



THE COMPANIES ACTS 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

NEW  
ARTICLES OF ASSOCIATION

of

FOREIGN & COLONIAL SPECIAL UTILITIES INVESTMENT TRUST PLC

(As adopted by Special Resolution passed on 22nd March, 1995  
and as amended by Special Resolution passed on 18th December, 1995)

PRELIMINARY

**1** Table "A" not to apply

- 1.1 No regulations for the management of a company set out in any schedule to any statute concerning companies or contained in any regulations or instrument made pursuant to a statute shall apply to the Company, but the following shall be the Articles of Association of the Company.

**2** Interpretation

- 2.1 In these Articles, unless the context otherwise requires, the following expressions have the following meanings:

Expression

Meaning

Act

subject to paragraph 2.3 of this Article, the Companies Act 1985 and, where the context requires, every other statute from time to time in force concerning companies and affecting the Company

these Articles

these Articles of Association as altered or varied from time to time

	(and "Article" means one of these Articles)
Auditors	the auditors for the time being of the Company or, in the case of joint auditors, any one of them
Board	the board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present
business day	a day (other than a Saturday) on which banks are open for business in the City of London
Capital Release Resolution	as defined in Article 158.2
capital share	a capital share of the Company as defined in Article 4.1
Chairman	the chairman (if any) of the Board or, where the context requires, the chairman of a general meeting of the Company or the chairman of a separate general meeting of a class of shares
clear days	(in relation to the period of a notice) 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	Foreign & Colonial Special Utilities Investment Trust PLC
Depository	a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Board whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or

other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Board for the purpose of these Articles, and shall include, where approved by the Board, the trustees (acting in their capacity as such) of any employees' share scheme established by the Company or any other scheme or arrangement principally for the benefit of employees or those in the service of the Company and/or its subsidiaries or their respective businesses and the managers (acting in their capacity as such) of any investment or savings plan which in each case the Board has approved

Director

a director for the time being of the Company

execution

includes any mode of execution (and "executed" shall be construed accordingly)

first pool

the assets of the Company attributable to the income and capital shares, being:

- (i) the assets of the Company immediately prior to the first allotment of "S" shares;
- (ii) the net cash proceeds (after expenses) of subscription for or of the payment up of any income share or capital share; and
- (iii) all rights or assets of the Company directly or indirectly attaching to, referable to, derived from or acquired using any of the

	<p>aforementioned assets or proceeds or any rights or assets referred to in this paragraph (iii),</p> <p>less any dividends or other distributions paid or made to holders of the income shares or capital shares and less such liabilities and expenses of the Company as are allocated to the above assets, proceeds or rights under Article 4.4</p>
holder	<p>(in relation to any share) the member whose name is entered in the Register as the holder or, where the context permits, the members whose names are entered in the Register as the joint holders, of that share</p>
Income Release Resolution	<p>as defined in Article 158.2</p>
income share	<p>an income share of the Company as defined in Article 4.1</p>
Liquidation Resolution	<p>as defined in Article 158.1</p>
member	<p>a member of the Company or, where the context requires, a member of the Board or any committee</p>
new pool	<p>the assets of the Company attributable to the "S" shares, being:</p> <ul style="list-style-type: none"> <li>(i) the net cash proceeds (after expenses) of subscription for or of the payment up of any "S" share or of the issue of any Warrant; and</li> <li>(ii) all rights or assets of the Company directly or indirectly attaching to, referable to, derived from or acquired using such proceeds or any rights or assets referred to in this paragraph (ii),</li> </ul>

	less any dividends or other distributions paid or made to holders of the "S" shares and less such liabilities and expenses of the Company as are allocated to the above assets, proceeds or rights under Article 4.4
Office	the registered office for the time being of the Company
paid up	paid up or credited as paid up
recognised person	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
Relevant Date	as defined in Article 158.8
Reconstruction Resolution	a resolution asking shareholders to sanction an arrangement as referred to in Article 4.8(a)(iv), Article 4.8(b)(iv), Article 4.8(c)(v) or Article 158.5(a)
Recommended Resolution	a resolution or resolutions relating to or intended to implement or facilitate any offer as referred to in Article 4.8(a)(v), Article 4.8(b)(v), Article 4.8(c)(vi) or Article 158.5(b) which resolution is or which resolutions are recommended by the Directors and stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole
Register	the register of members of the Company to be kept pursuant to section 352 of the Act
Seal	the common seal of the Company or any official seal kept by the

	Company by virtue of section 40 of the Act
Secretary	the secretary for the time being of the Company or any other person (including a company) appointed to perform any of the duties of the secretary of the Company including (subject to the provisions of the Act) a joint, temporary, assistant or deputy secretary
share	a share of the Company being a capital share, an income share or an "S" share, or such other share of the Company as may from time to time exist, subject to Article 42
"S" share	an "S" share in the Company as defined in Article 4.1
"S" Share Exchange Resolution	as defined in Article 158.2
the London Stock Exchange	The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited
United Kingdom	Great Britain and Northern Ireland
Warrants	warrants to subscribe for "S" shares as constituted by a deed poll of the Company dated 24th February, 1995
writing or written	includes printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words in a legible and non-transitory form.

## 2.2 Unless the context otherwise requires:

- (a) words in the singular include the plural, and vice versa;
- (b) words importing the masculine gender include the feminine gender;
- (c) a reference to a person includes a body corporate and an unincorporated body of persons.

- 2.3 A reference to any statute or provision of a statute shall include any orders, regulations or other subordinate legislation made under it and shall, unless the context otherwise requires, include any statutory modification or re-enactment of it for the time being in force.
- 2.4 Save as aforesaid, and unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act.
- 2.5 Where for any purpose an ordinary resolution of the Company is required, a special resolution or an extraordinary resolution shall also be effective, and where an extraordinary resolution is required a special resolution shall also be effective.
- 2.6 The headings are inserted for convenience only and shall not affect the construction of these Articles.

**3 Registered Office**

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

**SHARE CAPITAL**

**4 Authorised Share capital**

- 4.1 The authorised share capital of the Company at the date of the adoption of these Articles is £2,320,000 divided into 77,500,000 income shares of 1p each ("income shares"), 77,500,000 capital shares of 1p each ("capital shares") and 77,000,000 "S" ordinary shares of 1p each ("S" shares").
- 4.2 The income shares, capital shares and "S" shares shall have attached thereto the rights and privileges, and shall be subject to the limitations and restrictions, as are set out in these Articles.
- 4.3 (a) The Directors shall create and maintain the first pool and the new pool so that the investments, cash, other assets, liabilities and expenses of the first pool and of the new pool shall be held and maintained separately, or shall otherwise be distinguishable from each other.
- (b) The Directors shall procure that the Company's books of account, accounting and other records, bank accounts and audited accounts, and those of any nominees or subsidiaries of the Company, shall be operated and prepared so that the first pool and the new pool, and the liabilities and expenses allocated to the

first pool and the new pool, can at all times be separately identified.

- (c) If any question shall arise as to whether any investment, cash or other asset or any liability or expense of the Company is attributable to the first pool or to the new pool which is not resolved to the satisfaction of the Directors, the Directors may refer the matter to the Auditors whose determination on the matter shall be conclusive.
- (d) The Directors may, having consulted with the Auditors, adjust the attribution of any investment, cash or other asset of the Company between the first pool and the new pool to compensate fairly for or reflect the contribution of each pool to the overall tax position of the Company.

4.4

- (a) The Directors shall allocate to each of the first pool and the new pool such of, or such proportion of, the liabilities (including tax liabilities) and expenses of the Company incurred or accrued from time to time as the Directors shall consider to be appropriate having regard to:
  - (i) the specific liabilities and expenses incurred or accrued in the management and administration of each of the first pool and the new pool;
  - (ii) the tax effects for the Company of the tax treatment of receipts of the first pool and the new pool, of any revenue or capital deficit of the first pool or the new pool and of dividends paid by the Company; and
  - (iii) the gross asset value of the first pool (as set out in the then latest monthly valuation of the Company's assets prepared by or on behalf of the Directors) as compared with the gross asset value of the new pool (to be deemed to be, prior to the availability of the first such monthly valuation which includes the new pool, the net cash proceeds (after expenses) of the issue of the "S" shares and Warrants and thereafter as set out in the then latest monthly valuation of the Company's assets prepared by or on behalf of the Board) and so that the valuation of the first pool and the new pool shall be prepared on a consistent basis and may be adjusted for the purposes of these Articles to take account of any material realisation, acquisition or revaluation if and to the extent that the Directors consider appropriate.



- (b) Without prejudice to the generality of paragraph (a) above, the expenses incurred by the Company in connection with the Directors complying with Articles 158.5 and 158.6 and in implementing any arrangement proposed or offer made pursuant to such Articles shall be allocated to the first pool and to the new pool in such proportions as the Directors may, in the circumstances, consider appropriate, and, in particular, expenses may be allocated to the new pool to the extent necessary to enable a reconstruction to be proposed or offer made which complies with Article 158.6(b).

