

Certificate No: 2390006

The Companies Act 1985

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

-of-

KENWOOD APPLIANCES plc

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- 1 The name of the Company is Kenwood Appliances plc\*.
  - 2 The Company is a public company.
  - 3 The registered office of the Company will be situate in England.
  - 4 The objects for which the Company is established are:-
    - 4.1 (a) To carry on the business of a holding company in all its branches and to acquire by purchase, lease, concession, grant, licence or otherwise such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, debenture stocks, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property as the Company shall deem fit and generally to hold, manage, develop, lease, sell or dispose of the same; and to vary any of the investments of the Company, to act as trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations; to enter into, assist or participate in financial, commercial, mercantile,

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\*Pursuant to a special resolution passed on 20th December 1989 the Company's name was changed from Cabinhope Limited to Kenwood Appliances Limited. Pursuant to a special resolution passed on 28th May 1992 the Company was re-registered as a public company with the name Kenwood Appliances plc.

industrial and other transactions, undertakings and businesses of every description, and to establish, carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account

- (b) To co-ordinate the policy and administration of any companies of which this Company is a member or which are in any manner controlled by, or connected with the Company and to carry on all or any of the businesses of capitalists, trustees, financiers, financial agents, company promoters, bill discounters, insurance brokers and agents, mortgage brokers, rent and debt collectors, stock and share brokers and dealers in commission and general agents, merchants and traders.
- 4.2 To carry on the business of manufacturing and marketing of hydraulic and other equipment, including shock absorbing equipment for the motor industry or for agricultural implements or machines, gear pumps, servo valves, railway retarders and marine hydrojet equipment.
- 4.3 Either directly or indirectly (including, but without prejudice to the generality of the foregoing, through the medium of any one or more subsidiary or associated companies) to enter into, carry on, assist or participate in financial, commercial, mercantile, industrial, and other transactions, undertakings, activities, and businesses of every description and generally to do all such things whatsoever as, in the opinion of the Directors of the Company, may be advantageously carried on by the Company or are calculated directly or indirectly to enhance the value of, or render profitable or more profitable, any of the Company's property, rights or activities.
- 4.4 To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.
- 4.5 To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Directors of the Company may think fit.
- 4.6 To erect, construct, lay down, maintain, enlarge, alter, pull down, remove or replace all such buildings or other works or plant and machinery as may be necessary or convenient for the Company's business, and to contribute to or subsidise the doing of any such things.
- 4.7 To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property, assets, rights and

revenues (present and future) and uncalled capital of the Company, or by both such methods or by any other means whatsoever, the performance of the liabilities and obligations of and the repayment or payment of any moneys whatsoever by any person, firm or company, including (but not limited to):-

- 4.7.1 any liabilities and obligations whatsoever of, and the repayment or payment of any moneys whatsoever by, any company which is for the time being or is likely to become the Company's holding company (as defined by Section 736 of the Companies Act 1985) or a subsidiary (as defined by the said Section) of the Company or another subsidiary of the Company's holding company or otherwise associated with the Company in business; and
- 4.7.2 any liabilities and obligations incurred in connection with or for the purpose of the acquisition of shares in the Company or in any company which is for the time being the Company's holding company in so far as the giving of any such guarantee or other support or security is not prohibited by law; and
- 4.7.3 the repayment or payment of the principal amounts on, and premiums, interest and dividends on, any borrowings and securities.
- 4.8 To borrow or raise by any means (including but not limited to the issue of securities) money for the purposes of or in connection with the Company's business.
- 4.9 To remunerate any company for services rendered or to be rendered, in placing, or assisting to place, or guaranteeing the placing or procuring the underwriting of any of the shares or debentures, or other securities of the Company or of any company in which this Company may be interested or propose to be interested, or in or about the conduct of the business of the Company, whether by cash payment or by the allotment of shares, or securities of the Company credited as paid up in full or in part, or otherwise.
- 4.10 To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, or any other securities by way of mortgage, either outright or by way of security for the performance of any contracts or any debts, liabilities or obligations of the Company or other persons or corporations having dealings with the Company or in whose business or undertaking the Company is interested, whether directly or indirectly, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- 4.11 To lend, invest and deal with the money of the Company upon such securities and in such manner, and to advance money or give

credit to such persons and on such terms, as may from time to time be thought fit.

- 4.12 To receive money on deposit or loan upon such terms as the Directors of the Company may approve and to give whether gratuitously or otherwise guarantees or indemnities and whether in respect of its own obligations or those of some other person or company.
- 4.13 To provide pensions, insurances, allowances, gratuities, bonuses and incentives and benefits of every description to officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or of any company which is for the time being or has at any time been the Company's holding company or a subsidiary of the Company or other subsidiary of that holding company (each such expression being defined as aforesaid) or of any predecessor in business of any such company or the dependants or relatives of any such persons and to establish and maintain or concur in establishing and maintaining trusts, funds, schemes, clubs or other arrangements (whether contributory or non-contributory) with a view to providing such benefits as aforesaid for any such persons as aforesaid including, but not limited to, retirement benefits and/or life assurance schemes and/or profit sharing, share option, share holding or other incentive or bonus schemes.
- 4.14 To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.
- 4.15 To pay for any property or rights acquired by the Company either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Directors of the Company may determine.
- 4.16 To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company either in cash, by instalments or otherwise, or in fully or partly paid-up shares or stock of any company with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Directors of the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- 4.17 To amalgamate with or enter into any partnership or arrangement for sharing profits, union of interests, reciprocal concession or co-operation with any company or person carrying on or proposing to carry on any business within the objects of this Company or which is capable of being carried on so as directly or indirectly to benefit this Company, and to acquire and hold, sell, deal with or dispose of any shares, stock or securities of or other interests in such company, and to guarantee the contracts or

liabilities of, subsidise or otherwise assist, any such company or person.

- 4.18 To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of this Company and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of the dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.
- 4.19 To purchase or otherwise acquire, take over and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company carrying on any business which this Company is authorised to carry on, or the carrying on of which is calculated to benefit this Company or to advance its interests, or possessed of property suitable for the purposes of this Company.
- 4.20 To support (whether by direct subscription, the giving of guarantees or otherwise) any charitable, benevolent or educational fund, institution or organisation, or any event or purpose of a public or general nature, the support of which will or may, in the opinion of the Directors of the Company, directly or indirectly benefit, or is calculated so to benefit, the Company or its business or activities or its officers, ex-officers, employees or ex-employees of the business, activities, officers, ex-officers, employees or ex-employees of any company which is for the time being or has at any time been the Company's holding company or a subsidiary of the Company or another subsidiary of that holding company (each such expression being defined as aforesaid) or the officers, ex-officers, employees or ex-employees of any predecessor in business of the Company or any such company as aforesaid.
- 4.21 To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital may be made except with the sanction (if any) for the time being required by law.
- 4.22 To pay all or any of the incorporation and other preliminary expenses of the Company.
- 4.23 To do all or any of the above things in any part of the world and either as principal, agent, trustee, nominee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- 4.24 To do all such other things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership, Government or any statutory, municipal or

public body, any body corporate, association, syndicate or other body of persons, whether incorporated or unincorporated, and whether domiciled in the United Kingdom or elsewhere, and that the objects specified in each of the paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the order in which the same occur or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate distinct and independent company.

- 5 The liability of the members is limited.
- 6 The share capital of the Company is £100\*\* divided into 100 shares of £1 each. The Company has power to increase the share capital and to divide the shares (whether original or increased) into several classes and attach thereto any preferred, deferred or other special rights, privileges or conditions as regards dividends, repayment of capital, voting or otherwise.

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\*\*By a special resolution passed on 31st August 1989 the share capital of the Company was increased to £50,000 by the creation of an additional 499,000 ordinary shares of 10p each, and the 100 shares of £1 each were sub-divided into 1000 ordinary shares of 10p each.

By a special resolution passed on 7th September 1989 the share capital of the Company was increased to £15,155,486 by the creation of 15,000,000 cumulative redeemable preference shares of £1 each ("preference shares"), 1,000,000 cumulative convertible participating preferred ordinary shares of 10p each ("preferred shares") and 54,860 convertible "A" ordinary shares ("A" ordinary shares") of 10p each. 56,250 unissued ordinary shares were re-classified as "A" ordinary shares.

By a written resolution signed on 19th March 1991 the share capital of the Company was increased to £20,167,874.30 by the creation of an additional 5,000,000 preference shares, 96,618 preferred shares and 27,265 ordinary shares. 560,386 preferred shares and 26,570 "A" ordinary shares were converted into 586,956 deferred shares.

By a special resolution dated 16th June 1992 19,953,216 preference shares were redesignated as 19,953,216 "A" deferred shares of £1 each ("A" deferred shares") and 46,784 preference shares were sub-divided and redesignated as 467,840 ordinary shares. The "A" deferred shares were sub-divided and redesignated as ordinary shares, and the 586,956 deferred shares were redesignated as ordinary shares. 439,614 preferred shares, and 84,540 "A" ordinary shares were redesignated as ordinary shares.

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WE, the subscribers to this Memorandum of Association wish to be formed into a Company pursuant to this Memorandum and we agree to take the number of shares shown opposite our respective names.

