relevant Shares (other than those Shares particulars of which are entered in the Separate Register) nor Shares which would be or be capable of being treated as Affected Shares if a determination under sub-paragraph (i) of paragraph (D) were to be made.

(K) (i) The Directors shall not be obliged to serve any notice required under this Article upon any person if they do not know either his identity or address. The absence of service in such circumstances as aforesaid and any accidental error in or failure to give notice to any person upon whom notice is required to be served under this Article shall not prevent the implementation of or invalidate any procedure under this Article.

(ii) The provisions of Article 153 shall apply, mutatis mutandis, to the service of notices upon any member pursuant to this Article.

(L) Any resolution or determination of, or any decision or the exercise of any discretion or power by, the Directors or any one of them or by the Chairman of the Company (including any other Director duly acting in place of the Chairman) under this Article shall be final and conclusive and neither he nor they shall be obliged to give any reasons therefor. Any disposal or transfer made, or other thing done, by or on behalf, or on the authority, of the Directors or any of them pursuant to the foregoing provisions of this Article shall be conclusive and binding on all persons concerned and shall not be open to challenge on any ground whatsoever. For the avoidance of doubt any powers, rights or duties

01/07/1987

conferred by this Article on the Directors can be exercised by a duly authorised committee of the Directors.

(M) The Directors shall not be required to make the Separate Register available for inspection by any person but shall provide persons who make enquiries which the Directors determine in their sole discretion to be bona fide with information as to the aggregate number of Shares of which particulars are from time to time entered in the Separate Register.

(N) If, at any time when a determination under sub-paragraph (i) of paragraph (D) has been made and not withdrawn, any person enquires of the Directors whether the aggregate number of Relevant Shares exceeds any Permitted Maximum applying for the time being, or whether any Shares in the Company which such person proposes to purchase or in which such person proposes to acquire an Interest would in the opinion of the Directors upon such purchase or acquisition become or be capable of becoming or being treated as Affected Shares, whether by reason of the Permitted Maximum being exceeded or otherwise, the Directors shall, on sufficient information being given to them to enable them to answer the enquiry, notify the enquirer whether in their opinion the Shares would become or be capable of becoming Affected Shares if he were to purchase them or acquire an Interest in them. Notwithstanding the foregoing, any such notification shall not be binding on the Directors or the Company and shall not prevent such Shares being subsequently identified as Affected Shares.

CERTIFICATES

Certificates

20A. The certificates of title to shares shall be issued under the Common Seal of the Company or under the Official Seal kept by the Company by virtue of Section 40 of the Act.

Members right to certificates

21. Every Member (except a Stock Exchange nominee in respect of whom the Company is not required by law to complete and have ready a certificate) shall be entitled within the time specified by the Act and without payment to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered, and where a Member transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares retained by him and registered in his name. Every such certificate of shares shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon. If any Member shall require additional certificates he shall pay for each additional certificate such sum (if any) not exceeding 5p as the Directors shall determine.

As to issue of a new certificate in place of one defaced,
lost or destroyed

22. If any certificate be worn out or defaced then upon delivery thereof to the Directors they may order the same to be cancelled, and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Directors and on such indemnity with or without security as the Directors deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.

Costs

23. Every certificate issued under the last preceding Article shall be issued without payment, but there shall be paid to the Company a sum equal to any exceptional expenses incurred by the Company of preparing any such indemnity and security as is referred to in that Article.

To which of the joint holders certificates to be issued

24. The Company shall not be bound to issue more than one certificate in respect of shares registered in the names of two or more persons and such certificate shall be delivered to the person first named on the Register in respect of such shares.

CALLS ON SHARES

Calls

25. The Directors may, subject to the terms of allotment thereof, from time to time make such Calls as they think fit upon the Members in respect of all moneys unpaid on the shares held by them respectively provided that fourteen days' notice at least be given of each Call and each Member shall pay the amount of each Call so made on him to the person and at the time and place specified by the Directors in the said notice.

May be payable by instalments, etc.

26. A Call may be made payable by instalments and may, at any time before receipt by the Company of a sum due thereunder, be either revoked or postponed in whole or in part.

When Call deemed to have been made

27. A Call shall be deemed to have been made at the time when the resolution of the Directors authorising such Call was passed.

Instalments to be treated as calls

28. If by the terms of any prospectus or by the conditions of allotment any amount is payable in respect of any shares by instalments, every such instalment shall be payable as if it were a Call duly made by the Directors of which due notice had been given.

When interest on Calls or instalment payable

29. If the sum payable in respect of any Call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the Call shall have been made, or the instalment shall be due, shall pay interest for the same at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the appropriate rate (as defined by Section 107 of the Act) from the time appointed for payment thereof until the actual payment thereof, and shall not receive any dividend in respect of the amount unpaid.

Payment of Calls in advance

30. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up; and upon the money paid in advance, or so much thereof as from time to time exceeds the amount of the Calls then made upon the shares in respect of which such advance shall have been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company given by Ordinary Resolution, the appropriate rate aforesaid) as the Member paying such sum in advance and the Directors agree upon.

Sums due on allotment to be treated as Calls

31. Any sum which by or pursuant to the terms of allotment of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a Call duly made and payable on the date on which by or pursuant to the terms of allotment the same becomes payable and 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.

FORFEITURE AND LIENIf Call or instalments not paid notice may be given

32. If any Member fails to pay any Call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the Call or instalment or any part thereof remains unpaid, serve a notice on such Member requiring him to pay the same, together with any interest that may have accrued thereon and all expenses incurred by the Company by reason of such non-payment.