4.5 The Directors shall use all reasonable endeavours to procure that:

- (a) subject to cash being available in the first pool and the new pool for the purpose of investment, investments acquired by the Company are acquired on behalf of the first pool and the new pool pro rata to their respective gross asset value (determined as described in Article 4.4(a)(iii));
- (b) disposals of investments which are attributable to the first pool and the new pool are made (as far as is possible) *pro rata* to the value of such investments attributable to each pool,

save in circumstances where the Directors consider that to do so is not appropriate having regard to the interests of the holders of income shares, the holders of capital shares and the holders of "S" shares and to such other factors as the Directors may think fit (and all or part of an investment not acquired on behalf of one pool may be acquired on behalf of the other).

4.6 As to dividends:

- (a) The holders of the income shares shall have the right to receive the revenue profits of the Company (including accumulated revenue reserves) attributable to the first pool and available for distribution and determined to be distributed by way of interim or final dividend at such times as the Board may determine.
- (b) The holders of the capital shares shall have no right to receive dividends out of the revenue or any other profits of the Company.
- (c) The holders of the "S" shares shall have the right to receive the revenue profits of the Company (including accumulated revenue reserves) attributable to the new pool and available for distribution and determined to be distributed by way of interim or final dividend at such times as the Board may determine.

4.7 As to winding-up or other return of assets:

- (a) On a return of assets, on liquidation or otherwise, the surplus assets of the Company attributable to the first pool, after payment of all debts and satisfaction of all liabilities of the Company attributable to the first pool (determined in accordance with paragraph (c) below), shall be applied as follows:
- (i) first, there shall be paid to the holders of the income shares (and distributed amongst such holders rateably according to the amounts paid up on the income shares held by them respectively) an amount equal to 60p per income share plus the amount, if any, standing to the credit of the Company's revenue reserves attributable to the first pool and the amount of the undistributed revenue profits of the Company attributable to the first pool which would have been available for distribution by way of dividend on the income shares at the date of the commencement of the liquidation (or on the date of payment if not in the course of liquidation);
  - (ii) secondly, there shall be paid to the holders of the capital shares (and distributed amongst such holders rateably according to the amounts paid up on the capital shares held by them respectively) the surplus assets of the Company attributable to the first pool and available for distribution.
- (b) On a return of assets, on liquidation or otherwise, the surplus assets of the Company attributable to the new pool, after payment of all debts and satisfaction of all liabilities of the Company attributable to the new pool (determined in accordance with paragraph (c) below), shall be paid to the holders of the "S" shares (and distributed amongst such holders rateably according to the amounts paid up on the "S" shares held by them respectively).
- (c) The debts and liabilities which shall, for the purpose of this Article 4.7, be attributable to the first pool and the new pool respectively shall be determined by the Directors (after consultation with the Auditors) whose determination on the matter shall be conclusive. If, in the course of the liquidation of the Company, an amount of a debt or liability which is attributable to one pool is met in whole or in part from assets attributable to the other pool then assets of the first mentioned pool of a value (conclusively determined by the Directors) equivalent to such amount shall (on such debt or liability being met) become attributable to the second mentioned pool.

## (a) income shares:

- \* (i) The holders of the income shares shall have the right to receive notice of and to attend and, subject to paragraphs (iii), (iv) and (v) below, vote at any general meeting of the Company except that the holders of the income shares shall not have the right to vote on the declaration of a dividend on the "S" shares. Subject to paragraphs (iii), (iv) and (v) below, at any general meeting on a show of hands every holder of income shares who is present in person and every person (not being himself a person entitled to vote) who is present as proxy for a holder of income shares shall have one vote and, save as otherwise provided in these Articles, on a poll every holder of income shares who is present in person or by proxy shall have three votes for every income share of which he is the holder, provided that:
  - (a) a person appointed as proxy in respect of an income share shall not be entitled to vote, either on a show of hands or on a poll, if the holder of income shares who appointed that person as his proxy in respect of that income share, or (in the case of a corporation) the duly authorised representative of such holder of income shares, exercises his right to vote in respect of that income share; and
  - (b) subject to paragraph (a) above, in the event that on a poll a holder of income shares is present both in person and by proxy his proxy (or, if he has appointed more than one, each of his proxies) shall have three votes for every income share in respect of which he has been appointed and the holder of income shares concerned shall have three votes for every income share of which he is the holder and in respect of which he has not appointed a proxy.
- (ii) Subject to Article 4.9, the Company shall not, without the previous sanction of an extraordinary resolution of the holders of the income shares passed at a separate meeting of such holders convened and held in accordance with the provisions of these Articles:

- (A) issue any further shares or rights to subscribe for or to convert any securities into shares in the Company where such shares carry an entitlement or would on issue or conversion carry an entitlement to share in assets attributable to the first pool, save that the Company may issue further income shares and capital shares without such sanction if there are issued at the same time an equal number of income shares and capital shares; or
- (B) pass a resolution releasing the Board from its obligation under Article 158.1(a) or (b) to convene an extraordinary general meeting at which a Liquidation Resolution will be proposed; or
- (C) pass a resolution to reduce the capital of the Company attributable to the first pool in any manner including any resolution authorising the Board to purchase or redeem shares in the Company using assets attributable to the first pool; or
- (D) pass a resolution (other than a Liquidation Resolution) for the voluntary winding-up of the Company; or
- (E) alter any object set out in the Memorandum of Association of the Company; or
- (F) pass any resolution which authorises the Board to pay a dividend or other distribution out of the capital reserves of the Company; or
- (G) pass a resolution for the capitalisation of any profits or reserves of a revenue nature of the Company attributable to the first pool; or
- (H) pass a resolution authorising a liquidator to distribute in specie assets of the Company attributable to the first pool on a winding-up of the Company; or
- (I) pass a resolution for the variation of the Company's investment policy as described in Article 4.13; or

- (J) pass a resolution under Article 109.2 sanctioning borrowings of the Company in excess of the limit imposed in that Article.
- (iii) Notwithstanding paragraphs (i) and (ii) above, if either:
  - (A) a Reconstruction Resolution is proposed as described in Article 158.5(a) which complies with Article 158.6(b) or Article 158.6(c)(ii); or
  - (B) a Recommended Resolution is or Recommended Resolutions are proposed relating to or intended to implement or facilitate any offer made as described in Article 158.5(b) which complies with Article 158.6(b) or Article 158.6(c)(ii),

then the holders of the income shares shall not be entitled to vote on any such Reconstruction Resolution or Recommended Resolution and Article 4.9 shall apply in relation to the holders of the income shares and shall continue to so apply unless and until the Directors shall determine that (as the case may be) the arrangement will not be implemented in accordance with its terms or the offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer.

- (iv) Notwithstanding paragraphs (i) and (ii) above, if at the extraordinary general meeting to be held pursuant to Article 158.1(b) at which a Liquidation Resolution will be proposed, or at any other general meeting of the Company held within the period of 60 days ending on 24th August 2008, a resolution is proposed asking shareholders to sanction any form of arrangement (including, without limitation, any arrangement under section 110 of the Insolvency Act 1986) which:
  - (A) is recommended by the Directors and is stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole; and
  - (B) entitles the holders of the income shares to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such holders would otherwise have been entitled on a winding-up of the Company as a

result of the passing of a resolution for the voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2008 (ignoring any option any of them may be given to elect to receive their entitlement otherwise than in cash pursuant to the arrangement),

then the holders of the income shares shall not be entitled to vote on such Liquidation Resolution and Article 4.9 shall apply in relation to the holders of the income shares and shall continue to so apply unless and until the Directors shall determine that the arrangement will not be implemented in accordance with its terms.

(v) Notwithstanding paragraphs (i) and (ii) above, if any offer is made to all the holders of the income shares (other than the offeror and/or persons acting in concert with the offeror) which:

(A) becomes or is declared unconditional in all respects during the period of 60 days ending on 24th August 2008;

(B) is recommended by the Directors and is stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole; and

(C) entitles the holders of the income shares to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such holders would otherwise have been entitled on a winding-up of the Company as a result of the passing of a resolution for the voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2008 (ignoring any option any of them may be given to elect to receive an alternative consideration pursuant to the offer and whether or not the offer is accepted in any particular case),

then the holders of the income shares shall not be entitled to vote on any Recommended Resolution and Article 4.9 shall apply in relation to the holders of the income shares and shall continue to so apply unless and until the

Directors shall determine that the aforementioned offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer.