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NAMES AND ADDRESSES  
OF SUBSCRIBERS

Number of Shares taken  
by each Subscriber

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SUNDER MANSUKHANI  
70-74 City Road  
London EC1 2DQ

One

LYNN HUGHES  
70-74 City Road  
London EC1 2DQ

One

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DATED: 19th April 1989

WITNESS to the above signatures:

MANZOOR M SHAIKH  
70-74 City Road  
London EC1 2DQ

JRG\$03\$\$\$.04

Company No. 2390006

THE COMPANIES ACTS 1985 and 1989

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

KENWOOD APPLIANCES plc

as adopted by Special Resolution passed on 16th June 1992

JRG\$01\$\$ .04

Clifford Chance  
Royex House  
Aldermanbury Square  
London EC2V 7LD

Telephone: 071-600-0808

Telefax: 071-726-8561

Ref: JRG/K0556/00234/SGFB

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THE COMPANIES ACTS 1985 and 1989

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

KENWOOD APPLIANCES plc

PRELIMINARY

1. Interpretation

(A) In these articles, unless the subject or context otherwise requires:

"Act" means the Companies Act 1985;

"Acts" means the Companies Acts 1985 and 1989 and every statute (including orders, Regulations or other subordinate legislation made thereunder) for the time being in force concerning companies so far as they apply to the Company;

"articles" means these articles of association or other articles of association of the Company for the time being in force;

"auditors" means the auditors for the time being of the Company;

"board" means the board of directors from time to time of the Company or the directors present or deemed to be present at a duly convened meeting of the directors at which a quorum is present;

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

"company" includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Acts;

"director" means a director for the time being of the Company;

"dividend" includes bonus;

"executed" in relation to a document includes reference to its being executed under hand or under seal or by any other method permitted by law;

"holder" means, in relation to any share, the member whose name is entered in the register as the holder of that share;

"London Stock Exchange" means the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;

"member" means a member of the Company;

"office" means the registered office for the time being of the Company;

"paid-up" includes credited as paid-up;

"recognised person" means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in Section 185(4) of the Act;

"register" means the register of members to be kept pursuant to Section 352 of the Act;

"seal" means the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Acts;

"secretary" means the secretary for the time being of the Company and includes any assistant or deputy secretary and any person appointed by the board to perform the duties of the secretary;

"written" and "in writing" includes printing, lithography and other methods of representing or reproducing words in a legible form.

- (B) Unless the context otherwise requires, words and expressions contained in these articles and not defined above shall bear the same meaning as in the Acts but excluding any statutory modification thereof not in force when these articles become binding on the Company.
- (C) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution shall also be effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution shall also be effective for that purpose.

2. Table "A" not to apply

The regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 shall not apply as the regulations or articles of the Company.

SHARE CAPITAL

3. Ordinary shares

The authorised share capital of the Company at the date of adoption of these articles is £20,167,874.30 divided into 201,678,430 ordinary shares of 10p each.

4. Allotment

Subject to the provisions of the Acts and any relevant authority of the Company in general meeting required by the Acts, the board shall have unconditional authority to allot (with or without conferring

rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased capital) or rights to subscribe for or convert any security into shares of the Company to such persons, at such times and generally on such terms and conditions as the board may decide but so that no share shall be issued at a discount.

5. Power to attach rights

Subject to the provisions of the Acts and to any rights attached to any existing shares, any new shares in the capital of the Company may be allotted or issued with or have attached to them such special rights or restrictions as the Company may from time to time by ordinary resolution determine, or, if no such determination is made, as the board shall determine.

6. Redeemable shares

Subject to the provisions of the Acts and to any rights attached to any existing shares, any shares in the capital of the Company may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed.

7. Variation of rights

(A) Subject to the provisions of the Acts, all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated (i) in such manner (if any) as may be provided by such rights, or (ii) 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 validly held in accordance with the provisions of these articles, but not otherwise.

(B) The rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attaching to such shares, be deemed to be varied or abrogated by the creation or issue of shares ranking pari passu with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Acts and article 38.

8. Commission

The Company may exercise all powers conferred or permitted by the Act of paying commissions or brokerage. Subject to the provisions of the Acts, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or the grant of an option to call for an allotment of shares or by any combination of such methods.

9. Trusts not recognised

Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not recognise any person as holding any share upon any trust and shall not be bound by or otherwise compelled to recognise (even if it has notice of it) any equitable, contingent,

future, partial or other claim to or interest in any share other than an absolute right in the holder to the whole of the share.

#### SHARE CERTIFICATES

##### 10. Right to certificates

- (A) Every person (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) upon becoming the holder of any shares shall be entitled within two months after allotment or lodgement of a transfer, as the case may be (unless the terms of issue of the shares provide otherwise), and without charge to one certificate for all the shares of any class 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.
- (B) Where a member (other than a recognised person) transfers part of his shares comprised in a certificate he shall be entitled to one certificate for the balance of shares retained by him without charge.
- (C) The Company shall not be bound to issue more than one certificate in respect of shares held jointly by two or more persons and delivery of a certificate to any one joint holder shall be sufficient delivery to all joint holders.
- (D) Every 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 and shall be issued under a seal, which may be affixed to or printed on them, or in such other manner having the same effect as if issued under a seal as the board may approve.

##### 11. Replacement certificates

- (A) At the request of a member the board may cancel two or more certificates representing shares of any one class and issue without charge a single replacement certificate upon surrender of the original certificates for cancellation.
- (B) At the request of a member the board may issue two or more certificates representing shares held by him in such proportions as he may specify upon surrender of the original certificate for cancellation and upon payment of such reasonable sum as the board may decide.
- (C) The board may cancel any certificate which is worn out, defaced, lost or destroyed and issue a replacement certificate upon such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional expenses incurred by the Company in the investigation of such evidence and the preparation of such indemnity and security as the board may decide, and upon surrender of the original certificate (where it is worn out or defaced).

## LIEN

### 12. Company's lien on shares not fully paid

- (A) The Company shall have a first and paramount lien upon every share, (other than a fully paid-up share) registered in the name of a member (whether solely or jointly with other persons) for any amount payable in respect of such share, whether the due date for payment shall have arrived or not, and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such share.
- (B) The board may at any time either generally or in any particular case declare any share to be wholly or partly exempt from the provisions of this article. Unless otherwise agreed with the transferee, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.

### 13. Enforcement of lien by sale

- (A) For the purpose of enforcing the Company's lien, the board may sell any share subject to it in such manner as it may decide, provided that the due date for payment has arrived and payment is not made within fourteen clear days after the service of a notice in writing (stating, and demanding payment of, the sum payable and giving notice of the intention to sell in default of such payment), on the member concerned (or to any person entitled to the share by transmission).
- (B) For giving effect to such sale, the board may authorise any person to execute an instrument of transfer of any share sold in the name and on behalf of the holder or the person, if any, entitled by transmission to the share in favour of the purchaser or his nominee. The purchaser shall not be bound to see to the application of the purchase money, and the title of the transferee shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

### 14. Application of proceeds of sale

The net proceeds of any sale effected under the previous article, after payment of the costs thereof, shall be applied by the Company in or towards satisfaction of the amount in respect of which the lien exists. Any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold, or the provision of such indemnity (with or without security) as to any lost or destroyed certificate as the board may decide and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the member or any person entitled by transmission to the shares immediately before the sale.

## CALLS ON SHARES

### 15. Calls

Subject to the terms of allotment of shares, the board may from time to time make calls upon the members in respect of any moneys unpaid on the shares or any class of shares held by them respectively (whether in respect of nominal value or any premium) and not payable on a date fixed by or in accordance with the terms of issue. Each member shall

(subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay the amount called to the Company as required by the notice. 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 as the board may determine. A call shall be deemed to have been made at the time when the resolution of the board authorising such call was passed. A person upon whom a call is made shall remain liable notwithstanding the subsequent transfer of the share in respect of which the call was made. The joint holders of a share shall be jointly and severally liable for payment of all calls in respect of such share.

16. Power to differentiate

The board may make arrangements on the allotment or issue of shares for a difference as between the allottees or holders of such shares in the amount and the time of payment of calls.

17. Interest on calls

If the whole of the sum payable in respect of any call is not paid on or before the day appointed for payment, the person from whom it is due and payable shall pay interest on the unpaid amount at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at such rate, (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide from and including the day appointed for payment until but excluding the day of actual payment and all costs, charges and expenses incurred by the Company by the reason of such non-payment. The board may waive payment of the interest in whole or in part.

18. Payment in advance

The board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made. The Company may pay interest upon the money paid in advance, or upon so much of it as from time to time exceeds the amount of the calls then made upon the shares in respect of which the advance has been made, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide.

19. Sums due on allotment treated as calls

Any sum which becomes payable in respect of a share on allotment or at any date fixed pursuant to the terms of allotment, whether in respect of the nominal value of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and in case of non-payment all the 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.

## FORFEITURE

### 20. Notice if call not paid

If any member fails to pay the whole of any call or any instalment of a call on or before the day appointed for payment, the board may at any time serve a notice in writing on such member or on any person entitled to the shares by transmission, demanding payment, on a date not less than fourteen clear days from the date of the notice, of the amount of the call outstanding and any interest that may have accrued thereon and all costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

### 21. Forfeiture for non-compliance

If the notice referred to in the previous article is not complied with, any share in respect of which it is given may, at any time before payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture shall include all dividends declared or other money payable in respect of the forfeited shares and not paid before the forfeiture.