Form of Notice

33. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place on and at which such Call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the Call was made or instalment is payable will be liable to be forfeited.

If Notice not complied with Shares may be forfeited

34. If the requirements of any such notice as aforesaid be not complied with, any shares in respect of which such notice shall have been given may at any time thereafter, and before payment of all Calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept the surrender of any share liable to be forfeited hereunder and in such case references in these Articles to forfeiture shall include surrender.

Forfeited Shares to become the property of Company

35. When any share has been forfeited notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice as aforesaid. Any share so forfeited shall be deemed to be the property of the Company, no voting rights shall be exercised in respect thereof and the Directors may within three years of such forfeiture sell, re-allot, or otherwise dispose of the same in such manner as they think fit either to the person who was before the forfeiture the holder thereof, or to any other person, and either with or without any past or accruing dividends, and in the case of re-allotment, with or without any money paid thereon by the former holder being credited as paid up thereon. Any share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture shall thereupon be cancelled in accordance with the provisions of the Act.

Power to annul forfeiture

36. The Directors may at any time, before any share so forfeited shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture upon such conditions as they think fit.

Arrears to be paid notwithstanding forfeiture

37. Any Member whose shares have been forfeited shall thereupon cease to be a member in respect of such shares but shall notwithstanding be liable to pay, and shall forthwith pay to the Company all Calls, instalments, interest, and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the shares or, if no rate is so fixed, at the appropriate rate aforesaid, and the Directors may enforce payment thereof if they think fit.

Company's lien on Shares

38. The Company shall have a first and paramount lien upon all the shares, other than fully paid-up shares, registered in the name of each Member (whether solely or jointly with other persons) for any amount payable in respect of such shares, whether the period for payment thereof shall have actually arrived or not and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such shares. Unless otherwise agreed, the registration of a transfer of a

share shall operate as a waiver of the Company's lien, if any, on such share.

As to enforcing lien by sale

39. For the purpose of enforcing such lien, the Directors may sell the shares subject thereto, in such manner as they think fit, but no such sale shall be made until such period as aforesaid shall have arrived and until notice in writing stating, and demanding payment of, the sum payable and giving notice of the intention to sell in default of such payment shall have been served on such Member and default shall have been made by him in the payment of such amounts payable for seven days after such notice.

Application of proceeds of sale

40. The net proceeds of any such sale, after payment of the costs thereof, shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Member or the person (if any) entitled by transmission to the shares.

Validity of sale after forfeiture or for enforcing lien

41. Upon any sale or re-allotment after forfeiture or upon any sale for enforcing any lien in purported exercise of the powers hereinbefore given, the Directors may in the case of a sale nominate some person to execute a transfer of the shares sold in the name and on behalf of the registered holder or his executors or administrators and may in any case cause the name of the purchaser or allottee to be entered in the Register in respect of the shares sold or re-allotted, and the purchaser or allottee shall not be bound to see to the regularity of the proceedings or to the application of the purchase or subscription money, and after his name has been entered in the Register in respect of such shares the validity of the sale or forfeiture shall not be impeached by any person and the remedy of any person aggrieved by the sale or forfeiture shall be in damages only and against the Company exclusively.

CONSOLIDATION AND SUB-DIVISION OF SHARES

Consolidation

42. The Company may by Ordinary Resolution consolidate its shares, or any of them, into shares of a larger amount.

Sub-division

43. The Company may by Ordinary Resolution sub-divide its shares, or any of them, into shares of a smaller amount, and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preferred or other advantage as regards dividend, capital, voting or otherwise over or shall have such deferred rights or be subject to such restrictions as compared with the other or others as the Company has power to attach to shares upon the allotment thereof.

Fractions

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

CONVERSION OF SHARES INTO STOCKPaid up Shares convertible into Stock

45. The Company may by Ordinary Resolution convert any fully paid up shares into stock of the same class as the shares which shall be so converted, and reconvert such stock into fully paid up shares of the same class and of any denomination.

Transfer of Stock

46. When any shares have been converted into stock, the several holders of such stock may chanceforth transfer their respective interests therein, or any part of such interests, in the same manner and subject to the same regulations as and subject to which any shares in the capital of the Company may be transferred, or as near thereto as circumstances admit, but the Directors may from time to time fix the minimum amount of stock transferable (which minimum shall not exceed the nominal amount of the shares from which the stock arose), and direct that fractions of that minimum shall not be transferred, but with power at their discretion to waive such rules in any particular case.

Privilege of Stock-holders

47. The several holders of such stock shall be entitled to participate in the dividends and profits of the Company according to the class of stock and 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 would have been conferred by shares of the same class of equal amount in the capital of the Company, but so that none of such privileges or advantages, except the participation in the dividends and profits of the Company and in the assets of the Company on a winding up shall be conferred by any such amounts of stock as would not, if existing in the shares, have conferred such privileges or advantages.

Definitions

48. All such provisions of these Articles relating to shares as are applicable to fully paid-up shares shall apply to stock, and in all such provisions the words "share" and "shareholder" shall include "stock" and "stockholder". No such conversion shall affect or prejudice any preference or other special privilege.

INCREASE AND REDUCTION OF CAPITALIncrease of Capital

49. The Company may, from time to time, by Ordinary Resolution, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject to such privileges, priorities, or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects as if they had been part of the original capital.