(b) capital shares:

- <sup>\*</sup>(i) The holders of the capital shares shall have the right to receive notice of and to attend and, subject to paragraphs (iii), (iv) and (v) below, vote at any general meeting of the Company except that the holders of the capital shares shall not have the right to vote on the declaration of a dividend on the income shares or the "S" shares. Subject to paragraphs (iii), (iv) and (v) below, at any general meeting on a show of hands every holder of capital shares who is present in person and every person (not being himself a person entitled to vote) who is present as proxy for a holder of capital shares shall have one vote and, save as otherwise provided in these Articles, on a poll every holder of capital shares who is present in person or by proxy shall have two votes for every capital share of which he is the holder, provided that:

  - (a) a person appointed as proxy in respect of a capital share shall not be entitled to vote, either on a show of hands or on a poll, if the holder of capital shares who appointed that person as his proxy in respect of that capital share, or (in the case of a corporation) the duly authorised representative of such holder of capital shares, exercises his right to vote in respect of that capital share; and
  - (b) subject to paragraph (a) above, in the event that on a poll a holder of capital shares is present both in person and by proxy his proxy (or, if he has appointed more than one, each of his proxies) shall have two votes for every capital share in respect of which he has been appointed and the holder of capital shares concerned shall have two votes for every capital share of which he is the holder and in respect of which he has not appointed a proxy.
- (ii) Subject to Article 4.9, the Company shall not, without the previous sanction of an extraordinary resolution of the holders of the capital shares passed at a separate meeting

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Amended by Special Resolution passed on 18th December, 1995.

of such holders convened and held in accordance with the provisions of these Articles:

- (A) issue any further shares or rights to subscribe for or to convert any securities into shares in the Company where such shares carry an entitlement or would on issue or conversion carry an entitlement to share in assets attributable to the first pool, save that the Company may issue further income shares and capital shares without such sanction if there are issued at the same time an equal number of income shares and capital shares; or
- (B) pass a resolution releasing the Board from its obligation under Article 158.1(a) or (b) to convene an extraordinary general meeting at which a Liquidation Resolution will be proposed; or
- (C) pass a resolution to reduce the capital of the Company attributable to the first pool in any manner including any resolution authorising the Board to purchase or redeem shares in the Company using assets attributable to the first pool; or
- (D) pass a resolution (other than a Liquidation Resolution) for the voluntary winding-up of the Company; or
- (E) alter any object set out in the Memorandum of Association of the Company; or
- (F) pass any resolution which authorises the Board to pay a dividend or other distribution out of the capital reserves of the Company; or
- (G) pass a resolution authorising a liquidator to distribute in specie assets of the Company attributable to the first pool on a winding-up of the Company; or
- (H) pass a resolution for the variation of the Company's investment policy as described in Article 4.13; or



- (I) pass a resolution under Article 109.2 sanctioning borrowings of the Company in excess of the limit imposed in that Article.
- (iii) Notwithstanding paragraphs (i) and (ii) above, if either:
  - (A) a Reconstruction Resolution is proposed as described in Article 158.5(a) which complies with Article 158.6(b); or
  - (B) a Recommended Resolution is or Recommended Resolutions are proposed relating to or intended to implement or facilitate any offer made as described in Article 158.5(b) which complies with Article 158.6(b),

then the holders of the capital shares shall not be entitled to vote on any such Reconstruction Resolution or Recommended Resolution and Article 4.9 shall apply in relation to the holders of the capital shares and shall continue to so apply unless and until the Directors shall determine that (as the case may be) the arrangement will not be implemented in accordance with its terms or the offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer.

- (iv) Notwithstanding paragraphs (i) and (ii) above, if at the extraordinary general meeting to be held pursuant to Article 158.1(b) at which a Liquidation Resolution will be proposed, or at any other general meeting of the Company held within the period of 60 days ending on 28th August 2008, a resolution is proposed asking shareholders to sanction any form of arrangement (including, without limitation, any arrangement under section 110 of the Insolvency Act 1986) which:
  - (A) is recommended by the Directors and is stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole; and
  - (B) entitles the holders of the capital shares to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such holders would otherwise have been entitled on a winding-up of the Company as a

result of the passing of a resolution for the voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2008 (ignoring any option any of them may be given to elect to receive their entitlement otherwise than in cash pursuant to the arrangement),

then the holders of the capital shares shall not be entitled to vote on such Liquidation Resolution and Article 4.9 shall apply in relation to the holders of the capital shares and shall continue to so apply unless and until the Directors shall determine that the arrangement will not be implemented in accordance with its terms.

(v) Notwithstanding paragraphs (i) and (ii) above, if any offer is made to all the holders of the capital shares (other than the offeror and/or persons acting in concert with the offeror) which:

(A) becomes or is declared unconditional in all respects during the period of 60 days ending on 24th August 2008;

(B) is recommended by the Directors and is stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole; and

(C) entitles the holders of the capital shares to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such holders would otherwise have been entitled on a winding-up of the Company as a result of the passing of a resolution for the voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2008 (ignoring any option any of them may be given to elect to receive an alternative consideration pursuant to the offer and whether or not the offer is accepted in any particular case),

then the holders of the capital shares shall not be entitled to vote on any Recommended Resolution and Article 4.9 shall apply in relation to the holders of the capital shares and shall continue to so apply unless and until the

Directors shall determine that the aforementioned offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer.

(c) "S" shares:

- \* (i) The holders of the "S" shares shall have the right to receive notice of and to attend and, subject to paragraphs (iii), (iv), (v) and (vi) below, vote at any general meeting of the Company except that the holders of the "S" shares shall not have the right to vote in the declaration of a dividend on the income shares. Subject to paragraphs (iii), (iv), (v) and (vi) below, at any general meeting on a show of hands every holder of "S" shares who is present in person and every person (not being himself a person entitled to vote) who is present as proxy for a holder of "S" shares shall have one vote and, save as otherwise provided in these Articles, on a poll every holder of "S" shares who is present in person or by proxy shall have five votes for every "S" share of which he is the holder, provided that:
  - (a) a person appointed as proxy in respect of an "S" share shall not be entitled to vote, either on a show of hands or on a poll, if the holder of "S" shares who appointed that person as his proxy in respect of that "S" share, or (in the case of a corporation) the duly authorised representative of such holder of "S" shares, exercises his right to vote in respect of that "S" share; and
  - (b) subject to paragraph (a) above, in the event that on a poll a holder of "S" shares is present both in person and by proxy his proxy (or, if he has appointed more than one, each of his proxies) shall have five votes for every "S" share in respect of which he has been appointed and the holder of "S" shares concerned shall have five votes for every "S" share of which he is the holder and in respect of which he has not appointed a proxy.
- (ii) Subject to Article 4.9, the Company shall not, without the previous sanction of an extraordinary resolution of the holders of the "S" shares passed at a separate meeting of

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Amended by Special Resolution passed on 18th December, 1995.

such holders convened and held in accordance with the provisions of these Articles:

- (A) issue any further shares (other than shares to be issued on the exercise of Warrants) or rights to subscribe for or to convert any securities into shares in the Company where such shares carry an entitlement or would on issue or conversion carry an entitlement to share in assets attributable to the new pool and rank or would on issue or conversion rank in priority to the "S" shares; or
- (B) pass a resolution releasing the Board from its obligation under Article 158.1(b) to convene an extraordinary general meeting at which a Liquidation Resolution will be proposed; or
- (C) pass a resolution to reduce the capital of the Company attributable to the new pool in any manner including any resolution authorising the Board to purchase or redeem shares in the Company using assets of the Company attributable to the new pool; or
- (D) pass a resolution (other than a Liquidation Resolution) for the voluntary winding-up of the Company; or
- (E) alter any object set out in the Memorandum of Association of the Company; or
- (F) pass any resolution which authorises the Board to pay a dividend or other distribution out of the capital reserves of the Company; or
- (G) pass a resolution for the capitalisation of any profits or reserves of a revenue nature of the Company attributable to the new pool; or
- (H) pass a resolution authorising a liquidator to distribute in specie assets of the Company attributable to the new pool on a winding-up of the Company; or
- (I) pass a resolution for the variation of the Company's investment policy as described in Article 4.13; or

- (J) pass a resolution under Article 109.2 sanctioning borrowings of the Company in excess of the limit imposed in that Article.
- (iii) Notwithstanding paragraphs (i) and (ii) above, the holders of the "S" shares shall not be entitled to vote on the special resolution referred to in Article 158.1(a) or on a Liquidation Resolution proposed in accordance with Article 158.1(a).
- (iv) Notwithstanding paragraphs (i) and (ii) above, if either:
  - (A) a Reconstruction Resolution is proposed as described in Article 158.5(a) which complies with Article 158.6(a)(ii); or
  - (B) a Recommended Resolution is or Recommended Resolutions are proposed relating to or intended to implement or facilitate any offer made as described in Article 158.5(b) which complies with Article 158.6(a)(ii),

then the holders of the "S" shares shall not be entitled to vote on any such Reconstruction Resolution or Recommended Resolution and Article 4.9 shall apply in relation to the holders of the "S" shares and shall continue to so apply unless and until the Directors shall determine that (as the case may be) the arrangement will not be implemented in accordance with its terms or the offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer.