### 22. Notice after forfeiture

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share or the person entitled by transmission to the share but no forfeiture shall be invalidated by any omission to give such notice. An entry of the fact and date of forfeiture shall be made in the register.

### 23. Disposal of forfeited shares

- (A) Until cancelled in accordance with the Act, a forfeited share, together with all rights attaching to it, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of either to the person who was before the forfeiture the holder or to any other person, upon such terms and in such manner as the board may decide. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the board may authorise some person to execute a transfer of the share to the transferee. The Company may receive the consideration (if any) given for the share on its disposal and may register the transferee as the holder of the share.
- (B) The board may at any time before any share so forfeited has been cancelled, sold, re-allotted or otherwise disposed of, annul the forfeiture upon such conditions as it thinks fit.
- (C) A statutory declaration by a director or secretary of the Company that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The declaration shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share and the person to whom

the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

24. Arrears to be paid notwithstanding forfeiture

Any person whose shares have been forfeited shall thereupon cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares but shall remain liable to pay, and shall forthwith pay to the Company, all calls, interest and costs, charges 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 such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide and the board may if it thinks fit enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

25. Surrender

The board may accept the surrender of any share liable to be forfeited and in such case references in these articles to forfeiture shall include surrender.

UNTRACED SHAREHOLDERS

26. Power of sale

- (A) The Company shall be entitled to sell any share of a member, or any share to which a person is entitled by transmission, if and provided that:-
- (i) for a period of not less than twelve years prior to the date of publication of the advertisements referred to in sub-paragraph (ii) below (or, if published on two different dates, the first of them) no cheque, order or warrant sent by the Company through the post in a pre-paid envelope addressed to the member, or to the person entitled by transmission to the share, at his address on the register or other last known address given by such member or person to which cheques, orders and warrants in respect of such share are to be sent has been cashed and no communication has been received by the Company from such member or person (in his capacity as member or person entitled by transmission) provided that in any such period of twelve years the Company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it;
  - (ii) at the expiration of the said period of twelve years the Company has given notice of its intention to sell such share by advertisement in both a leading daily newspaper and in a newspaper circulating in the area of the address referred to in paragraph (A)(i) of this article;

- (iii) the Company has not during the further period of three months after the date of the advertisements (or the later advertisement if the two advertisements are published on different dates) and prior to the exercise of the power of sale received any communication in respect of such share from the member or person entitled by transmission; and
  - (iv) the Company has first given notice in writing to the Quotations Department of the London Stock Exchange of its intention to sell such share.
- (B) If during the period of not less than twelve years referred to in paragraph (A) above or during any period ending on the date when all the requirements of paragraphs (A)(i) to (iv) above have been satisfied any additional shares have been issued in right of those held at the beginning of, or previously so issued during, such periods and all the requirements of paragraphs (A)(ii) to (iv) above have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.
- (C) For giving effect to such sale, the board may authorise any person to execute an instrument of transfer of such share in the name and on behalf of the holder of, or the person entitled by transmission to, such share in favour of the purchaser or his nominee. The purchaser shall not be bound to see to the application of the purchase money and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale.

27. Application of proceeds of sale

The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account. The Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the board may from time to time think fit. No interest shall be payable in respect of such moneys and the Company shall not be required to account for any money earned on them.

### TRANSFER OF SHARES

28. Form of transfer

Each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the board, and such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid-up) by or on behalf of the transferee. 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 of it.

29. Right to refuse registration

- (A) Subject to the provisions of article 66, the board may, in its absolute discretion and without giving any reason, refuse to register any share transfer or renunciation of a renounceable letter of allotment unless:-

- (i) it is in respect of a share which is fully paid-up;
  - (ii) it is in respect of a share on which the Company has no lien;
  - (iii) it is in respect of only one class of shares;
  - (iv) it is in favour of a single transferee or not more than four joint transferees;
  - (v) it is duly stamped (if so required); and
  - (vi) it is delivered for registration to the office or such other place as the board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the board 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 to do so.
- (B) If the board refuses to register a transfer of a share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. Any instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may, subject to article 138, be retained by the Company.

30. Fees on registration

No fee shall be charged by the Company for registering any transfer or other document relating to or affecting the title to any shares or the right to transfer them or for making any other entry in the register.

31. Suspension of registration and closing of register

The registration of transfers may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may from time to time determine and either generally or in respect of any class of shares.

#### TRANSMISSION OF SHARES

32. On death

- (A) The personal representatives of a deceased member shall be the only persons recognised by the Company as having any title to shares held by him alone or to which he alone is entitled; but in the case of shares held by more than one person, only the survivor or survivors shall be recognised by the Company as being entitled to such shares.
- (B) Nothing in these articles shall release the estate of a deceased member from any liability in respect of any share which has been solely or jointly held by him.

33. Election of person entitled by transmission

- (A) Any person becoming entitled to a share in consequence of the death or bankruptcy of any member or of any other event giving rise to a transmission of such entitlement by operation of law may, upon such evidence being produced as may be required by the board, elect either to be registered as a member or to have some person nominated by him registered as a member.
- (B) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have some other person registered, he shall execute a transfer of such share in favour of that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event as aforesaid had not occurred.
- (C) The board 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 board may thereafter withhold payment of all dividends and other moneys payable in respect of such share until the notice has been complied with.

34. Rights on transmission

Where a person becomes entitled to a share in consequence of the death or bankruptcy of any member, or of any other event giving rise to a transmission of such entitlement by operation of law, the rights of the holder in relation to that share shall cease but the person so entitled may give a good discharge for any dividends and other moneys payable in respect of it and shall, subject to the provisions of articles 33 and 121, have the same rights to which he would be entitled if he were the holder of the share, except that he shall not, before he is registered as the holder of the share, be entitled in respect of it to receive notice of or exercise any rights conferred by membership in relation to meetings of the Company or any separate meeting of the holders of any class of shares in the Company.

ALTERATION OF SHARE CAPITAL

35. Increase, consolidation, sub-division and cancellation

The Company may by ordinary resolution:-

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (iii) subject to the provisions of the Acts, sub-divide its shares, or any of them, into shares of a smaller amount and may by such resolution determine that, as between the shares resulting from such sub-division, any of them may have any preference or other advantage or be subject to any restriction as compared with the others; and

- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

36. Fractions

Whenever as the result of any consolidation and division or sub-division of shares any members of the Company would become entitled to fractions of shares, the board may on behalf of those members deal with such fractions as it shall determine and in particular may sell the shares representing the fractions to any person (including, subject to the provisions of the Acts, the Company) for the best price reasonably obtainable and pay and distribute the net proceeds of the sale in due proportions amongst those members (except that any amount otherwise due to a member, being less than £2.50 or such other sum as the board may from time to time determine, may be retained for the benefit of the Company). For the purpose of giving effect to any such sale the board may authorise some person to execute a transfer of the shares sold to the purchaser thereof or any other person nominated by the purchaser and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money and nor shall the title of the transferee to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

37. Reduction of capital

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

38. Purchase of own shares

Subject to the provisions of the Acts, the Company may purchase all or any of its shares of any class (including any redeemable shares) in any way 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 to convert into shares of any other class 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 meeting (or meetings if there is more than one class) of the holders of any such class of convertible shares.

GENERAL MEETINGS

39. Annual general meeting

The Company shall hold annual general meetings, which shall be convened by the board, in accordance with the Acts.

40. Extraordinary general meeting

All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings.

41. Convening of extraordinary general meetings

The board may convene an extraordinary general meeting of the Company whenever it thinks fit and must do so forthwith upon receipt of a requisition from members in accordance with the Acts and in default such meeting may be convened by requisitionists as provided in the Acts. At any meeting convened on any such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the board.

42. Length and form of notice

- (A) 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 clear days' notice in writing. All other extraordinary general meetings of the Company shall be called by not less than fourteen clear days' notice in writing.
- (B) Subject to the provisions of the Acts, and notwithstanding that it is called by shorter notice than that specified in this article, a general meeting shall be deemed to have been duly called if it is so agreed:-
- (i) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
  - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.
- (C) The notice shall specify:-
- (i) whether the meeting is an annual general meeting or an extraordinary general meeting;
  - (ii) the place, the day and the time of the meeting;
  - (iii) in the case of special business, the general nature of that business;
  - (iv) if the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution as such; and
  - (v) with reasonable prominence, 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.
- (D) The notice shall be given to the members (other than any who, under the provisions of these articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the directors and to the auditors.

43. Omission to send notice

The accidental omission to send a notice of meeting or, in cases where it is sent out with the notice, an instrument of proxy to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at any general meeting.

44. Special business

All business transacted at a general meeting shall be deemed special except the following transactions at an annual general meeting:-

- (i) the receipt and consideration of 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;
- (ii) the election of directors and other officers in the place of those retiring by rotation or otherwise ceasing to hold office;
- (iii) the declaration of dividends;
- (iv) the appointment of the auditors (when special notice of the resolution for such appointment is not required by the Acts) and the fixing, or determination of the manner of the fixing of, their remuneration; and
- (v) the renewal of the authorities of the Company in general meeting required by the Acts in relation to the allotment of shares.

PROCEEDINGS AT GENERAL MEETINGS

45. Quorum

- (A) No business shall be transacted at any general meeting unless a quorum is present. The absence of a quorum shall not preclude the appointment of a chairman in accordance with the provisions of these articles, which shall not be treated as part of the business of the meeting.
- (B) The quorum for a general meeting shall for all purposes be two members present in person or by proxy and entitled to vote.