Power to attach rights and issue redeemable shares

50. Any new shares in the capital of the Company may be allotted with such preferential right to dividend and such priority in the distribution of assets, or subject to such postponement of dividends or in the distribution of assets, and with or subject to such preferential or limited or qualified right of voting at General Meetings as the Company may from time to time by Ordinary Resolution determine, or, if no such determination be made, as the Directors shall determine, but so that the rights attached to any issue of shares as a class shall not be varied except with the consent of the holders thereof duly given under the provisions of these Articles. Subject as aforesaid any shares in the capital of the Company may be issued on the terms that they are, or, at the option of the Company, are to be liable to be redeemed.

Reduction of Capital and Purchase of own Shares

51. (a) The Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any manner authorised by law. The Company may also by Ordinary Resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.

(b) The Company may purchase its own shares (including any redeemable shares) provided that if at the relevant date proposed for approval of the proposed purchase there shall be in issue any shares of a class entitling the holders thereof to convert into ordinary shares in the capital of the Company then no such purchase shall take place unless it has been sanctioned by an extraordinary resolution passed at a separate class meeting (or meetings if there is more than one class) of the holders of any such class of convertible shares.

PART III. - GENERAL MEETINGS

Annual General Meeting

52. Annual General Meetings shall be held at such time and place as may be determined by the Directors.

Extraordinary General Meeting

53. All General Meetings of the Company other than Annual General Meetings shall be called Extraordinary General Meetings.

When Extraordinary General Meeting to be called

54. The Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company, and Extraordinary General Meetings shall also be convened on such requisition or in default may be convened by such requisitionists as provided by the Act. Any meeting convened under this Article by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

Notice of Meetings

55. An Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution shall be called by not less than twenty-one days' notice in writing, and all other Extraordinary General Meetings of the Company shall be called by not less than fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and hour of meeting, and in case of special business the general nature of such business. The notice shall be given to the Members, other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company, to the Directors and to the Auditors. A notice calling an Annual General Meeting shall specify the meeting as such and the notice convening a meeting to pass a Special Resolution or an Extraordinary Resolution as the case may be shall specify the intention to propose the Resolution as such.

Meetings at Short Notice

56. A General Meeting shall, notwithstanding that it is called by shorter notice than that specified in the immediately preceding Article, be deemed to have been duly called if it is so agreed by such Members as are prescribed in that behalf by the Act.

Proxies

57. In every notice calling a meeting of the Company or any class of the Members of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him, and that a proxy need not also be a Member.

Omission to send Notice

58. The accidental omission to send a notice to or the non-receipt of any notice by any Member or any Director or the Auditors shall not invalidate the proceedings at any General Meeting.

Business of Annual General Meeting

59. The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and reports of the Directors and of the Auditors, and the documents required by law to be annexed to the Balance Sheet, to elect Directors and Officers in the place of those retiring by rotation or otherwise or ceasing to hold office pursuant to Article 90 and to fix their remuneration if required, to declare dividends, to appoint the Auditors (when Special Notice of the Resolution for such appointment is not required by the Act) and to fix, or determine the manner of the fixing of, their remuneration.

Special Business

60. All other business transacted at an Annual General Meeting and all business transacted at an Extraordinary General Meeting shall be deemed special.

Special Notice

61. Where by any provision contained in the Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to its Members, subject as in these Articles provided, notice of any such resolution as provided by the Act.

Resolutions in writing of members

62. A resolution in writing signed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each signed by or on behalf of one or more members.

Quorum

63. Subject to the provisions of Article 65 in respect of adjourned meetings, for all purposes the quorum for a General Meeting shall be not less than two Members present in person or by proxy and entitled to vote.

Quorum to be present

64. No business shall be transacted at any General Meeting unless the quorum requisite shall be present when the meeting proceeds to business. The appointment of a Chairman in accordance with the provisions

of these Articles shall not be treated as part of the business of the meeting.

Proceeding if quorum not present

65. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened by or upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than fourteen days nor more than twenty-eight days thence) and place as the Chairman shall appoint. At any such adjourned meeting the Member or Members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for the want of a quorum and the notice shall state that the Member or Members present as aforesaid shall form a quorum.

Chairman

66. The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman, or if at any meeting he be not present within fifteen minutes after the time appointed for holding the meeting, or be unwilling to act, the Directors present shall select one of their number to be Chairman, and that failing, the Members present and entitled to vote shall choose some one of their number to be Chairman.

Power to adjourn

67. The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time or sine die and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When notice of adjourned meeting to be given

68. Whenever a meeting is adjourned for twenty-eight days or more or sine die, seven clear days' notice in writing at the least specifying the place, the day and hour of the adjourned meeting shall be given to the Members subject as and in the manner herein mentioned, to the Directors and to the Auditors, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Subject to Article 65 and save as aforesaid it shall not be necessary to give any notice of an adjournment.

How questions to be decided at meetings

69. At any General Meeting, a resolution put to the vote of the meeting shall be decided by a show of hands unless (before, or upon the declaration of the result of, the show of hands) a poll be duly demanded, in accordance with the provisions of these Articles, and unless a poll be so demanded a declaration by the Chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a

particular majority, and an entry to that effect in the book containing the minutes of proceedings 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.

Casting vote

70. In the case of an equality of votes the Chairman shall, both on a show of hands and at a poll, have a casting vote in addition to the votes to which he may be entitled as a Member.

Who may demand a poll

71. A poll may be demanded upon any question by the Chairman or by not less than five Members present in person or by proxy and entitled to vote or by a Member or Members present in person or by proxy representing not less than one-tenth 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.

Poll demanded by proxy

72. A valid instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll, and for the purposes of the immediately preceding Article, a demand by a proxy for a Member or other person entitled to vote shall be deemed to be a demand by that Member or other person.

How poll to be taken

73. Subject to the provisions of the next succeeding Article hereof, if a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment (but not more than thirty days after the date of the meeting or adjourned meeting at which the poll was demanded), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn. No notice need be given of a poll not taken immediately.