- (v) Notwithstanding paragraphs (i) and (ii) above, if at the extraordinary general meeting to be held pursuant to Article 158.1(b) at which a Liquidation Resolution will be proposed, or at any other general meeting of the Company held within the period of 60 days ending on 24th August 2008, a resolution is proposed asking shareholders to sanction any form of arrangement (including, without limitation, any arrangement under section 110 of the Insolvency Act 1986) which:
  - (A) is recommended by the Directors and is stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole; and

- (B) entitles the holders of the "S" shares to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such holders would otherwise have been entitled on a winding-up of the Company as a result of the passing of a resolution for the voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2008 (ignoring any option any of them may be given to elect to receive their entitlement otherwise than in cash pursuant to the arrangement),

then the holders of the "S" shares shall not be entitled to vote on such Liquidation Resolution and Article 4.9 shall apply in relation to the holders of the "S" shares and shall continue to so apply unless and until the Directors shall determine that the arrangement will not be implemented in accordance with its terms.

- (vi) Notwithstanding paragraphs (i) and (ii) above, if any offer is made to all holders of the "S" shares (other than the offeror and/or persons acting in concert with the offeror) which:
  - (A) becomes or is declared unconditional in all respects during the period of 60 days ending on 24th August 2008;
  - (B) is recommended by the Directors and is stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole; and
  - (C) entitles the holders of the "S" shares to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such holders would otherwise have been entitled on a winding-up of the Company as a result of the passing of the a resolution for the voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2008 (ignoring any option any of them may be given to elect to receive an alternative consideration pursuant to the offer and whether or not the offer is accepted in any particular case),

then the holders of the "S" shares shall not be entitled to vote on any Recommended Resolution and Article 4.9 shall apply in relation to the holders of the "S" shares and shall continue to so apply unless and until the Directors shall determine that the aforementioned offer is unlikely to be honoured or the offeror breaches a material term of the offer or otherwise manifests an intention not to implement the offer.

- \*4.9 From such time and for so long as this Article 4.9 shall apply in relation to the holders of the income shares, the capital shares and/or the "S" shares, those holders to which this Article 4.9 applies shall not be entitled to vote at any general meeting of the Company (including any extraordinary general meeting convened pursuant to Article 158.1) and the previous sanction of an extraordinary resolution of those holders shall not be required in any case in which it would be otherwise required by these Articles provided that where, notwithstanding the foregoing, such sanction is required in any case by the Act, all such holders present in person or by proxy and entitled to vote and who vote in favour of any resolution or resolutions proposed in order to secure such a sanction which is or are recommended by the Directors shall collectively have such number of votes on a poll as is one more than the number of votes which are required to be cast on such poll for the resolution or resolutions to be carried.
- 4.10 Upon any consolidation or sub-division of any shares, references in these Articles to specific amounts payable upon a winding-up in respect of each such share shall be altered on the same basis as the alteration in nominal value of each such share in accordance with the report of the Auditors (required by the Directors for the purpose of this Article 4.10) as to the appropriate alteration, which report shall be conclusive.
- 4.11 Notwithstanding anything in these Articles to the contrary:
- (a) any vote on a Liquidation Resolution, an Income Release Resolution, a Capital Release Resolution, an "S" Share Exchange Resolution, a Reconstruction Resolution or a Recommended Resolution (and, unless the Chairman of the relevant meeting otherwise directs, any procedural resolution relating to or connected with any such resolutions) shall be by means of a poll;
  - (b) one of the rights attaching to the income shares, the capital shares and the "S" shares shall be that the passing and implementation of any Liquidation Resolution, Recommended Resolution or Reconstruction Resolution (or any resolution proposed by the

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\* Amended by Special Resolution passed on 18th December, 1995.

Chairman of the relevant meeting in respect of procedural matters relating to or connected with any of such resolutions) shall be in accordance with the rights attached to each such class, with the result that neither the passing nor the implementation of any such resolution shall be treated as varying, modifying or abrogating any of such rights of the holders of any such shares, and so that the consent or sanction of the holders of any such class of shares as a separate class shall not be required thereto.

- 4.12 (a) In respect of any arrangement as is referred to in Article 4.8(a)(iv), Article 4.8(b)(iv), Article 4.8(c)(v) or Article 158.5(a), any offer as is referred to in Article 4.8(a)(v), Article 4.8(b)(v), Article 4.8(c)(vi) or Article 158.5(b), any Recommended Resolution or any Reconstruction Resolution, the Directors shall be entitled, but not obliged, to include, or arrange for the inclusion of, a condition to the effect that any such offer, arrangement or resolution shall not be effective unless a given percentage or given percentages of the holders of shares of any class entitled to vote shall vote in favour of such resolution and/or unless a given percentage or given percentages of the holders of capital shares, income shares or "S" shares (or any of them) accept such offer and/or do not exercise any rights in respect of the same under section 111 of the Insolvency Act 1986 (or any equivalent or successor provision).
- (b) The percentage referred to in paragraph (a) above shall be such percentage as the Directors shall consider to be appropriate having regard to the potential size and viability of any successor company, trust or scheme and/or such other factors as the Directors may think fit.

- 4.13 Unless otherwise determined by ordinary resolution of the Company, the investment policy of the Company shall be to invest in utility stocks and shall be flexible and permit the Company to make investments, overseas as well as in the United Kingdom, in existing utility and related sectors, including water and sewerage companies, electricity, gas, telecommunications and ports, and in any new utility sectors which may arise, such as rail and roads.

- 4.14 In any case where the Auditors are required or requested to provide a report or determination, or to otherwise act, for the purposes of these Articles, they shall act as experts not arbitrators and their costs shall be borne by the Company.

## **5 Allotment**

- 5.1 Subject to the provisions of the Act and to any relevant authority of the Company in general meeting required by the Act, unissued shares at the



date of adoption of these Articles and any shares hereafter created shall be at the disposal of the Board, which may allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the Board may decide, provided that no share shall be issued at a discount.

- 5.2 Subject to the provisions of the Act and to any special rights for the time being attached to any existing shares, any share may be issued which is, or at the option of the Company or of the holder of such share is liable, to be redeemed on such terms and in such manner as these Articles may provide.

**6 Power to attach rights**

- 6.1 Subject to the provisions of the Act and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine.

**7 Share warrants to bearer**

- 7.1 The Company may, with respect to any fully paid shares, issue a warrant (a "share warrant") stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant.
- 7.2 The powers referred to in Article 7.1 may be exercised by the Board, which may determine and vary the conditions on which share warrants shall be issued, and in particular on which:
- (a) a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);
  - (b) the bearer of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at general meetings;
  - (c) dividends will be paid; and

- (d) a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares specified in it.

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto, whether made before or after the issue of such share warrant.

## **8 Commission and brokerage**

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

## **9 Trusts not to be recognised**

- 9.1 Except as otherwise expressly provided by these Articles, as required by law or as ordered by a court of competent jurisdiction, the Company shall not recognise any person as holding any share on any trust, and (except as aforesaid) the Company shall not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share except an absolute right of the holder to the whole of the share.

## **SHARE CERTIFICATES**

### **10 Right to certificates**

- 10.1 On becoming the holder of any share a person (except a recognised person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled to have issued, without charge and within two months after an allotment or the lodgment of a transfer (unless the terms of issue of the shares provide otherwise), one certificate under the Seal for all the shares of each class registered in his name. Such certificate shall specify the number, class, and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount or respective amounts paid up thereon and shall be issued as provided in Article 128.
- 10.2 On becoming the holder of an equal number of income shares and capital shares a person (except a recognised person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled (in lieu of his entitlement under Article 10.1) to have issued, without charge and within two months after an

allotment in equal numbers of income shares and capital shares, the lodgment of a transfer of package units (as defined below) or the surrender of the certificates for the underlying shares pursuant to Article 10.3, a certificate representing packages of income shares and capital shares (a "package unit certificate") registered in his name. Such a package unit certificate shall specify the number of income shares and capital shares represented by such certificate, their distinguishing numbers (if any) and the respective amounts paid up thereon. In these Articles, where the context permits, references to certificates shall include reference to package unit certificates and references to "package units" are to units each comprising one income share and one capital share.

- 10.3 Any member shall be entitled to surrender for cancellation package unit certificates and to request the Company to issue in lieu share certificates in respect of the underlying shares represented by the package unit certificates surrendered. Any member shall be entitled to surrender for cancellation certificates representing not less than 10,000 of each of income shares and capital shares held in equal numbers and to request the Company to issue in lieu a package unit certificate in respect of the package units represented by the certificates surrendered.
- 10.4 Nothing in these Articles shall prevent title to any shares or other securities of the Company from being evidenced and transferred without a written instrument in accordance with the Companies Act 1989. The Board shall have power to adopt and implement such procedures as it may think fit and as may accord with the Companies Act 1989 and any regulations made thereunder for recording and transferring title to shares or other securities and for the regulation of those procedures and the persons responsible for or involved in their operation and whether generally or in particular cases. References in these Articles to certificates for shares and instruments of transfer shall be construed accordingly.
- 10.5 If and so long as all the issued shares of the Company or all the issued shares of a particular class are fully paid up, then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.
- 10.6 The Company shall not be bound to issue more than one certificate in respect of shares held jointly by two or more persons. Delivery of a certificate to the person first named on the register shall be sufficient delivery to all joint holders.
- 10.7 Where a member (other than a recognised person) has transferred part only of the shares comprised in a certificate, he shall be entitled without charge to a certificate for the balance of such shares. Where a member (other than a recognised person) has transferred an unequal number of

income shares and capital shares comprised in a package unit certificate, he shall be entitled without charge to a package unit certificate for the balance of the income shares and capital shares held in equal numbers and a separate certificate for the further balance of shares held.