46. Procedure if quorum not present

- (A) If a quorum is not present within five minutes (or such longer interval as the chairman in his absolute discretion thinks fit) from the time appointed for the commencement of the meeting or if during a meeting a quorum ceases to be 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 later) and place as the chairman (or, in default, the board) shall appoint.
- (B) At any such adjourned meeting the quorum shall be two members present in person or by proxy and entitled to vote and if a quorum is not

present within five minutes (or such longer interval as the chairman in his absolute discretion thinks fit) from the time appointed for the commencement of the meeting or if during the meeting a quorum ceases to be present the adjourned meeting shall be dissolved.

- (C) 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 the quorum requirement.

47. Chairman

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting of the Company. If there is no such chairman or deputy chairman, or if at any meeting neither is present within five minutes after the time appointed for holding the meeting, or neither is willing to act, the directors present shall select one of their number to be chairman, and if only one director is present and willing to act, he shall be chairman. In default, the members present in person and entitled to vote shall choose one of their number to be chairman.

48. Director's right to attend and speak

A director shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares or debentures in the capital of the Company notwithstanding that he is not a member.

49. Power to adjourn

- (A) The chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place or for an indefinite period.
- (B) Without prejudice to any other power which he may have under these articles or at common law, the chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting, to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

50. Notice of adjourned meeting

Without prejudice to the provisions of article 46(C), whenever a meeting is adjourned for twenty-eight days or more or for an indefinite period at least seven clear days' notice in writing specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than those who, under the provisions of these articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), the directors and the auditors. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at the adjourned meeting.

51. Business at adjourned meeting

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

52. Accommodation of members at meeting

If it appears to the chairman of a meeting that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.

VOTING

53. Method of voting

- (A) 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 is duly demanded.
- (B) Subject to the provisions of the Acts, a poll may be demanded upon any question by:-
- (i) the chairman of the meeting; or
  - (ii) not less than five members present in person or by proxy and entitled to vote; or
  - (iii) a member or members present in person or by proxy representing in the aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (iv) a member or members present in person or by proxy 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.

A demand by a proxy for a member shall be deemed to be a demand by that member.

- (C) Unless a poll is so demanded and the demand is not withdrawn, 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.

54. Procedure on a poll

- (A) If a poll is properly demanded, it shall be taken in such manner as the chairman of the meeting directs. He may appoint scrutineers, who need not also be members, and may fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- (B) 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. A poll duly demanded on any other question shall be taken at such time and place as the chairman directs, either at once or after an interval or adjournment (but not more than thirty clear days after the date of the demand).
- (C) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven days' clear notice shall be given specifying the time and place at which the poll is to be taken.
- (D) The demand for a poll may be withdrawn but only with the consent of the chairman and a demand so withdrawn shall validate the result of a show of hands declared before the demand was made and, in the case of a poll demanded before the declaration of the result of a show of hands, the meeting shall continue as if the demand had not been made.
- (E) The demand for a poll (other than on the election of the chairman of the meeting or on any question of adjournment) 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.
- (F) On a poll votes may be given in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

55. Votes of members

- (A) Subject to any special terms as to voting upon which any shares may have been issued or may for the time being be held, or any suspension or abrogation of voting rights pursuant to these articles, at a general meeting of the Company 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 [ordinary] share of which he is the holder.
- (B) In the case of a joint holder of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register.
- (C) A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is

otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy, provided that evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is deposited at the office (or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy) within the time limits prescribed by the articles for the deposit of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

56. Casting vote

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

57. Restriction on voting rights for unpaid calls etc.

Unless the board otherwise determines, no member shall be entitled in respect of any share held by him to be present or to vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll, or to exercise any other rights conferred by membership in relation to any such meeting or poll if any calls or other moneys due and payable in respect of such share remain unpaid. Such restriction shall cease to apply upon payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of such non-payment.

58. Voting by proxy

- (A) An instrument appointing a proxy shall be in writing in the usual form, or such other form as may be approved by the board, executed by the appointor or his duly constituted attorney or, if the appointor is a corporation, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign.
- (B) An instrument of proxy shall be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote on any resolution or amendment of a resolution put to, or any other business which may properly come before, the meeting for which it is given, as the proxy thinks fit.
- (C) A proxy need not be a member of the Company.
- (D) A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing proxies are delivered in respect of the same share for use at the same meeting, the one which is last validly delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other(s) as regards that share.
- (E) Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting or any adjournment thereof or on any poll.

- (F) An instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting(s) to which it relates. No instrument of proxy shall be valid after the expiry of twelve months from the date of its execution.
- (G) Subject to the provisions of the Acts, the Company may send out proxy forms to all or none of the persons entitled to receive notice of and to vote at any meeting, and if sent shall provide for two-way voting (without prejudice to any right to abstain) on all resolutions set out in the notice of meeting.

59. Deposit of proxy

An instrument appointing a proxy, and (if required by the board) any power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, shall be:-

- (i) deposited at the office, or at such other place within the United Kingdom as may be specified in the notice convening the meeting or in any instrument of proxy or other accompanying document sent by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in such instrument proposes to vote; or
- (ii) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, deposited as aforesaid not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- (iii) in the case of a meeting adjourned for less than 48 hours or in the case of a poll not taken forthwith but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and any instrument of proxy which is not so deposited or delivered shall be invalid.

60. When votes by proxy valid though authority revoked

A vote given or poll demanded by a proxy or duly authorised representative of a company shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office (or such other place as is specified for depositing the instrument of proxy) at least one hour before the time for holding the meeting or adjourned meeting at which such vote is given or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

#### CORPORATE REPRESENTATIVE

61. Any company which is a member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. The person so authorised shall be entitled to exercise the same power on behalf of the company (in respect of that part of the company's holding to which the authorisation relates) as the company could exercise if it were an individual member and the company shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it and all references to attendance and voting in person shall be construed accordingly. A director, the secretary or some person authorised for the purpose by the secretary may require the representative to produce a certified copy of the resolution so authorising him before permitting him to exercise his powers.

#### OBJECTIONS TO AND ERROR IN VOTING

62. No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. Any objection made in due time shall be referred to the chairman of the meeting and shall only vitiate the result of the voting if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman shall be final and conclusive.

#### AMENDMENTS TO RESOLUTIONS

63. If any amendment proposed to any resolution under consideration is ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

#### MEMBERS' WRITTEN RESOLUTIONS

64. A resolution in writing duly executed 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 effective as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the same form each duly executed by or on behalf of one or more members. If such a resolution in writing is described as a special resolution or as an extraordinary resolution, it shall have effect accordingly.

#### CLASS MEETINGS

65. Any separate meeting for the holders of any class of shares 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:-
- (i) no member, other than a director, shall be entitled to notice of it or to attend unless he is a holder of shares of that class;

- (ii) no vote shall be given except in respect of a share of that class;
- (iii) the quorum at any such meeting shall be two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of the class;
- (iv) the quorum at any adjourned meeting shall be two persons holding shares of the class in question who are present in person or by proxy; and
- (v) a poll may be demanded in writing by any member present in person or by proxy and entitled to vote at the meeting and on a poll each member shall have one vote for every share of the class in question of which he is the holder.

#### FAILURE TO DISCLOSE INTERESTS IN SHARES

66.(A) If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 212 of the Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed period from the date of the notice, the following sanctions shall apply, unless the board otherwise determines:-

- (i) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:-
  - (a) any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to article 127, to receive shares instead of that dividend; and
  - (b) no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless:
    - (1) the member is not himself in default as regards supplying the information required; and
    - (2) the member proves to the satisfaction of the board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

(B) Where the sanctions under paragraph (A) of this article apply in relation to any shares, they shall cease to have effect:-

- (i) if the shares are transferred by means of an excepted transfer; or

- (ii) following receipt by the Company of the information required by the notice issued pursuant to Section 212 of the Act.
- (C) Where, on the basis of information obtained from a member in respect of any share held by him, the Company issues a notice pursuant to section 212 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (A) of this article.
- (D) For the purposes of this article:-
  - (i) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a notice under section 212 of the Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
  - (ii) "interested" shall be construed as it is for the purpose of section 212 of the Act;
  - (iii) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
  - (iv) the "prescribed period" means:
    - (a) in a case where the default shares represent at least 0.25 per cent. of their class, fourteen days; and
    - (b) in any other case, twenty-eight days;
  - (v) an "excepted transfer" means, in relation to any shares held by a member:
    - (a) a transfer pursuant to acceptance of a take-over offer for the Company (within the meaning of section 14 of the Company Securities (Insider Dealing) Act 1985); or
    - (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
    - (c) a transfer which is shown to the satisfaction of the board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

## APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

67. Number of directors

Unless and until otherwise determined by the Company by ordinary resolution the number of directors shall not be subject to any maximum but shall be not less than two.

68. Power of the Company to appoint directors

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

69. Power of the board to appoint directors

Without prejudice to the power of the Company to appoint any person to be a director pursuant to these articles, the board shall have power at any time to appoint any person who is willing to act as a director either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not exceed any maximum number fixed in accordance with 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 number of directors who are to retire by rotation at such meeting.