In what cases poll taken without adjournment

74. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

Business may proceed notwithstanding demand of a poll

75. 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.

VOTING

Votes of members

76. Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, every Member present in person shall upon a show of hands have one vote and every Member present in person or by proxy shall upon a poll have one vote for every 25p in nominal amount of the shares held by him. A Member who is a patient within the meaning of the Mental Health Act 1983 may vote, whether on a show of hands or on a poll, by his receiver or curator bonis and such receiver or curator bonis may, on a poll, vote by proxy.

Joint Owners

77. If two or more persons are jointly entitled to shares for the time being conferring a right to vote, any one of such persons may vote at any meeting, either personally or by proxy, in respect thereof as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting, either personally or by proxy, the Member whose name stands first on the Register as one of the holders of such shares, and no other, shall be entitled to vote in respect of the same.

When Members not to vote

78. No Member shall, unless the Directors otherwise determine, be entitled to be present or to vote, either in person or by proxy, at any General Meeting or upon any poll, or to exercise any privilege as a Member in relation to Meetings of the Company in respect of any shares held by him if either:-

(i) any Calls or other moneys due and payable in respect of those shares remain unpaid; or

(ii) he or any person appearing to be interested in those shares has been duly served with a notice under Section 212 of the Act and he or any such person (a) is in default in supplying to the Company the information thereby requested within twenty-eight days after service of such notice or such longer period as may be specified in such notice for compliance therewith or in purported compliance with a Statutory Notice has made a statement which is false or misleading in any material particular and (b) has not remedied such default or corrected such statement within a further period of fourteen days after service of a further notice ("the disenfranchisement notice") requiring him so to do and stating that in the event of non-compliance with the disenfranchisement notice with effect from expiry such shares shall no longer confer on him the right to vote at any General Meeting of the Company

For the purpose of this Article a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under the said Section 212 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant Section

212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the shares to which the disenfranchisement notice relates a notice in writing to that effect and a disenfranchisement notice shall be deemed to have been withdrawn when the statutory notice has been complied with in respect of all the shares to which the disenfranchisement notice relates.

Voting personally or by proxy

79. On a poll votes may be given personally or by proxy and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. The instrument appointing a proxy shall be in writing in the usual form, or such other form as shall be approved by the Directors, under the hand of the appointor or his duly constituted attorney; or if such appointor is a corporation, under its Common Seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A proxy need not be a Member of the Company. A Member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at the Meeting or any adjournment thereof.

As to deposit of proxy

80. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed, or a notarially certified copy thereof, shall be deposited at the Office or at such other place within the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote and in default such instrument shall not be treated as valid.

As to validity of proxy

81. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates. No instrument of proxy shall be valid after the expiry of twelve months from the date of its execution.

When votes by proxy valid though authority revoked

82. A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the instrument of proxy or the authority under which it was executed or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, or incapacity, revocation or transfer shall have been received at the Office or such other place as is specified for depositing the instrument of proxy before the time for holding the meeting or adjourned meeting or the holding of a poll subsequently thereto at which such vote is given.

VARIATION OF RIGHTS

Consent to Variation

83. If at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may be varied or abrogated (a) in such manner (if any) as may be provided by such rights, or (b) in the absence of any such provision either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise. The creation or issue of shares ranking pari passu with or subsequent to the shares of any class shall not (unless otherwise expressly provided by these Articles or the rights attached to such last mentioned shares as a class) be deemed to be a variation of the rights of such shares.

Proceedings at meetings of classes of Members

84. Any meeting for the purpose of the last preceding Article shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company, provided that no Member, not being Director, shall be entitled to notice thereof or to attend thereat unless he be a holder of shares of the class the rights or privileges attached to which are intended to be varied or abrogated by the resolution, and that no vote shall be given except in respect of a share of that class, and that the quorum at any such meeting shall be two persons at least present holding or representing by proxy at least one-third in nominal value of the issued shares of the class, and at an adjourned meeting one person holding shares of the class in question or his proxy and that a poll may be demanded in writing by any Member present in person or by proxy and entitled to vote at the meeting.

PART IV. - DIRECTORS AND OTHER OFFICERS

DIRECTORS

Number of Directors

85. Unless and until otherwise determined by the Company in General Meeting pursuant to Article 118 the number of Directors shall not be more than ten. The continuing Directors may act notwithstanding any vacancy in their body. If there be no Director or Directors able or willing to act then subject to Article 86 any two Shareholders may summon a General Meeting for the purpose of appointing Directors. Any additional Director so appointed shall (subject to the provisions of these Articles) hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

86. For so long as the share capital of the Company is divided into 'A' Ordinary Shares and 'B' Ordinary Shares:-

(a) The holders for the time being of a majority of the 'A' Ordinary Shares may from time to time by written instrument appoint one person to be a Director (the 'A' Director");

(b) If there is a vacancy for the appointment of an 'A' Director and the holders of the majority of the 'A' Ordinary Shares have not filled such vacancy in the manner set out in this Article within 90 days of the creation of such vacancy, the Company shall convene a separate class meeting of the holders of 'A' Ordinary Shares to elect a replacement 'A' Director who shall be appointed. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, except that a quorum for such meeting shall be two holders of shares of the relevant class, present in person or by proxy;

(c) Each 'A' Director shall hold office subject only to Article 111 but may at any time be removed from office by written notice to the Company from the holder, or by joint action the holders, of a majority of the 'A' Ordinary Shares;

(d) Any appointment or removal of a Director shall be made in writing served on the Company and signed by the person(s) appointing or removing him pursuant hereto. In the case of a corporation such document may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative.