**11        Replacement certificates**

- 11.1        Any two or more certificates representing shares of any one class or representing package units held by any member may at his request be cancelled and a single new certificate for such shares or package units issued in lieu (without charge) on surrender of the original certificates for cancellation.
- 11.2        If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request.
- 11.3        Share certificates may be renewed or replaced on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out of pocket expenses incurred by the Company in investigating such evidence and preparing such indemnity and security as the Board may decide, and on surrender of the original certificate (where it is defaced or worn out), but without any further charge.
- 11.4        In the case of shares held jointly by several persons, any such request as is mentioned in this Article 11 may be made by any one of the joint holders.

**LIEN ON SHARES**

**12        Lien on shares not fully paid**

- 12.1        The Company shall have a first and paramount lien on any of its shares which are not fully paid for all amounts payable to the Company (whether presently or not) in respect of that share and to the extent and in the circumstances permitted by section 150 of the Act. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

**13        Enforcement of lien by sale**

- 13.1        The Board may sell all or any of the shares subject to any lien at such time or times and in such manner as it may determine. However, no sale shall be made until such time as the moneys in respect of which

such lien exists or some part thereof are presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof and giving notice of intention to sell in default shall have been served on the holder or the persons (if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for 14 clear days after service of such notice. For giving effect to any such sale, the Board may authorise some person to execute an instrument of transfer of the shares sold in the name and on behalf of the holder or the persons entitled by transmission in favour of the purchaser or as the purchaser may direct. The purchaser shall not be bound to see to the application of the purchase money, and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

#### **14        Application of proceeds of sale**

- 14.1        The net proceeds of any sale of shares subject to any lien, after payment of the costs, shall be applied in or towards satisfaction of so much of the amount due to the Company, or of the liability or engagement (as the case may be) as is presently payable or is liable to be presently fulfilled or discharged. The balance (if any) shall (on surrender to the Company for cancellation of the certificate for the shares sold, and subject to a like lien for any moneys not presently payable or any liability or engagement not liable to be presently fulfilled or discharged as existed on the shares before the sale) be paid to the holder or the person (if any) entitled by transmission to the shares so sold (without interest).

### **CALLS ON SHARES**

#### **15        Calls**

- 15.1        Subject to the terms of allotment of shares, the Board may from time to time make calls on 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 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 14 clear days' notice specifying when and where payment is to be made and whether or not by instalments) be liable to pay the amount of every call so made on him as required by the notice. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed or (as the case may require) any person to whom power has been delegated pursuant to these Articles serves notice of exercise of such power. A call may be required to be paid by instalments and may, before receipt by the Company of any sum due thereunder, be either revoked or postponed in

whole or part as regards all or any such members as the Board may determine. A person on whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call was made.

**16        Interest on calls**

- 16.1        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 all costs, charges and expenses that the Company may have incurred by reason of such non-payment, together with interest on the unpaid amount from the day appointed for payment thereof to the time of actual payment at the rate fixed by the terms of the allotment of the share or in the notice of the call or, if no rate is so fixed, at such rate, not exceeding 15 per cent. per annum (compounded on a six monthly basis), as the Board shall determine. The Board may waive payment of such costs, charges, expenses or interest in whole or in part.

**17        Rights of member when call unpaid**

- 17.1        Unless the Board otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at any general meeting, or at any separate meeting of the holders of any class of shares, either personally or (save as proxy for another member entitled to vote) by proxy, or be reckoned in a quorum, or to exercise any other right or privilege as a member in respect of the share held by him unless and until he shall have paid all calls for the time being due and payable in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) to the Company.

**18        Sums due on allotment treated as calls**

- 18.1        Any sum payable in respect of a share on allotment or at any fixed date, whether in respect of the nominal value of the share or by way of premium or as an instalment of a call, shall for all purposes of these Articles be deemed to be a call duly made. If it is not paid, the provisions of these Articles shall apply as if such amount had become due and payable on the date of allotment or on such fixed date by virtue of a call.

**19        Power to differentiate**

- 19.1        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 time of payment of calls.

**20            Payment in advance of calls**

- 20.1        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 on the shares held by him. Such payment in advance of calls shall extinguish pro tanto the liability on the shares on which it is made. The Company may pay interest on the money paid in advance, or so much of it as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, at such rate as the Board may decide but such payment in advance shall not entitle the holder of such shares to participate in respect of that amount in any dividend. The Board may at any time repay the amount so advanced on giving to such member not less than three months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the shares in respect of which it was advanced.

**21            Delegation of power to make calls**

- 21.1        If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate on such terms as it thinks fit to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys. The power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.

**22            Liability of joint holders**

- 22.1        The joint holders of a share shall be jointly and severally liable for the payment of all calls in respect thereof.

**FORFEITURE OF SHARES**

**23            Notice if call not paid**

- 23.1        If any member fails to pay the whole of any call or any instalment of any 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, requiring payment, on a date not less than 14 clear days' from the date of the notice, of the amount unpaid and any interest which may have accrued thereon and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where the payment is to

be made and state that, if the notice is not complied with, the shares in respect of which such call was made will be liable to be forfeited.

**24            Forfeiture for non-compliance**

- 24.1        If the notice referred to in Article 22, 23 is not complied with, any share in respect of which it was given may, at any time before the 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 moneys payable in respect of the forfeited shares and not paid before the forfeiture.

**25            Notice after forfeiture**

- 25.1        When any share has been forfeited, notice of the forfeiture shall be served on the person who was before forfeiture the holder of the share or the person entitled to such share by transmission (as the case may be). An entry of such notice having been given and of the forfeiture (with the date thereof) shall forthwith be made in the Register in respect of such share. However, no forfeiture shall be invalidated by any omission to give such notice or to make such entry as aforesaid.

**26            Forfeiture may be annulled**

- 26.1        The Board may, at any time before any share so forfeited has been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture, on the terms that payment shall be made of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.

**27            Surrender**

- 27.1        The Board may accept a surrender of any share liable to be forfeited. In such case references in these Articles to forfeiture shall include surrender.

**28            Disposal of forfeited shares**

- 28.1        Every share which shall be forfeited shall thereupon become the property of the Company. Subject to the provisions of the Act, any such share may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto or to any other person, on such terms and in such manner as the Board shall determine. The Board may, for the purposes of the disposal, authorise some person to transfer the share in question and may enter the name of the transferee in respect of the transferred share in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee. An



instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the share. The Company may receive the consideration (if any) given for the share on its disposal.

**29            Effect of forfeiture**

- 29.1        A shareholder whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited. He shall nevertheless be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon from the date of the forfeiture to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) claims, demands and liabilities which the Company might have enforced in respect of the shares at the time of forfeiture, without any reduction or allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

**30            Extinction of claims**

- 30.1        The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.

**31            Evidence of forfeiture**

- 31.1        A statutory declaration by a Director or the Secretary that a share has been forfeited in pursuance of these Articles, and stating the date on which it was forfeited, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated. The declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and a certificate for the share under the Seal delivered to the person to whom the same is sold or disposed of, shall (subject if necessary to the execution of an instrument of transfer) constitute a good title to the share. Subject to the execution of any necessary transfer, such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or disposal of the share. Such person shall not (except by express agreement with

the Company) become entitled to any dividend which might have accrued on the share before the completion of the sale or disposition thereof.

## **TRANSFER OF SHARES**

### **32        Form of transfer**

- 32.1        Subject to such of the restrictions of these Articles as may be applicable, each member may transfer all or any of his shares (which for the purpose of the provisions of these Articles regarding transfers shall include package units as defined in Article 10.2) by instrument of transfer in writing in any usual form or in any form approved by the Board. 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.

### **33        Right to refuse registration**

- 33.1        The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a share (or renunciation of a renounceable letter of allotment) unless:
- (a)        it is in respect of a share which is fully paid up or it is in respect of a package unit where the underlying income share and capital share are fully paid up;
  - (b)        it is in respect of a share over which the Company has no lien or it is in respect of a package unit where the Company has no lien over the underlying income share and capital share;
  - (c)        it is in respect of only one class of shares or of package units;
  - (d)        it is in favour of a single transferee or not more than four joint transferees;
  - (e)        it is duly stamped (if so required); and
  - (f)        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 or in the case of a renunciation) by the certificate for the shares or the package units to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or the renunciation by him

or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

Provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are listed on the London Stock Exchange on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

33.2 Transfers of shares will not be registered in the circumstances referred to in Article 76.

**34 Notice of refusal**

34.1 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 or actual fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.