70. Appointment of executive directors

Subject to the provisions of the Acts, the board may from time to time appoint one or more of its body to hold any employment or executive office (including that of managing director) for such term (subject to the provisions of the Acts) and subject to such other conditions as the board thinks fit and may revoke or terminate any such appointment without prejudice to any claim for damages for breach of contract between the director and the Company.

71. Eligibility of new directors

(A) No person, other than a director retiring (by rotation or otherwise) shall be appointed or reappointed a director at any general meeting unless:-

(i) he is recommended by the board; or

(ii) not less than seven nor more than twenty-eight days before the date appointed for the meeting, notice duly given by a member (other than the person to be proposed) qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's register of directors, together with notice given by that person of his willingness to be appointed or reappointed, is lodged at the office.

(B) A director shall not be required to hold any shares in the Company.

72. Voting on resolution for appointment

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

73. Retirement by rotation

At each annual general meeting of the Company one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office but so that, if there are fewer than three directors who are subject to retirement by rotation, one shall retire from office.

74. Directors subject to retirement

Subject to the provisions of the Acts and of these articles, the directors to retire by rotation at each annual general meeting shall exclude any director for the time being holding executive office pursuant to article 70 and shall include, so far as necessary to obtain the number required, first, any director who wishes to retire and not offer himself for re-election and secondly, those directors who have been longest in office since their last appointment or reappointment. 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 directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at the start of business on the date of the notice convening the annual general meeting notwithstanding any change in the number or identity of the directors after that time but before the close of the meeting.

75. Position of retiring director

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

76. Deemed reappointment

At any general meeting at which a director retires by rotation the Company may fill the vacancy and, if it does not do so, the retiring director shall, if willing, be deemed to have been reappointed unless it is expressly resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

77. No retirement on account of age

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 and section 293 of the Act shall not apply to the Company. Where any general meeting of the Company is convened at which, to the knowledge of the board, a director will be proposed for appointment or reappointment who will at the date of the meeting be seventy or more, the board shall give notice of his age in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings or any appointment or reappointment of that director at that meeting.

78. Removal by ordinary resolution

In addition to any power of removal conferred by the Acts, the Company may by ordinary resolution remove any director before the expiration of his period of office (without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company) and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other director is to retire, as if he had become a director on the day on which the person in whose place he is appointed was last appointed or reappointed a director.

79. Vacation of office by director

(A) Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these articles, the office of a director shall be vacated if:-

- (i) he resigns by notice in writing delivered to the secretary at the office or tendered at a board meeting;
- (ii) he ceases to be a director by virtue of any provision of the Acts, is removed from office pursuant to these articles or becomes prohibited by law from being a director;
- (iii) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (iv) an order is made by any court of competent jurisdiction on the ground (howsoever formulated) of mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1984 and the board resolves that his office be vacated;
- (v) both he and his alternate director appointed pursuant to the provisions of these articles (if any) are absent, without the permission of the board, from board meetings for six

consecutive months and the board resolves that his office be vacated; or

- (vi) he is removed from office by notice in writing addressed to him at his last known address and signed by all his co-directors (without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company).
- (B) A resolution of the board declaring a director to have vacated office under the terms of this article shall be conclusive as to the fact and grounds of vacation stated in the resolution.

#### ALTERNATE DIRECTORS

##### 80. Appointment

- (A) Any director (other than an alternate director) may by notice in writing delivered to the secretary at the office, or in any other manner approved by the board, appoint to be his alternate:-
  - (i) any other director, or
  - (ii) any other person who is approved by the board and who is willing to act.

No appointment of an alternate director who is not already a director shall be effective until his consent to act as a director in the form prescribed by the Acts has been received at the office.

- (B) An alternate director shall not be required to hold any shares in the Company and shall not be counted in reckoning any maximum number of directors allowed by these articles.

##### 81. Revocation of appointment

A director may at any time by notice in writing delivered to the secretary at the office revoke the appointment of his alternate director and, subject to the provisions of the preceding article, appoint another person in his place. If a director ceases to hold the office of director or in the event of his death, the appointment of his alternate director shall thereupon cease. If any director retires but is re-elected at the meeting at which such retirement takes effect, any valid appointment of an alternate director 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 on the happening of any event which, if he was a director otherwise appointed, would cause him to vacate office.

##### 82. Participation in board meetings

Every alternate director shall (subject to him giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notice of all meetings of the board and all committees of the board of which his appointor is a member and, in the absence from such meetings of his appointor, to attend and vote at such meetings and to exercise all the powers, rights, duties and

authorities of his appointor. A director acting as alternate director shall have a separate vote at board meetings for each director for whom he acts as alternate director but he shall count as only one for the purpose of determining whether a quorum is present.

83. Responsibility

Every person acting as an alternate shall be an officer of the Company, shall alone be responsible to the Company for his own acts and defaults, and shall not be deemed to be the agent of the director appointing him.

REMUNERATION, EXPENSES AND PENSIONS

84. Directors' fees

Unless otherwise determined by the Company by ordinary resolution, the directors (other than alternate directors) shall be paid out of the funds of the Company for their services as directors such aggregate fees (not exceeding £100,000 per annum or such larger amount as the Company may by ordinary resolution provide) as the board may decide, to be divided among the directors in such proportion and manner as they may determine or, in default of determination, equally. Any fee payable pursuant to this article shall be distinct from any salary, remuneration or other amounts payable to a director pursuant to other provisions of these articles and shall accrue from day to day.

85. Additional remuneration

Any director who, at the request of the board, goes or resides abroad, makes any special journey or performs any special services on behalf of the Company or its business, may be paid such reasonable additional remuneration therefor, whether by way of salary, percentage of profits or otherwise and expenses, as the board may from time to time determine.

86. Expenses

Each director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director, including any expenses incurred in attending meetings of the board or of committees or general meetings or separate meetings of the holders of any class of shares or debentures of the Company.

87. Remuneration and expenses of alternate directors

An alternate director shall not be entitled as against the Company to any fees for his services as an alternate: the fee payable to any such alternate shall be payable out of the fee payable to his appointor and shall consist of such portion (if any) of the fee as he shall agree with his appointor. Subject to this article, an alternate director shall be paid by the Company such expenses as might properly have been repaid to him if he had been a director.

88. Directors' pensions and other benefits

- (A) The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for any person who is or has at any time been a director of the Company or any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary or of any predecessor in business of the Company or of any such subsidiary and for any member of his family (including a spouse or former spouse) or any person who is or was dependent on him. For such purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may procure any of such matters to be done by the Company either alone or in conjunction with any other person.
- (B) Any director or former director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this article and shall not be obliged to account for it to the Company.

89. Remuneration of executive director

The salary or remuneration of any director appointed to hold any employment or executive office in accordance with the provisions of these articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the board, and may be in addition to or in lieu of any fee payable to him for his services as director pursuant to these articles.

POWERS AND DUTIES OF THE BOARD

90. Powers of the board

Subject to the provisions of the Acts, the memorandum of association of the Company and these articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association or of these articles and no such direction given by the Company shall invalidate any prior act of the board which would have been valid if such alteration had not been made or such direction had not been given. The provisions contained elsewhere in these articles as to any specific power of the board shall not be deemed to limit the general powers given by this article.

91. Powers of directors being less than minimum required number

If the number of the directors is less than the minimum for the time being prescribed by these articles, the remaining director or directors shall only act for the purpose of appointing an additional director or directors to make up such minimum or to convene a general meeting of the Company for the purpose of making such appointment. If there are no director or directors able or willing to act then any two members 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.

92. Powers of executive directors

The board may from time to time delegate or entrust to and confer upon any director holding executive office (including a managing director) such of its powers, authorities and discretions (with power to sub-delegate) for such time, upon such terms and subject to such conditions as it thinks fit and it may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the board in that respect and may from time to time revoke, withdraw, alter or vary all or any of such powers.

93. Delegation to committees

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time upon such terms and subject to such conditions as it thinks fit to any committee consisting of one or more directors and (if thought fit) one or more other persons (provided that a majority of the members of a committee shall be directors or alternate directors and no resolution of a committee shall be effective unless a majority of those present when it was passed are directors or alternate directors). The board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the board in that respect and may from time to time revoke, withdraw, alter or vary all or any of such powers and discharge any such committee in whole or in part.

94. Local management

The board may establish any local or divisional boards or agencies for managing any of the affairs of the Company in any specified locality, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local or divisional board, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent so appointed any of its powers, authorities and discretions (with power to sub-delegate) and may authorise the members for the time being of any such local or divisional board, or any of them, to fill up any vacancies and to act notwithstanding vacancies; and any such appointment or delegation may be made for such time, on such terms and subject to such conditions as the board may think fit. The board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the board in that respect and may from time to time revoke, withdraw, alter or vary all or any of such powers and, subject to any terms and conditions expressly imposed by the board, the proceedings of any local or divisional board or agency with two or more members shall be governed by such of these articles as regulate the proceedings of the board, so far as they are capable of applying.

95. Power of attorney

The board may by power of attorney (under the seal) or otherwise appoint any person or persons to be the agent of the Company and may delegate to any such person or persons any of its powers, authorities

and discretions (with power to sub-delegate), in each case for such purposes and for such time, upon such terms (including as to remuneration) and subject to such conditions as it thinks fit. The board may confer such powers either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the board in that respect and may from time to time revoke, withdraw, alter or vary all or any of such powers.