Remuneration of Directors

87. The Directors shall be paid out of the funds of the Company by way of fees for their services an aggregate sum not exceeding £100,000 per annum. The Directors shall also receive by way of additional fees such further sums (if any) as the Company in General Meeting may from time to time determine. Such fees and additional fees shall be divided among the Directors in such proportion and manner as they may determine and in default of determination equally. The provisions of this Article shall not apply to the remuneration of any Managing Director or Executive Director which shall be determined pursuant to the provisions of Article 95 hereof.

Travelling and hotel expenses and Special Remuneration

88. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending Meetings of the Board or of Committees of the Board or General Meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.

Qualification. Directors entitled to attend at General Meetings and Separate General Meetings

89. A Director shall not require a share qualification. A Director shall be entitled to receive notice of and attend and speak at all General Meetings of the Company and at all Separate General Meetings of the holders of any class of shares in the capital of the Company.

Directors to have power to fill casual vacancies

90. Without prejudice to the power of the Company pursuant to these Articles the Directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Subject to the provisions of these Articles, any Director so appointed shall hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting, and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

ALTERNATE DIRECTORS

Appointment and Revocation

91. Any Director may by writing under his hand appoint (i) any other Director, or (ii) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him: Provided always that no appointment of a person other than a Director shall be operative unless and until the approval of the Board of Directors by a majority consisting of two-thirds of the whole Board shall have been given. A Director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforeaid where requisite appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine, provided always that if any Director retires but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. The appointment of an alternate Director shall cease and determine on the happening of any event which, if he was a Director, would render him legally disqualified from acting as a Director or if he has a receiving order made against him or if he compounds with his creditors generally or if he becomes of unsound mind. An alternate Director need not hold a share qualification and shall not be counted in reckoning the maximum number of Directors allowed by the Articles of Association for the time being. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate

but he shall count as only one for the purpose of determining whether a quorum be present.

Alternate to be responsible for his own acts, etc.

Remuneration of Alternate

92. Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. An Alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions to the same extent or if he was a Director. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him.

MANAGING AND EXECUTIVE DIRECTORS

Appointment

93. The Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company or to hold such other Executive Office in relation to the management of the business of the Company as they may decide either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any service contract between him and the Company and without prejudice to any claim for damages he may have for breach of any such service contract), remove or dismiss him or them from such office and appoint another or others in his or their place or places.

Managing Director not to retire by rotation

94. A Managing Director or such Executive Director shall not while he continues to hold that office be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors, but he shall (subject to the provisions of Article 110(i) hereof and without prejudice to any claim for damages any such Managing Director or Executive Director may have for breach of any service contract between him and the Company) be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company, and if he ceases to hold the office of Director from any cause he shall ipso facto immediately (but without prejudice as aforesaid) cease to be a Managing Director or such Executive Director.

Remuneration

95. The salary or remuneration of any Managing Director or such Executive Director of the Company shall, subject as provided in any contract, be such as the Directors may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, or may include the making of provisions for the payment to him, his widow or other dependants, of a pension on

retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as the Directors determine.

Powers

96. The Directors may from time to time entrust to and confer upon a Managing Director or such Executive Director for the time being such of the powers exercisable under these Articles by the Directors, other than power to make calls or forfeit shares, 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 think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

POWERS AND DUTIES OF DIRECTORS

Directors to have entire superintendence and control of
business of Company

97. The business of the Company shall be managed by the Directors who in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them may exercise all such powers, and do all such acts and things as may be exercised or done by the Company, and as are not by the Act or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to such directions (being not inconsistent with any regulations of these Articles or the provisions of the Act) as may be given by the Company in General Meeting. Provided that no direction given by the Company in General Meeting shall invalidate any prior act of the Directors, which would have been valid if such direction had not been given, and the provisions contained in these Articles as to any specific power of the Directors shall not be deemed to abridge the general powers hereby given.

Power to award Pensions

98. The Directors may exercise all the powers of the Company to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of Schemes, Trusts and Funds for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise).

Directors interests

99. (A) A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any such remuneration shall be in addition to any remuneration provided for by any other Article. No Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise. No contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established but the nature of his interest shall be disclosed by him in accordance with the provisions of the Act.

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

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

(i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

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

(iv) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share

01/07/1987

capital of such company (or of a third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

(v) any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which either relates to both employees and Directors of the Company or has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; and

(vi) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time Executive Directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees.

(D) A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.

(E) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under paragraph (C)(iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(F) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fully disclosed.

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

(H) For the purpose of this Article an interest of a person who is for the purpose of the Act connected with a Director shall be treated as an interest of the Director and in relation to an alternate an interest of his appointor shall be treated as an interest of the alternate.

Exercise of voting powers

100. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers or servants of such company or voting or providing for the payment of remuneration to such officers or servants).

Directors may join Boards of other companies

101. A Director of the Company may continue or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

Overseas Branch Register

102. The Directors may exercise the powers conferred upon the Company by Sections 362 of the Act with regard to the keeping of an Overseas Branch Register and the Directors may (subject to the provisions of that Section) make and vary such regulations as they may think fit respecting the keeping of any such register.

Information re "close companies"

103. The Directors may at any time require any corporate Member to furnish any information, supported (if the Directors so require) by a statutory declaration, which they may consider necessary for the purpose of determining whether or not such Member is one to which Section 94 of and Schedule 16 to the Finance Act 1972 (or any statutory modification or re-enactment thereof for the time being in force) applies.