**35 Closing of Register**

35.1 The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Board may from time to time determine. Notice of closure of the Register shall be given in accordance with the requirements of the Act.

**36 No fees on registration**

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

**37 Other powers in relation to transfers**

37.1 Nothing in these Articles shall preclude the Board:

- (a) from recognising a renunciation of the allotment of any share by the allottee in favour of some other person; or
- (b) if empowered by these Articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to Article 10.4.

## **TRANSMISSION OF SHARES**

### **38        On death**

- 38.1        If a member dies, the survivors or survivor, where he was a joint holder, and his executors or administrators, where he was a sole or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares. 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.

### **39        Election of person entitled by transmission**

- 39.1        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, on such evidence as to his title being produced as the Board may require, elect either to become registered as a member or to have some person nominated by him registered as a member. If he elects to become registered himself, he shall give notice to the Company to that effect. If he elects to have some other person registered, he shall execute an instrument of transfer of such share to 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. Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof cause the entitlement of that person to be noted in the Register.

### **40        Rights on transmission**

- 40.1        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 such share shall cease. However, the person so entitled may give a good discharge for any dividends and other moneys payable in respect of it and shall 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 to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares of the Company. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days, the Board may thereafter withhold payment of all dividends and other moneys payable

in respect of such share until the requirements of the notice have been complied with.

## DESTRUCTION OF DOCUMENTS

### 41 Destruction of documents

#### 41.1 The Company may destroy:

- (a) any instrument of transfer, after six years from the date on which it is registered;
- (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address, after two years from the date on which it is recorded;
- (c) any share certificate, after one year from the date on which it is cancelled; and
- (d) any other document on the basis of which any entry in the Register is made, after six years from the date on which an entry was first made in the Register in respect of it,

Provided that the Company may destroy any such type of document at a date earlier than that authorised by this Article if a copy of such document is retained on microfilm or other similar means which such copy is retained until the expiration of the period applicable to the destruction of the original of such document.

#### 41.2 It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled and that every other document so destroyed had been properly dealt with in accordance with its terms and was valid and effective in accordance with the particulars in the records of the Company, provided that:

- (a) this Article 41 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this Article 41 shall be construed as imposing on the Company any liability in respect of the destruction of any such document otherwise than as provided for in this Article 41 which would not attach to the Company in the absence of this Article 41; and

- (c) references in this Article 41 to the destruction of any document include references to the disposal of it in any manner.

## **ALTERATION OF SHARE CAPITAL**

### **42            Increase, consolidation, cancellation and sub-division**

42.1        The Company in general meeting may from time to time by ordinary resolution:

- (a)        increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (b)        consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c)        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; and
- (d)        subject to the provisions of the Act, sub-divide its shares or any of them into shares of smaller amount, and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

### **43            Fractions**

43.1        Whenever as the result of any consolidation, division or sub-division of shares any difficulty arises, the Board may settle it as it thinks fit and in particular (but without prejudice to the generality of the foregoing) where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share and as a result of such consolidation such holder would become entitled to a fraction of a consolidated share:

- (a)        the Board may determine which of the shares of such holder are to be treated as giving rise to such fractional entitlement and may decide that any of those shares shall be consolidated with any of the shares of any other holder or holders which are similarly determined by it to be treated as giving rise to a fractional entitlement for such other holder or holders, into a single consolidated share and the Board may, on behalf of all such holders, sell such consolidated share for the best price reasonably obtained to any person (including the Company) and

distribute the net proceeds of sale after deduction of the expenses of sale in due proportion among those holders (except that any amount otherwise due to a holder, 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); or

- (b) provided that the necessary unissued shares are available, the Board may issue to such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding to an exact multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been effected prior to consolidation); and the amount required to pay up such shares shall be appropriated at the Board's discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up the share.

- 43.2 For the purposes of any sale of consolidated shares pursuant to Article 43.1, the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with, the directions of the purchaser, and the transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

#### **44      Reduction of capital**

- 44.1 Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve or share premium account in any manner.

#### **45      Purchase of own shares**

- 45.1 Subject to the provisions of the Act and to any rights for the time being attached to any shares, the Company may purchase any of its own shares of any class (including any redeemable shares). Any shares to be so purchased may be selected in any manner whatsoever, 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 equity share capital of the Company (other than those which are only convertible into shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution), then no such purchase shall take place unless it has been sanctioned by an extraordinary resolution passed at a separate general meeting (or

meetings if there is more than one class) of the holders of such class of convertible shares.

## VARIATION OF CLASS RIGHTS

### 46 Sanction to variation

- 46.1 If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise).

### 47 Class meetings

- \*47.1 Save as provided in this Article 47.1, all the provisions in these Articles as to general meetings shall mutatis mutandis apply to every meeting of the holders of any class of shares. The quorum at every such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class. Every holder of shares of the class, present in person or by proxy, may demand a poll. At any meeting of the holders of any class of shares on a show of hands every holder of shares of the class who is present in person and every person (not being himself a person entitled to vote) who is present as proxy for a holder of shares of the class shall have one vote and, save as otherwise provided in these Articles, on a poll every holder of shares of the class who is present in person or by proxy shall have one vote for every share of the class of which he is the holder, provided that:

- (a) a person appointed as proxy in respect of a share of the class shall not be entitled to vote, either on a show of hands or on a poll, if the holder of shares of the class who appointed that person as his proxy in respect of that share, or (in the case of a corporation) the duly authorised representative of such holder of shares of the class, exercises his right to vote in respect of that share; and

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\* Amended by Special Resolution passed on 18th December, 1995.



- (b) subject to paragraph (a) above, in the event that on a poll a holder of shares of the class is present both in person and by proxy his proxy (or, if he has appointed more than one, each of his proxies) shall have one vote for every share of the class in respect of which he has been appointed and the holder of shares of the class concerned shall have one vote for every share of the class of which he is the holder and in respect of which he has not appointed a proxy.

If at any adjourned meeting of such holders such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum.

## **GENERAL MEETINGS**

### **48      Annual general meetings**

- 48.1      Subject to the provisions of the Act, annual general meetings shall be held at such time and place as the Board may determine.

### **49      Extraordinary general meetings**

- 49.1      All general meetings, other than annual general meetings, shall be called extraordinary general meetings.

### **50      Convening of extraordinary general meeting**

- 50.1      The Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 368 of the Act. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not within the United Kingdom sufficient members of the Board to convene a general meeting, any Director may call a general meeting.

### **51      Notice of general meetings**

- 51.1      An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution shall be convened by not less than 21 clear days' notice in writing. All other extraordinary general meetings shall be convened by not less than 14 clear days' notice in writing.
- 51.2      Subject to the provisions of the Act, and notwithstanding that it is convened by shorter notice than that specified in this Article 51, a general meeting shall be deemed to have been duly convened if it is so agreed:

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

51.3 The notice shall specify:

- (a) whether the meeting is an annual general meeting or an extraordinary general meeting;
- (b) the place, the day and the time of the meeting;
- (c) in the case of special business, the general nature of that business;
- (d) if the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution as such; and
- \*(e) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member.

51.4 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.

## **52 Omission to send notice**

52.1 The accidental omission to send a notice of meeting or, in cases where it is intended that it be 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 that meeting.

## **53 Special business**

53.1 All business that is transacted at a general meeting shall be deemed special, except the following transactions at an annual general meeting:

- (a) the declaration of dividends;

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\* Amended by Special Resolution passed on 18th December, 1995.

- (b) the receipt and consideration of the annual accounts and the reports of the Directors and the Auditors;
- (c) the election or re-election of Directors;
- (d) the re-appointment of the Auditors retiring (unless they were last appointed otherwise than by the Company in general meeting) and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **54      Quorum**

- 54.1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

### **55      If quorum not present**

- 55.1 If within 15 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, one person entitled to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

### **56      Chairman**

- 56.1 The Chairman of the Board shall preside at every general meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the meeting, or shall be unwilling to act as Chairman, the Deputy Chairman (if any) of the Board shall, if present and willing to act, preside at such meeting. If no Chairman or Deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If there be no Director present and willing to act, the

members present and entitled to vote shall choose one of their number to be Chairman of the meeting.

**57        Director may attend and speak**

- 57.1        A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company.

**58        Power to adjourn**

- 58.1        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 (or indefinitely) and from place to place as the meeting shall determine. However, 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.

**59        Notice of adjourned meeting**

- 59.1        Where a meeting is adjourned indefinitely, the Board shall fix the time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

**60        Business of adjourned meeting**

- 60.1        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.

## **VOTING**

**61        Method of voting**

- 61.1        At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the

result of the show of hands) a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded by:

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

## **62      Chairman's declaration conclusive on show of hands**

- \*62.1 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

## **63      Objection to error in voting**

- 63.1 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 given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

## **64      Amendment to resolutions**

- 64.1 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the

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Amended by Special Resolution passed on 18th December, 1995.

meeting, any error in such ruling shall not invalidate the proceedings on the substantive resolution.