96. Associate directors

The board may appoint any person (not being a director) to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such designation or title and may terminate any such appointment or the use of such designation or title. The inclusion of the word "director" in the designation or title of any such office or employment shall not imply that such person is, or is deemed to be, or is empowered in any respect to act as, a director of the Company for any of the purposes of the Acts or these articles.

97. Exercise of voting powers

The board may exercise or cause to be exercised the voting power conferred by the shares in any other company held or owned by the Company, or any power of appointment to be exercised by the Company, in such manner in all respects as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of any director as a director or other officer or employee of such company or in favour of the payment of remuneration to the directors, officers or employees of such company).

98. Provision for employees

The board may exercise any power conferred upon the Company by the Acts to make provision for the benefit of any person employed or formerly employed by the Company or any of its subsidiaries (or any member of his family, including a spouse or former spouse or any person who is or was dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

99. Overseas register

Subject to the provisions of the Acts, the board may exercise the powers conferred upon the Company with regard to the keeping of an overseas or local or other register and may make and vary such regulations as it thinks fit respecting the keeping of any such register.

100. Borrowing powers

- (A) Subject as provided in this article, the board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the Acts, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(B) The board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to procure (as regards such subsidiaries, insofar as it can procure by such exercise) that the aggregate principal amount outstanding in respect of moneys borrowed by the group (exclusive of moneys borrowed by one group company from another and after deducting cash deposited) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to two times the adjusted total of capital and reserves.

(C) In this article the following expressions shall have the following meanings:-

(i) "adjusted total of capital and reserves" means a sum equal to the aggregate of:-

- (a) the amount paid-up on the allotted or issued share capital of the Company; and
- (b) the amount standing to the credit of the reserves of all group undertakings whether distributable or undistributable, and including any share premium account, capital redemption reserve, property revaluation reserve and unappropriated balance of grants including investment grants, after adding thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account

all as shown in the relevant balance sheet but after:-

(c) making such adjustments as may be appropriate in respect of:

(I) any variation in the amount of the paid-up share capital, the share premium account or the capital redemption reserve of the Company since the date of the relevant balance sheet and so that for this purpose if any proposed allotment of shares by the Company for cash has been underwritten then such shares shall be deemed to have been allotted and the amount (including any premium) of the subscription monies payable in respect thereof (not being monies payable later than 6 months after the date of allotment) shall be deemed to have been paid up to the extent so underwritten on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, the date on which it became unconditional);

(II) any undertaking which was not a group undertaking at the date of the relevant balance sheet but which would be a group undertaking if group accounts were prepared as at the relevant time (and as if such time were the end of the Company's financial year) or any undertaking which was a group undertaking but which would no

longer be so if group accounts were to be so prepared at the relevant time;

(d) excluding (so far as not already excluded):

- (I) amounts attributable to the share capital of any undertaking not owned by a group company;
- (II) any sum set aside for taxation (other than deferred taxation);

(e) deducting:

- (I) sums equivalent to the book values of goodwill and other intangible assets shown in the relevant balance sheet (as adjusted pursuant to the foregoing provisions of this paragraph) provided that there should be added back the amount of goodwill that would have remained on such balance sheet if all goodwill had been carried on the balance sheet as an asset and amortised on a straight line basis over 20 years (or such longer period, as determined by the Company, as may be in accordance with generally accepted accounting practice in the United Kingdom, such amount to be certified by the Company's auditors); and
- (II) the amount of any distribution declared, recommended or made by any group undertaking to a person other than a group undertaking out of profits accrued up to and including the date of (and not provided for in) the relevant balance sheet;

(f) making such other adjustments (if any) as the auditors may consider appropriate or necessary;

(ii) "cash deposited" means an amount equal to the aggregate for the time being outstanding of all cash deposits or balances on each current account of the group with any bank (not being a group company), the realisable value of certificates of deposit and securities of governments and companies or other readily realisable deposits owned by any group company save that in the case of any such items owned by any group company which is not a wholly-owned subsidiary, only that portion which is equal to the proportion of that company's issued and paid-up equity share capital which is owned, directly or indirectly, by a group company shall be taken into account;

(iii) "group" means the Company and its subsidiaries from time to time;

(iv) "group company" means any company in the group;

(v) "group undertaking" means the Company or any other undertaking included in consolidated group accounts of the Company in which the relevant balance sheet is comprised;

(vi) "moneys borrowed" shall be deemed to include the following except insofar as otherwise taken into account:-

- (a) the nominal amount of any issued share capital of any person other than a member of the group and the principal amount of any moneys borrowed from any such person, the beneficial interest in which or right to repayment to which is not for the time being owned by a group company but the payment or repayment of which is the subject of a guarantee or indemnity by a group company or is secured on the assets of any group company;
- (b) the outstanding amount raised by acceptances under any acceptance credit opened on behalf of and in favour of any group company by any bank or accepting house not being acceptances of, or acceptance credits in relation to, trade bills for purchases of goods or services in the ordinary course of business and outstanding for six months or less;
- (c) the principal amount of any loan capital (whether secured or unsecured) of any group company owned otherwise than by any group company;
- (d) the nominal amount of any share capital (not being equity share capital) of any subsidiary not owned beneficially by any group company;
- (e) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but so that any premium payable on final repayment of an amount not to be taken into account as moneys borrowed shall not be taken into account); and
- (f) amounts raised under any transaction (including, without limitation, forward sale or purchase agreements) having the commercial effect of borrowings entered into to enable the finance of operations or capital requirements

but shall be deemed not to include:-

- (g) borrowings made for the purpose of repaying the whole or any part of borrowings falling to be taken into account for the purposes of this article within six months of being first borrowed, pending their application for such purpose within such period;
- (h) borrowings for the purpose of financing any contract in respect of which any part of the price receivable under such contract is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other institution fulfilling a similar function, to the amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured;

- (i) such proportion of the borrowings of any non-wholly-owned subsidiary as that part of its issued and paid-up equity share capital which is not beneficially owned, directly or indirectly, by a group company bears to the whole of its issued and paid-up equity share capital (but an equivalent proportion of moneys borrowed from one such non-wholly-owned subsidiary by any other group company which would otherwise fall to be excluded shall nevertheless be included);
  - (j) an amount equal to the borrowings of any company outstanding immediately after it becomes a group company;
  - (k) the amount of any monies borrowed which are for the time being deposited with any governmental authority in any part of the world in connection with import deposits or any similar governmental scheme to the extent that the group company making such deposit retains its interest in such deposit;
  - (l) any sum advanced or paid to any group company (or its agents or nominees) by customers of any group company as unexpended customer receipts or progress payments pursuant to any contract between such customer and a group company; and
  - (m) sums which fall to be treated as monies borrowed by any group company by reason only of any current statement of standard accounting practice or other accounting principle or practice;
- (vii) "relevant balance sheet" means the consolidated balance sheet dealing with the state of affairs of the Company and its subsidiary undertakings comprised in the latest group accounts prepared and approved by the board and on which the auditors have made their report pursuant to the Acts.

(D) When the aggregate amount of moneys borrowed required to be taken into account for the purposes of this article on any particular day is being ascertained, any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent either:-

- (i) at the rate of exchange used for the conversion of that currency in the relevant balance sheet; or
- (ii) if no rate was so used, at the rate of exchange prevailing at the close of business in London on the date of that balance sheet; or
- (iii) where the repayment of such moneys is expressly covered by a forward purchase contract, currency option, back to back loan, swap or other arrangement taken out or entered into to reduce the risk associated with fluctuations in exchange rates, at the rate of exchange specified in that document;

but, if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

- (E) A report or certificate of the auditors as to the amount of the adjusted total of capital and reserves and as to the aggregate amount of moneys borrowed falling to be taken into account for the purposes of or in compliance with this article shall be conclusive and binding on all concerned. Nevertheless the board may at any time act in reliance on a bona fide estimate of the amount of the adjusted total of capital and reserves and if in consequence the limit on borrowings set out in this article is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of [90] days after the date on which by reason of a determination of the auditors or otherwise the board became aware that such a situation has or may have arisen.
- (F) No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this article shall be invalid or ineffectual except in the case of express notice to the lender or recipient of the security at the time when the debt was incurred or security given that the limit had been or would thereby be exceeded but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

101. Register of charges<sup>1</sup>.

The board shall keep a register of charges in accordance with the Acts 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 Acts shall be the maximum sum prescribed by the Acts or, failing which, determined by the board.