PRESIDENT

President

104. The Directors may from time to time appoint a President of the Company (who need not be a Director of the Company) and may determine his duties and remuneration and the period for which he is to hold office.

LOCAL MANAGEMENT

Local Management

105. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit, and the provisions contained in the three next following sub-clauses shall be without prejudice to the general powers conferred by this Article:-

Local Board

Delegation

(i) The Directors from time to time, and at any time, may establish any Local Board or agencies for managing any of the affairs of the Company in any such specified locality, and may appoint any persons to be Members of such Local Board, or any managers or agents, and may fix their remuneration. And the Directors from time to time, and at any time, may delegate to any person (i) appointed any of the powers, authorities, and discretions for the time being vested in the Directors, other than the power of making calls, and may authorise the Members for the time being of any such Local Board, or any of them, to fill up the vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation.

Powers of Attorney

(ii) The Directors may at any time and from time to time by power of attorney under the seal of the Company, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents), and for such period and subject to such conditions as the Directors may from time to time think fit; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the Directors may think fit.

Sub-delegation

(iii) Any such delegates or attorneys as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

BORROWING POWERS

Power to raise money

106. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures and other securities.

Mode of borrowing

107. The Directors may exercise all the powers of the Company to borrow or raise money and or by the issue or sale of any bonds, debentures, or securities, and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including a right for the holders of bonds, debentures, or securities, to exchange the same for shares in the Company of any class authorised to be issued.

Security for payment of moneys borrowed or raised

108. Subject as aforesaid the Directors may secure or provide for the payment of any moneys to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company whether called up or not, or by any other security, and the Directors may confer upon any mortgagees or persons in whom any debenture or security is vested, such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or raised, and confer upon the trustees or any receiver to be appointed by them or by any debenture-holder such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company or the management or the realisation thereof or the making, receiving, or enforcing of Calls upon the Members in respect of unpaid capital, and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustees may be remunerated.

Security for payment of moneys

109. The Directors may give security for the payment of any moneys payable by the Company in like manner as for the payment of moneys borrowed or raised, but in such case the amount shall for the purposes of the above limitation be reckoned as part of the money borrowed.

Register of Charges to be kept

110. The Directors shall keep a Register of Charges in accordance with the Act and the fee to be paid by any person other than a creditor or Member of the Company for each inspection of the Register of Charges to be kept under the Act shall be the sum of 5p.

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DISQUALIFICATION OF DIRECTORS

Office of Director to be vacated

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

If he resigns

(i) If not being a Managing Director or Executive Director holding office as such for a fixed period he delivers to the Board or to the Secretary a notice in writing of his resignation of his office of Director;

Cease to be a Director

(ii) If he ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director;

Becomes bankrupt

(iii) If he becomes bankrupt, or compounds with his creditors generally;

01/07/1987

Suffers mental disorder

(iv) If an Order is made by any Court of competent jurisdiction on the ground of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs; or

Fails to attend meetings

(v) If not having leave of absence from the Directors he or his alternate (if any) fail to attend the meetings of the Directors for six successive months unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient and the Directors resolve that his office be vacated.

RETIREMENT, ELECTION AND APPOINTMENT OF DIRECTORS

Rotation and retirement of Directors

112. Subject to the provisions of Article 94 in respect of a Managing Director or Executive Director at each Annual General Meeting, one-third of the Directors who are subject to retirement by rotation, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a meeting shall retain office until the dissolution of such meeting.

Which Director to retire

113. The Directors to retire at the First Annual General Meeting shall unless the Directors agree among themselves, be determined by lot and, in every subsequent year the one-third or other nearest number who have been longest in office shall retire. As between two or more who have been in office an equal length of time, the Director to retire shall in default of agreement between them be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election.

Meeting to fill up vacancies

114. The Company at any General Meeting at which any Directors retire in manner aforesaid, may subject to any resolution reducing the number of Directors, fill up the vacated offices by electing a like number of persons to be Directors and may fill up any other vacancies.

Retiring Director to remain in office until successor appointed

115. If at any General Meeting at which an election of Directors ought to take place the places of the retiring Directors are not filled up, then, subject to any resolution reducing the number of Directors, the retiring Directors, or such of them as have not had their places filled up, shall, if willing, continue in office until the dissolution of the Annual General Meeting in the next year, unless, as regards any particular

Director, a resolution for his re-election shall have been put to the meeting and lost.

Appointment of Directors to be voted upon individually

116. A resolution for the appointment of two or more persons as Directors by a single resolution shall be void unless a resolution that it shall be so proposed has first been agreed to by the meeting without any vote being given against it.

Notice to propose new Directors

117. No person except a retiring Director shall be elected a Director (unless recommended by the Directors for election) unless notice in writing shall be sent to the Secretary not more than twenty-eight days and not less than seven days before the day of the meeting at which the election is to take place, signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting stating the name and address of the person who offers himself or is proposed as a candidate, together with a notice in writing signed by such person of his willingness to be elected.

Power to General Meeting to increase or reduce the number of Directors

118. The Company in General Meeting may from time to time by Ordinary Resolution increase or reduce the number of Directors and may also determine in what rotation such increased or reduced number is to go out of office and without prejudice to the provisions of these Articles, may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

Power to remove Director by Ordinary Resolution

119. The Company may by Ordinary Resolution remove any Director before the expiration of his term of office.

Power to appoint Director in place of one removed

120. The Company may by Ordinary Resolution appoint another person in place of the Director removed pursuant to the provisions of the Act or by Ordinary Resolution pursuant to Article 117, and the person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed, but this provision shall not prevent him from being eligible for re-election.