- 64.2 In the case of a resolution duly proposed as a special or extraordinary resolution, no amendment thereto (other than an amendment to correct a patent error) may in any event be considered or voted on and in the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted on unless either at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office or the Chairman of the meeting in his absolute discretion decides that it may be considered or voted on.

**65 Procedure on a poll**

- 65.1 Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith. A poll duly demanded on any other matter shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman shall direct. 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 clear days' notice shall be given specifying the time and place at which the poll is to be taken. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 65.2 The demand for a poll (other than on the election of a Chairman or any question of adjournment) shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded. If a poll is demanded before the declaration of the result on a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 65.3 The demand for a poll may, before the poll is taken, be withdrawn, but only with the consent of the Chairman. A demand so withdrawn shall validate the result of a show of hands declared before the demand was made.
- \*65.4 On a poll votes may be given in person or by proxy, or both personally and by proxy in accordance with these Articles. A member entitled to

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\* Amended by Special Resolution passed on 18th December, 1995.

more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

- \*65.5 A proxy shall, notwithstanding that he is not a member, be entitled to speak at any general meeting and at any separate general meeting of the holders of any class of shares of the Company at which the member appointing such proxy would have been entitled to speak.

## **66 Votes of members**

- \*\*66.1 Subject to the provisions of the Act, to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to these Articles, at any general meeting on a show of hands every member entitled to vote who is present in person and every person (not being himself a member entitled to vote) who is present as proxy for a member entitled to vote shall have one vote and on a poll every member entitled to vote who is present in person or by proxy shall have one vote for every share of any class of which he is the holder, provided that:

- (a) a person appointed as proxy in respect of a share shall not be entitled to vote, either on a show of hands or on a poll, if the member who appointed that person as his proxy in respect of that share, or (in the case of a corporation) the duly authorised representative of such member, exercises his right to vote in respect of that share; and
- (b) subject to paragraph (a) above, in the event that on a poll a member is present both in person and by proxy his proxy (or, if he has appointed more than one, each of his proxies) shall have one vote for every share of any class in respect of which he has been appointed and the member concerned shall have one vote for every share of any class of which he is the holder and in respect of which he has not appointed a proxy.

- 66.2 If two or more persons are joint holders of a share, then in voting on any question 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. For this purpose seniority shall be determined by the order in which the names of the holders stand in the Register.

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\* Inserted by Special Resolution passed on 18th December, 1995.

\*\* Amended by Special Resolution passed on 18th December, 1995.

\*66.3 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Board may in its absolute discretion, on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person to vote in person and/or by proxy in accordance with these Articles on behalf of such member at any general meeting. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.

**67        Casting vote**

67.1 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote in addition to any other vote that he may have.

**68        Restriction on voting rights for unpaid calls etc.**

68.1 No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares, either in person or (save as proxy for another member entitled to vote) by proxy, in respect of any share held by him or to exercise any other right or privilege as a member unless and until all calls or other sums presently payable by him in respect of that share whether alone or jointly with some other person together with interest and expenses (if any) have been paid to the Company.

**69        Voting by proxy**

69.1 Any person (whether a member of the Company or not) may be appointed to act as a proxy. The deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.

\*\*69.2 A member who holds more than one share may vote in person in respect of some shares and by proxy in respect of others and a member

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\* Amended by Special Resolution passed on 18th December, 1995.

\*\* Inserted by Special Resolution passed on 18th December, 1995.



exercising the right to vote by proxy in respect of more than one share may appoint different persons to attend and vote on his behalf on the same occasion in respect of different parts of his holding provided that the aggregate number of votes cast by or on behalf of a member may not exceed the number of votes to which he is entitled by virtue of the number of shares registered in his name.

- \*69.3 For the purposes of these Articles, an appointment of several persons in the alternative as proxy in respect of a particular share or shares shall not be regarded as an appointment of more than one person as proxy in respect of the share or shares in question.
- \*69.4 If, in relation to the exercise by a member of his right to vote both in person and by proxy, and/or his right to appoint more than one proxy, in respect of different parts of his holding, any question shall arise as to whether any particular person or persons has or have been validly appointed as his proxy or proxies to vote in respect of any particular part or parts of his holding (whether by reason of the aggregate number of shares comprised in instruments of proxy deposited by him exceeding the number of shares held by him or for any other reason), such question shall be determined by the Chairman who in making such determination (which may include the rejection of a particular instrument or particular instruments of proxy as invalid) shall act in what he considers on the information available to him and in his absolute discretion to be the manner in which such member would have wished him to act.

## **70        Form of proxy**

- 70.1        An instrument appointing a proxy shall:
- (a)        be in writing in any common form or in such other form as the Board may approve, under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, under its common seal or under the hand of some officer or attorney duly authorised in that behalf;
  - (b)        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 the meeting for which it is given, as the proxy thinks fit, but shall not confer any further right to speak at the meeting, except with the permission of the Chairman (or as otherwise determined by the Board where the relevant shares are held by a Depositary);

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Inserted by Special Resolution passed on 18th December, 1995.

- (c) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates; and
- (d) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of any such meetings.

## **71        Deposit of proxy**

71.1        The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the Board shall:

- (a) be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 hours before the time of the holding of the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chairman of the meeting or to any Director;

and an instrument of proxy not deposited or delivered in a manner so permitted shall be invalid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.

## **72        More than one proxy may be appointed**

\*72.1        A member may appoint more than one proxy (up to a maximum of one proxy in respect of each share held by that member) to attend on the same occasion but so that a member holding only one share may only appoint one proxy.

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\*        Amended by Special Resolution passed on 18th December, 1995.

**73            Board may supply proxy cards**

- 73.1        The Board may at the expense of the Company send, by post or otherwise, instruments of proxy (reply-paid or otherwise) to members for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall, subject to Article 52, be issued to all (and not some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

**74            Revocation of proxy**

- 74.1        A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as has been appointed for the deposit of instruments of proxy, at least 48 hours before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.

**75            Corporate representative**

- 75.1        A corporation (whether or not a company within the meaning of the Act) which is a member may, by resolution of its directors or other governing body, authorise such person (or if, but only if, such corporation is a Depositary voting in its capacity as such, persons) as it thinks fit to act as its representative (or, as the case may be, representatives) at any meeting of the Company or at any separate meeting of the holders of any class of shares. Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation (in respect of that part of the corporation's holdings to which the authority relates) as the corporation could exercise if it were an individual member. The corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present 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.

76.1 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", which expression includes any shares issued after the date of such notice in light of those shares") to give the Company the information thereby required (or, in the case of a Depositary, the information referred to in Article 76.5) within the prescribed period from the service of the notice, the following sanctions shall apply unless the Board otherwise determines:

- \*(a) the member shall not be entitled in respect of the default shares 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 on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (b) where the default shares represent at least 0.25 per cent. of their class:
  - (i) any dividend (including shares issued in lieu of a 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
  - (ii) 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.

76.2 Where the sanctions under Article 76.1 apply in relation to any shares, they shall cease to have effect (and any dividends withheld under Article 75.1(b) shall become payable):

- (a) if the shares are transferred by means of an excepted transfer or by means of any other transfer approved for registration by the Board but only in respect of the shares transferred; or

- (b) at the end of the period of one week (or such shorter period as the Board may determine) following receipt by the Company of the information required by the notice mentioned in that paragraph and the Board being fully satisfied that such information is full and complete.

76.3 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 Article 76.1.

76.4 Where default shares in which a person appears to be interested are held by a Depositary, the provisions of this Article 76 shall be treated as applying only to those shares held by the Depositary in which such person appears to be interested and not (insofar as such person's apparent interest is concerned) to any other shares held by the Depositary.

76.5 Where the member on which a notice under section 212 of the Act is served is a Depositary acting in its capacity as such, the obligations of the Depositary as a member of the Company shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by it pursuant to the arrangements entered into by the Company or approved by the Directors pursuant to which it was appointed as a Depositary.

76.6 For the purposes of this Article 76:

- (a) 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;
- (b) "interested" shall be construed as it is for the purpose of section 212 of the Act;
- (c) 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 reference (i) to his having failed or refused to give all or any part of it and (ii) 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;

- (d) the "prescribed period" means 14 days;
- (e) an "excepted transfer" means, in relation to any shares held by a member:
  - (i) a transfer by way of or pursuant to acceptance of a takeover offer for the Company (within the meaning of section 428 of the Act);
  - (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
  - (iii) 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.

76.7 Nothing contained in this Article 76 shall be taken to limit the powers of the Company under section 216 of the Act.

## **UNTRACED MEMBERS**

### **77      Power of sale**

77.1 The Company shall be entitled to sell at the best price reasonably obtainable any share of a member, or any share to which a person is entitled by transmission, if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in sub-paragraph (b) below (or, if published on different dates, the earlier or earliest thereof) no cheque, order or warrant in respect of such share 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 the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person, provided that during such period of 12 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;

- (b) on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements in two newspapers of which one shall be a national daily newspaper published in the United Kingdom and the other shall be a newspaper circulating in the area of the address on the Register or other last known address of the member or the person entitled by transmission to the share or the address for the service of notices notified under Article 150.3;
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other;
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and
- (e) the Company has given notice to the London Stock Exchange of its intention to make such sale, if shares of the class concerned are listed or dealt in on that exchange.