DIRECTORS' INTERESTS

- 102.(A) Subject to the provisions of the Acts and provided that paragraph (B) of this article is complied with, a director, notwithstanding his office:-
- (i) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;
  - (ii) may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) 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 board may arrange either in addition to or in lieu of any remuneration provided for by any other article;
  - (iii) may be a director or other officer, or employee, or a party to any transaction or arrangement with or otherwise interested

in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and

- (iv) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

(B) A director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board after he knows that he is or has become so interested. For the purposes of this article:

- (i) a general notice given to the board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction, arrangement or proposal in which a specified person or class of persons is interested shall be deemed to be a sufficient disclosure under this article in relation to such contract, transaction, arrangement or proposal; and
- (ii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

(C) Save as provided in this article, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the board or of a committee of the board concerning any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is to his knowledge materially interested, directly or indirectly (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company), but this prohibition shall not apply to any resolution concerning any of the following matters:-

- (i) the giving to him of any guarantee, security or indemnity 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 to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (iii) any contract, arrangement, transaction or proposal concerning an offer of any shares, debentures or other securities of 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 proposal to which the Company is or is to be a party concerning any other company (including any subsidiary of the Company) (a "relevant company") in which he is interested, directly or indirectly, and whether as an officer or shareholder, creditor or otherwise, provided that he is not the holder of or beneficially interested in one per cent. or more of a relevant company. For the purposes of this paragraph (iv):-
- (a) a director shall be deemed to have an interest in one per cent. or more of a relevant company if directly or indirectly he is the holder of or beneficially interested in one per cent. or more of any class of equity share capital or of the voting rights available to members of either such company or if he can cause one per cent of such voting rights to be cast at his direction;
  - (b) there shall be disregarded any shares held by a director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the director's interest is in reversion or is in remainder (if and so long as some other person is entitled to receive the income from the trust) and any shares comprised in any authorised unit trust scheme in which the director is interested only as a unit holder;
  - (c) where a relevant company in which a director is deemed for the purposes of this article to be interested in one per cent. or more is materially interested in a contract, he also shall be deemed to be materially interested in that contract.
- (v) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension fund, retirement, death or disability benefits scheme or personal pension plan under which he may benefit and which either (a) has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes' or (b) relates to both employees and directors of the Company (or any of its subsidiaries) and does not accord to any director as such any privilege or advantage not accorded to the employees to whom such scheme or fund relates;
- (vi) any contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries under which the director benefits in a similar manner to employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom it relates; and
- (vii) any contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.
- (D) A director shall not vote or be counted in the quorum on any resolution of the board or committee of the board concerning his own appointment (including fixing or varying the terms of his appointment

or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each director and in such case each of the directors concerned (if not otherwise debarred from voting under this article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

- (E) If any question arises at any meeting as to the materiality of a director's interest (other than the chairman's interest) or as to the entitlement of any director (other than the chairman) to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be final and conclusive.
- (F) If any question arises at any meeting as to the materiality of the chairman's interest or as to the entitlement of the chairman to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, such question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote shall be final and conclusive.
- (G) Subject to the provisions of the Acts, the Company may by ordinary resolution suspend or relax the provisions of this article either generally or in respect of any particular matter or ratify any transaction not duly authorised by reason of a contravention of this article.
- (H) For the purposes of this article an interest of a person who is for the purposes of the Act connected with (within the meaning of section 346 of the Act) 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 in addition to any interest which the alternate otherwise has and, without prejudice to the foregoing, the provisions of this article shall apply to an alternate director as if he were a director otherwise appointed.

#### PROCEEDINGS OF DIRECTORS AND COMMITTEES

##### 103. Board meetings

Subject to the provisions of these articles, the board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

##### 104. Notice of board meetings

Any director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice of a board meeting 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 may waive the requirement that notice be given to him of any board meeting, either prospectively or retrospectively. 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 any address given by him to the Company for this purpose but if no such request is made it shall not be necessary to give notice of a board meeting to a director who is absent from the United Kingdom.

105. Quorum

The quorum necessary for the transaction of business may be determined by the board and until otherwise determined shall be two directors present in person or by alternate. A duly convened meeting of the board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions for the time being vested in or exercisable by the board.

106. Chairman of board

The board may appoint one of its body as chairman to preside at every board meeting at which he is present and one or more deputy chairmen and determine the period for which he is or they are to hold office (and may at any time remove him or them from 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 within five minutes of the time appointed for holding the same, the directors and alternate directors (in the absence of their appointors) present shall choose one of their number to be chairman of such meeting. In the event of two or more deputy chairmen being present, the senior of them shall act as chairman of the meeting, seniority being determined by length of office since their last appointment or reappointment. As between two or more who have held office an equal length of time, the deputy chairman to act as chairman shall be decided by those directors and alternate directors (in the absence of their appointors) present. Any chairman or deputy chairman may also hold executive office under the Company.

107. Voting

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.

108. Participation by telephone

Any director or his alternate may validly participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Acts, all business transacted in such manner by the board or a committee of the board shall for the purposes of these articles be deemed to be validly and effectively transacted at a meeting of the board or a committee notwithstanding that fewer than two directors or alternate

directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

109. Resolution in writing

A resolution in writing executed by all the directors for the time being entitled to receive notice of a board meeting and not being less than a quorum or by all members of a committee of the board shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the board, (or committee, as the case may be) and may consist of several documents in the same form each executed by one or more of the directors or members of the relevant committee. Such a resolution need not be signed by an alternate director if it is signed by the director who appointed him and a resolution signed by an alternate need not also be signed by his appointor.

110. Proceedings of committees

All committees of the board 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 board, and subject thereto shall be governed by such of these articles as regulate the proceedings of the board as are capable of applying.

111. Minutes of proceedings

(A) The board shall cause minutes to be made in books kept for the purpose of:-

- (i) all appointments of officers and committees made by the board and of any salary or remuneration; and
- (ii) the names of directors present at every meeting of the board, committees of the board, the Company or the holders of any class of shares or debentures of the Company, and all orders, resolutions and proceedings of such meetings.

(B) Any such minutes 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 or the secretary, shall be receivable as prima facie evidence of the matters stated in such minutes without any further proof.

112. Validity of proceedings of board or committee

All acts done by a meeting of the board, or of a committee of the board, or by any person acting as a director, alternate director or member of a committee shall, notwithstanding that it is 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 was duly qualified and had continued to be a director, alternate or member of a committee and entitled to vote.

## SECRETARY AND AUTHENTICATION OF DOCUMENTS

### 113. Secretary

- (A) Subject to the provisions of the Acts, the board shall appoint a secretary or joint secretaries and shall have power to appoint one or more persons to be an assistant or deputy secretary at such remuneration and upon such conditions as it thinks fit. The board may from time to time remove any person so appointed from office and appoint another or others in his place.
- (B) Any provision of the Acts or of these articles requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

### 114. Authentication of documents

Any director or the secretary or any person appointed by the board for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including its memorandum and articles of association) and any resolutions passed by the Company or the board or a committee of the board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts.

## SEALS

### 115. Safe custody

The board shall provide for the safe custody of every seal.

### 116. Application of seals

A seal shall be used only by the authority of a resolution of the board or of a committee of the board. The board may determine who shall sign any instrument to which a seal is affixed (or, in the case of share certificates, upon which the seal is printed) either generally or in relation to a particular instrument or type of instrument. The board may also determine, either generally or in any particular case, that such signature may be dispensed with or affixed by some mechanical means. Unless otherwise determined by the board:-

- (i) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued in respect of any debentures or other securities, need not be signed or, if signed, any signature may be applied by any mechanical or other means or may be printed thereon; and
- (ii) every other instrument to which a seal is affixed shall be signed by one director and by the secretary or a second director.

Any instrument signed by one director and the secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under a seal.

117. Official seal for use abroad

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

DIVIDENDS AND OTHER PAYMENTS

118. Declaration of dividends

Subject to the provisions of the Acts and of these articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests in the profits of the Company, but no dividend shall exceed the amount recommended by the board.

119. Interim dividends

Subject to the provisions of the Acts, the board may declare or pay such interim dividends (including any dividend payable at a fixed rate) as appears to it to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on shares with preferred rights, unless at the time of payment any preferential dividend is in arrear and, provided the board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of any interim dividend on any shares ranking after those with preferred rights.

120. Entitlement to dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid-up on the shares in respect of which the dividend is paid, but no amount paid-up on a share in advance of a call 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.

121. Method of payment

- (A) The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by cheque, dividend warrant, or money order and may send the same by post to the registered address of the person entitled to it and in the case of joint holders (or of two or more persons being jointly entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law) to the registered address of that person whose name stands first in the register (or, in the case of persons entitled on death or bankruptcy, if their names are not entered in the register, to such of those persons whose surname stands alphabetically first), or to such person and address as the person or persons entitled may direct in writing. Every cheque, warrant, or order is sent at the risk of the person entitled to the money represented by it and shall be made payable to the order of the person or persons entitled and the payment of the

cheque, warrant or order shall be a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or by such other means and to or through such person as the holder or joint holders may direct in writing, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or when it has acted on any such directions. Any joint holder or other person jointly entitled to any share may give an effective receipt for all dividends and other moneys paid in respect of such share.

- (B) Without prejudice to the provisions of article 66 the board may withhold payment of any dividend payable to any person entitled to a share by reason of the death or bankruptcy of the holder, until such person has provided such evidence of his right as the board may reasonably require.

122. Dividends not to bear interest

No dividend or other moneys payable by the Company on or in respect of any share shall bear interest as against the Company unless otherwise provided by the rights attached to the shares.

123. Calls or debts may be deducted from dividends

The board may deduct from any dividend or other moneys payable to any person 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.

124. Unclaimed dividends etc

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the board 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 cease to remain owing by 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 in respect of it.

125. Uncashed dividends

If cheques, warrants or orders for dividends or other moneys payable in respect of a share sent by the Company to the person entitled to it are returned to the Company or left uncashed on two consecutive occasions, the Company shall not be obliged to send any dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

126. Payment of dividends in specie

Without prejudice to the provisions of article 66, The board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company. Where any difficulty arises in regard to the distribution, the board may settle it as it thinks fit and in particular may issue fractional certificates (or

ignore fractions), 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 secure equality of distribution, and may vest any such assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the board.