No Director to retire on account of age

121. No person shall be or become incapable of being appointed a Director by reason of his having attained the age of seventy or any other age, nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person and no Director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age.

PROCEEDINGS OF DIRECTORS AND COMMITTEES

Meetings of Directors

122. The Directors may meet together for the dispatch 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 Directors shall constitute a quorum. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. One Director may, and the Secretary shall at the request of a Director, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not within the United Kingdom.

Notice of Board Meetings

123. Notice of Board Meetings shall be given to all Directors and shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board Meetings shall during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose, whether or not out of the United Kingdom.

Chairman of Board

124. The Directors may elect a Chairman or Joint Chairman and one or more Deputy Chairmen of their meetings (which may also be an Executive Office in relation to the management or the business of the Company) and determine the period for which he is or they are to hold office, but if no such Chairman or Deputy Chairman is elected, or if at any meeting neither the Chairman nor a Deputy Chairman is present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

Board may act if quorum present

125. A duly convened meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.

Resolution in writing

126. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors shall be as effective for all purposes as a resolution of those Directors passed at a meeting duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors. Provided that such a resolution need not be signed by an alternate Director if it is signed by the Director who appointed him.

Directors may appoint Committees

127. The Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit.

Committees subject to control of Directors

128. All Committees shall in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which may be prescribed by the Directors, and subject thereto may regulate their proceedings in the same manner as the Directors may do.

Minutes of Proceedings

129. The Directors shall cause minutes to be made of the following matters, namely:-

- (i) of all appointments of officers, and Committees made by the Directors, and of their salary or remuneration;
- (ii) of the names of Directors present at every meeting of the Board or of Committees of Directors, and all business transacted at such meetings; and
- (iii) of all orders, resolutions and proceedings of all meetings of the Company, of the holders of any class of shares in the Company and of the Directors and Committees of Directors.

Any such minute as aforesaid, if purporting to be signed by the Chairman of the meeting at which the proceedings were held, or by the Chairman of the next succeeding meeting shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

Defective appointment of Directors not to invalidate their acts

130. All acts done by a meeting of the Directors, or of a Committee, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person or persons acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office be as valid as if every such person had been duly appointed, and were duly qualified and had continued to be a Director.

SECRETARY

Secretary

131. The Secretary shall be appointed by the Directors.

PART V. - RESERVES, DIVIDENDS AND MISCELLANEOUS

RESERVES

Reserves out of Profits

132. The Directors may before recommending any dividends whether preferential or otherwise carry to reserve out of the profits of the Company such sums as they think proper. All sums standing to reserve may be applied from time to time in the discretion of the Directors for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing, improving or maintaining any of the property of the Company or for such other purposes as the Directors may think conducive to the objects of the Company or any of them and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. Any sum which the Directors may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

DIVIDENDS AND OTHER PAYMENTS

Declarations of Dividends

133. Subject as hereinafter provided the Company in General Meeting may declare a dividend to be paid to the Members according to their respective rights and interests in the profits, but no larger dividend shall be declared than is recommended by the Directors.

Dividends not to bear Interest

134. No dividend or other moneys payable by the Company shall bear interest as against the Company.

Dividends: how payable

135. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of Calls shall be treated for the purpose of this Article as paid up on the share. Subject as aforesaid all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid: but if any share carries any particular rights as to dividends such share shall rank for dividend accordingly.

01/07/1987

Dividends to joint holders

136. In case several persons are registered as joint holders of any share any one of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

Interim dividends

137. The Directors may from time to time declare and pay an interim dividend to the Members.

Dividends payable

138. No dividend or interim dividend shall be payable except in accordance with the provisions of the Act.

Unclaimed dividends

139. All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

To whom dividends belong

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

Calls or debts may be deducted from dividends

141. The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all such sums as may be due from him to the Company on account of Calls or otherwise in relation to shares of the Company.

Method of payment

142. The Company may pay any dividend interest or other sum payable in cash or by direct deposit bank transfer, cheque, dividend warrant, or money order and may render the same by post to the Members or persons entitled thereto, and in case of joint holders to the Member whose name stands first in the Register, or to such person and address as the holder or joint holders may direct, and the Company shall not be responsible for any loss of any such cheque, warrant, or order. Every such cheque,

warrant, or order shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders may in writing direct, and the payment of the cheques, warrant or order shall be a good discharge to the Company.

Payment of dividends in specie

143. Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company, and the Directors shall give effect to any such direction provided that no such distribution shall be made unless recommended by the Directors. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments may 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 assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

CAPITALISATION OF PROFITS

Capitalisation of profits, etc.

144. The Directors may with the authority of an Ordinary Resolution of the Company:-

- (i) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or, any sum standing to the credit of the Company's share premium account or capital redemption reserve funds;
- (ii) appropriate the profits or sum resolved to be capitalised to the Members in proportion to the nominal amount of Ordinary Shares (whether or not fully paid) held by them respectively, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such Members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other; provided that the share premium account and the capital redemption reserve fund and any such profits which are not available for distribution, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members credited as fully paid; and provided that in the case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves and would not be reduced below that

aggregate by the payment thereof as shown in the latest audited accounts of the Company or such other accounts as may be relevant;

(iii) resolve that any shares allotted under this Article to any Member in respect of a holding by him of any partly paid Ordinary Shares shall, so long as such Ordinary Shares remain partly paid rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;

(iv) make such provisions by the issue of fractional certificates or by payment in cash or otherwise as the Directors think fit for the case of shares or debentures becoming distributable under this Article in fractions;

(v) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalisation (any agreement made under such authority being thereupon effective and binding on all such Members); and

(vi) generally do all acts and things required to give effect to such resolution as aforesaid.