127. Payment of scrip dividends

- (A) Without prejudice to the provisions of article 66 the board may, with the prior authority of an ordinary resolution of the Company, offer holders of a particular class of shares the right to elect to receive further shares of that class, credited as fully-paid, instead of cash in respect of all or part of any dividend or dividends specified by the ordinary resolution, subject to such exclusions, restrictions or other arrangements as the board may in its absolute discretion deem necessary or desirable in relation to compliance with legal or practical problems under the laws of any territory, or the requirements of any recognised regulatory body or any stock exchange in any territory.
- (B) The following provisions shall apply where payment of a dividend is satisfied in accordance with paragraph (A) of this article:-
- (i) the ordinary resolution may specify a particular dividend or may relate to all or any dividends declared or paid within a specified period, but such period may not end later than the beginning of the annual general meeting next following the date of the meeting at which the ordinary resolution is passed;
  - (ii) the basis of allotment shall be determined by the board so that, as nearly as may be considered convenient without involving any rounding up of fractions, the value (calculated by reference to the average quotation) of the new ordinary shares (including any fractional entitlement) to be allotted instead of any amount of dividend (disregarding any associated tax credit) shall equal such amount. For such purpose the "average quotation" of an ordinary share shall be the average of the middle market quotations for a fully paid ordinary share of the Company as derived from the Daily Official List of the London Stock Exchange on the business day on which the relevant dividend is declared and the four preceding business days or the business day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent business days or shall be as determined by or in accordance with the ordinary resolution;
  - (iii) the board may make such provisions as it considers necessary or expedient in relation to any offer to be made pursuant to this article including but not limited to the giving of notice to shareholders of the right of election offered to them, the provision of forms of election (whether in respect of a particular dividend or dividends generally) and determination of the procedure for making and revoking such elections and the place at which, and the latest time by which, forms of election and any other relevant documents must be lodged in order to be effective, and provision whereby, in whole or in

part, fractional entitlements are disregarded or rounded up or down or the benefit of fractional entitlements accrue to the Company (rather than to the members concerned);

- (iv) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be declared or payable on shares in respect of which an election has been duly made (the "elected shares") and instead additional shares of the relevant class shall be allotted to the holders of the elected shares on the basis of allotment calculated as stated in (ii) above. For such purpose, the board may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the board may determine, a sum equal to the aggregate nominal amount of the additional shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to the holders of the elected shares on such basis. A board resolution capitalising any part of the reserve or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with article 128 and in relation to any such capitalisation the board may exercise all the powers conferred on them by that article without need of such ordinary resolution;

- (v) the additional shares so allotted shall be allotted as at the record date for the dividend in respect of which the right of election has been offered and shall rank pari passu in all respects with each other and with the fully paid shares of that class then in issue except that they will not rank for any dividend or other distribution or other entitlement which has been declared, made or paid by reference to such record date.

#### CAPITALISATION OF PROFITS

128. The board may, with the authority of an ordinary resolution of the Company:-

- (i) resolve to capitalise any amount standing to the credit of the Company's reserves, share premium account or capital redemption reserve or of the profit and loss account not required for paying any preferential dividend (whether or not the same are available for distribution);
- (ii) appropriate the 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 sum on their behalf in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid-up, to the members, or as they may direct, in those proportions, or partly in one way and partly in the other:

provided that the share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be issued to members credited as fully paid;

- (iii) where any difficulty arises with regard to any distribution of any capitalised reserve or other sum, settle the matter as it thinks expedient and in particular, in the case of shares or debentures becoming distributable under this article in fractions, make such provisions by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as the board thinks fit;
- (iv) authorise any person to enter (on behalf of all the members concerned) into an agreement with the Company providing for either (a) the allotment to the members respectively, credited as fully paid-up, of any shares or debentures to which they may be entitled upon such capitalisation or (b) the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts or any part of the amounts remaining unpaid on their existing shares (any agreement made under such authority being thereupon effective and binding on all such members); and
- (v) generally do all acts and things required to give effect to such resolution as aforesaid.

#### RECORD DATES

129. Notwithstanding any other provision of these articles, but without prejudice to the rights attached to any shares, 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 or or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

#### ACCOUNTS

130. Inspection of accounts

- (A) The board shall cause accounting records to be kept in accordance with the Acts.
- (B) The accounting records of the Company shall be kept at the office or, subject to the provisions of the Acts, at such other place as the board thinks fit and shall always be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) shall have any right inspect any accounting record or other document of the Company except as conferred by statute or authorised by the board.

131. Copy to be sent to members

A printed copy of every profit and loss account and balance sheet of the Company and the directors' and auditors' reports on the same (including all documents required by law to be annexed to the balance

sheet) which is to be laid before the Company in general meeting (or such documents as may be required or permitted by law to be sent to members in lieu of such meeting) shall be sent by post or delivered to every member and every holder of debentures of the Company (whether or not such member or holder is entitled to receive notice of general meetings of the Company) and to the auditors at least 21 clear days before the date of the meeting Provided that the requirements of this article in relation to the documents to be sent shall be deemed to be satisfied by sending to any member or holder of debentures of the Company, where permitted by the Acts and in lieu of the said copies, a summary financial statement derived from the Company's annual accounts and the directors' report in the form and containing the information prescribed by the Acts. This article shall not require a copy of any documents to which it applies to be sent to any member or holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures.

#### NOTICES

132. Notices to be in writing

Any notice to be given to or by any person pursuant to these articles shall be in writing except that a notice convening a meeting of the board or of a committee of the board need not be in writing.

133. Service of notice on members

- (A) Any notice or other document may be served on or delivered to any member by the Company, either personally or by sending it through the post in a prepaid envelope addressed to the member at his registered address, or by leaving it at that address (or at any other address notified for the purpose) in an envelope addressed to the member.
- (B) In the case of joint holders of a share, all notices shall be given to whichever of such persons is named first in the register in respect of the joint holding and notice so given shall be sufficient notice to all joint holders.
- (C) If a member (or, in the case of joint holders, the person first named in the register) has a registered address outside the United Kingdom but has notified the Company of an address within the United Kingdom at which notices or other documents may be given to him, he shall be entitled to have notices given to him at that address, but otherwise no such member (or joint holders) shall be entitled to receive any notice or document from the Company.

134. Notice by advertisement

If at any time, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post the board may, in its absolute discretion and as an alternative to any other method of service permitted by these articles, resolve to convene a general meeting by a notice advertised in at least two leading United Kingdom national daily newspapers. In any such case the Company shall send confirmatory copies of the notice by post if at least seven clear days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

135. Evidence of service

- (A) A notice or other document addressed to a member at his registered address or address for service in the United Kingdom shall, if sent by post, be deemed to have been served or delivered 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 envelope containing such notice or document was properly addressed, prepaid and posted.
- (B) Any notice or document not sent by post but left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day it was so left.
- (C) Where notice is given by way of newspaper advertisement, such notice shall be deemed to have been duly served on all members or person(s) entitled thereto at noon on the day when the advertisements appear or, if they appear on different days, at noon on the last of the days when the advertisement appears.
- (D) A member present in person or by proxy at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received due notice of the meeting and, where requisite, of the purposes for which it was called.

136. Notice binding on transferees etc.

Every person who, by operation of law, transfer or by any other means, becomes entitled to a share shall be bound by any notice in respect of that share (other than a notice served by the Company under section 212 of the Act) which, before his name is entered in the register, has been duly served on or delivered to a person from whom he derives his title.

137. Notice in case of death, bankruptcy or mental disorder

In the case of the death or bankruptcy of a member or of any other event giving rise to a transmission of entitlement to a share by operation of law the Company may serve or deliver a notice or document to the person entitled in consequence of such event as if he was the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by any similar designation) at an address within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice or document may be served or delivered in any manner in which this might have been done if the death or bankruptcy had not occurred. Service or delivery in accordance with this article shall be deemed to be sufficient notice to all other persons interested in such share.

DESTRUCTION OF DOCUMENTS

138. (A) 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 mandate for the payment of dividends or other moneys or any variation or cancellation of the same 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 (including any document constituting the renunciation of an allotment 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.

(B) It shall be presumed conclusively in favour of the Company that every share certificate so destroyed was a valid certificate validly cancelled 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:-

- (i) the 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;
- (ii) 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 provided for in this article or in any case where the conditions of this article above are not fulfilled; and
- (iii) references in this article to the destruction of any document include references to its disposal in any manner.

#### WINDING-UP

139. On any voluntary winding-up of the Company the liquidator may, subject to obtaining any sanction required by law, 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 on the basis of such valuation and in accordance with the then existing rights of members how such division shall be carried out as between members or classes of members. The liquidator shall not, however, (save with the consent of the member concerned) distribute to a member any asset to which there is attached a liability or potential liability for the owner.

## INDEMNITY

140.(A)

Subject to the provisions of the Acts, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary, auditor, other officer, agent or employee for the time being of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities incurred by him in or about the execution of his duties or the exercise of his powers or otherwise in relation thereto including (without prejudice to the generality of the foregoing) any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

(B)

The board may exercise all the powers of the Company to purchase and maintain for any director or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.

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NAMES AND ADDRESS OF SUBSCRIBERS

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DATED this       day of       , 19 .

WITNESS to the above Signatures:-