RECORD DATES

Record dates

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

ACCOUNTS

Inspection of accounts and books and Register of Members

146. The Directors shall from time to time determine whether and to what extent and at what time and places, and under what conditions or regulations the accounting records of the Company, or any of them, shall be open to the inspection of the Members, and no Member shall have any right of inspecting any accounting record or other document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting. The Register shall be open for inspection by any Member or other person entitled to inspect the same, and any person other than a Member inspecting the same shall pay a fee of 5p.

Copy to be sent to Members

147. A printed copy of every profit and loss account and balance sheet, including all documents required by law to be annexed to the balance sheet which is to be laid before the Company in General Meeting, together with copies of the Directors' and of the Auditors' reports shall not less

than twenty-one clear days before the date of the meeting be sent to every Member (whether he is or is not entitled to receive notices of General Meetings of the Company) and every holder of debentures of the Company (whether he is or is not so entitled) and the Auditors and all other persons, being persons so entitled.

SEALS

Provision for Seals

148. The Directors shall provide a Common Seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in lieu thereof.

Official Seal

149. The Directors may exercise the powers conferred on the Company by Section 40 of the Act with regard to having an Official Seal solely for sealing documents creating or evidencing securities of the Company. Any such documents to which such Official Seal is affixed need not be signed by any person.

Safe custody How affixed

150. The Directors shall provide for the safe custody of every seal of the Company. The Common Seal shall never be affixed to any document except by the authority of a resolution of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions. Subject as in this Article provided two Directors or one Director and the Secretary or some other person authorised by a resolution of the Directors shall sign autographically every instrument to which the Common Seal shall be affixed 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 Common Seal has been properly affixed. Any certificate for shares, stock or debenture or loan stock (except where the Trust Deed constituting any debenture stock or loans stock provides to the contrary) or representing any other form of security of the Company to which an official seal of the Company is required to be affixed need not be signed by any person.

Official Seal for use abroad

151. The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

DRAFTS, NOTES, CHEQUES AND RECEIPTS

Signature of negotiable instruments

152. The Directors may draw, make, accept, or endorse, or authorise any other person or persons to draw, make, accept, or endorse any cheques, bills of exchange, promissory notes or other negotiable instruments, provided that every cheque, bill of exchange, promissory note or other

negotiable instrument drawn, made or accepted shall be signed by such persons or person as the Directors may appoint for the purpose.

NOTICES

Service of notice on Members

153. A notice may be served by the Company upon any Member, either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address, or at any other address in the United Kingdom which the Member shall have in writing given to the Company as his address for service.

When registered address not in the United Kingdom

154. Members whose registered address shall not be in the United Kingdom, and who shall not have given to the Company an address for service of notices in the United Kingdom, shall not be entitled to receive any notices whatsoever, but the Directors may, if they think proper, serve any notice upon such Member in manner above mentioned.

Evidence of service

155. A notice or other document addressed to a Member at his registered address or address for service in the United Kingdom shall, if served by post be deemed to have been served at the latest within twenty-four hours if prepaid as first class and within forty-eight hours if prepaid as second class, after the same shall have been posted, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed and duly posted.

Notice to joint holders

156. 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.

Notice in case of death

157. Service of a notice at the registered address or the address for service in the United Kingdom of any person whose name remains registered as the holder or joint holder of any share, shall notwithstanding the death of such person and whether or not the Company have notice of his decease be deemed to be sufficient notice to his executors or administrators, and to the survivor or survivors of the joint holders, and to all other persons entitled to such share.

UNTRACED SHAREHOLDERS

Untraced Shareholders

158. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that:-

01/07/1987

(i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or other the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and

(ii) the Company has at the expiration of the said period of twelve years by advertisement in both a leading London daily newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (i) of this Article is located given notice of its intention to sell such share or stock; and

(iii) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission.

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

DESTRUCTION OF DOCUMENTS

Destruction of documents

159. The Company may destroy:-

(i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

(ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate variation cancellation or notification was recorded by the Company;

(iii) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and

(iv) any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company Provided always that:-

(a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;

(b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and

(c) references in this Article to the destruction of any document include references to its disposal in any manner.

DIVISION OF ASSETS IN SPECIE

Division in specie

160. The Liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may with the authority of an Extraordinary Resolution, divide among the Members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between Members or classes of Members but so that if any such division shall be otherwise than in accordance with the existing rights of the Members, every Member shall have the same right of dissent and other ancillary rights as if such resolution were a Special Resolution passed in accordance with Section 582 of the Act.

PROVISION FOR EMPLOYEES

Provision for employees on cessation or transfer of business

161. The Company shall exercise the power conferred upon it by Section 719 (1) of the Act only with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of three-fourths in nominal value of the issued shares of each class or the prior sanction of an Extraordinary Resolution passed at a separate meeting

01/07/1987

of the holders of the shares of each class convened and held in accordance with the provisions of Article 84.

INDEMNITY

Indemnity

162. Every Director or other Officer or Auditor for the time being of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation thereto.

01/07/1987

NAMES AND ADDRESSES OF SUBSCRIBERS

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London EC4V 6BY

LEGIBUS NOMINEES LIMITED

ROBERT CONRAD
For and on behalf of
Legibus Nominees Limited
Blackfriars House
19 New Bridge Street
London EC4V 6BY

DATED this 11th day of February, 1987.

WITNESS to the above Signatures:-

CHRISTINE ANNE LEE
Blackfriars House
19 New Bridge Street
London EC4V 6BY