77.2 To give effect to any sale of shares pursuant to this Article 77 the Board may authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect thereof and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

77.3 If during the period of 12 years referred to in Article 77.1, or during any period ending on the date when all the requirements of paragraphs (a) to (d) of Article 77.1 have been satisfied, any additional shares have been issued in respect of those held at the beginning of, or previously so issued during, any such period and all the requirements of paragraphs (b) to (d) of Article 77.1 have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.

**78            Application of proceeds of sale**

- 78.1        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 to, and not a trustee for, such member or other person in respect of such moneys. 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 to such member or other person in respect of such moneys and the Company shall not be required to account for any money earned on them.

**APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

**79            Number of Directors**

- 79.1        Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be not more than ten or less than two.

**80            Power of Company to appoint Directors**

- 80.1        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 the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

**81            Power of Board to appoint Directors**

- 81.1        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 the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles. Any Director so appointed shall retire at the annual general meeting of the Company next following such appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

**82            Appointment of executive Directors**

- 82.1        Subject to the provisions of the Act, 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 Act) and subject to such other conditions as the Board



thinks fit in accordance with Article 105. The Board may revoke or terminate any such appointment without prejudice to any claim for damages for breach of contract between the Director and the Company.

**83      Eligibility of new Directors**

- 83.1      No person, other than a Director retiring (by rotation or otherwise), shall be appointed or re-appointed a Director at any general meeting unless:
- (a)      he is recommended by the Board; or
  - (b)      not less than seven nor more than 42 clear days before the date appointed for the meeting, notice duly executed 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 re-appointment, stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed or re-appointed, is lodged at the Office.

**84      Share qualification**

- 84.1      A Director shall not be required to hold any shares of the Company.

**85      Resolution for appointment**

- 85.1      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 general meeting without any vote being given against it.

**86      Retirement**

- 86.1      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. If there are fewer than three Directors who are subject to retirement by rotation, one Director shall retire from office.

**87      Directors subject to retirement by rotation**

- 87.1      Subject to the provisions of the Act and of these Articles, the Directors to retire by rotation at each annual general meeting 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 re-appointment. As between two or more Directors 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.

**88        Position of retiring Director**

- 88.1        A Director who retires at an annual general meeting (whether by rotation or otherwise) may, if willing to act, be re-appointed. If he is not re-appointed or deemed to have been re-appointed, 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.

**89        Deemed re-appointment**

- 89.1        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 re-appointed unless it is expressly resolved not to fill the vacancy or a resolution for the re-appointment of the Director is put to the meeting and lost.

**90        Removal by ordinary resolution**

- 90.1        In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove any Director before the expiration of his period of office, but 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 re-appointed a Director.

**91        Vacation of office by Director**

- 91.1        Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these Articles, the office of a Director shall be vacated if:
- (a)        he resigns by notice in writing delivered to the Secretary at the Office or tendered at a Board meeting;

- (b) he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to these Articles or becomes prohibited by law from being a Director;
- (c) 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;
- (d) 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 or receiver 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;
- (e) 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 (within 2 months of the date of the last meeting from which he and such alternate Director were absent during such period) that his office be vacated.

## **92      Resolution as to vacancy conclusive**

- 92.1      A resolution of the Board declaring a Director to have vacated office under the terms of Article 91 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

## **ALTERNATE DIRECTORS**

## **93      Appointments**

- 93.1      Each 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 any other Director or any person approved for that purpose by the Board and willing to act, to be his alternate.
- 93.2      No appointment of an alternate Director shall be effective until his consent to act as a Director in the form prescribed by the Act has been received at the Office.

- 93.3 An alternate Director need not hold a share qualification and shall not be counted in reckoning any maximum number of Directors allowed by these Articles.

**94 Participation in Board meetings**

- 94.1 Every alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive 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.

**95 Alternate Director responsible for own acts**

- 95.1 Every person acting as an alternate Director 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.

**96 Interests of alternate Director**

- 96.1 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director. However, he shall not be entitled to receive from the Company any fees for his services as alternate, except only such part (if any) of the fee payable to his appointor as such appointor may by notice in writing to the Company direct. Subject to this Article, the Company shall pay to an alternate Director such expenses as might properly have been paid to him if he had been a Director.

**97 Revocation of appointment**

- 97.1 An alternate Director shall cease to be an alternate Director:
- (a) if his appointor revokes his appointment; or
  - (b) if his appointor ceases for any reason to be a Director, provided that if any Director retires but is re-appointed or deemed to be re-appointed at the same meeting, any valid appointment of an alternate Director which was in force immediately before his retirement shall remain in force; or

- (c) if any event happens in relation to him which, if he were a Director otherwise appointed, would cause him to vacate office.

## **DIRECTORS' REMUNERATION, EXPENSES AND PENSIONS**

### **98        Directors' fees**

- 98.1        The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine not to exceed £60,000 in any financial year, to be divided among the Directors as the Board may see fit, or such greater sum as may be determined from time to time by the Company in general meeting. Any fees payable pursuant to this Article shall be distinct from and shall not include any salary, remuneration for an executive office or other amounts payable to a Director pursuant to any other provisions of these Articles and shall accrue from day to day.

### **99        Expenses**

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

### **100       Additional remuneration**

- 100.1       If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director (and not in his capacity as a holder of employment or an executive office), he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

### **101       Remuneration of executive Directors**

- 101.1       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.

### **102       Pensions**

- 102.1       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 (whether 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 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) and 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. 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.

## **POWERS AND DUTIES OF THE BOARD**

### **103      Powers of the Board**

- 103.1      Subject to the provisions of the Act, 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. 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.

### **104      Powers of Directors being less than minimum number**

- 104.1      If the number of Directors is less than the minimum for the time being prescribed by these Articles, the remaining Director shall act only for the purposes of appointing an additional Director to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there is no Director able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional 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.

### **105      Powers of executive Directors**

- 105.1      The Board may from time to time:

- (a) delegate or entrust to and confer on any Director holding executive office (including a Managing Director) such of its powers, authorities and discretions (with power to sub-delegate) for such time, on such terms and subject to such conditions as it thinks fit; and
- (b) revoke, withdraw, alter or vary all or any of such powers.

**106      Delegation to committees**

106.1      The Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) for such time on 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) a majority of the members of a committee shall be Directors; and
- (b) no resolution of a committee shall be effective unless a majority of those present when it is passed are Directors or alternate Directors.

106.2      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 any of such powers and discharge any such committee in whole or in part. Insofar as any power, authority or discretion is so delegated, any reference in these Articles to the exercise by the Board of such power, authority or discretion shall be construed as if it were a reference to the exercise of such power, authority or discretion by such committee.

**107      Power of attorney**

107.1      The Board may by power of attorney 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, on 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 any of such powers.

**108      Exercise of voting power**

108.1      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).

**109        Borrowing powers**

109.1        Subject as provided in this Article 109, 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 Act, 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.

109.2        The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiaries so as to procure (as regards its subsidiaries in so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding in respect of moneys borrowed or secured 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 an amount equal to the Adjusted Capital and Reserves.

109.3        For the purposes only of this Article 109:

- (a)        "the Adjusted Capital and Reserves" means a sum equal to the aggregate from time to time of:
  - (i)        the amount paid up (or credited as paid up) on the allotted or issued share capital of the Company; and
  - (ii)       the amount standing to the credit of the capital and revenue reserves, whether or not distributable (including, without limitation, any share premium account or capital redemption reserve), 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:

- (iii)       making such adjustments as may be appropriate to reflect:
  - (1)       any variation in the amount of the paid up share capital, the share premium account or the capital



redemption reserve since the date of the relevant balance sheet and so that for the purpose of making such adjustments, 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 the premium) of the subscription monies payable in respect thereof (not being monies payable later than six 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);

- (2) any variation since the date of the relevant balance sheet of the companies comprising the Group;

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

- (1) amounts attributable to the proportion of the issued equity share capital of any subsidiary which is not attributable, directly or indirectly, to the Company;
- (2) any sum set aside for taxation (other than deferred taxation);

(v) deducting:

- (1) sums equivalent to the book values of goodwill and other intangible assets shown in the relevant balance sheet; and
- (2) the amount of any distribution declared, recommended or made by any Group company to a person other than a Group company out of profits accrued up to and including the date of (and not provided for in) the relevant balance sheet;

- (b) "cash deposited" means an amount equal to the aggregate of the amounts beneficially owned by Group companies which are deposited for the time being with any bank or other person (not being a Group company) and which are repayable to any Group company on demand or within three months of such demand, subject, in the case of amounts deposited by a partly-owned subsidiary, to the exclusion of a proportion thereof equal to the proportion of its issued equity share capital which is not attributable, directly or indirectly, to the Company;

- (c) "Group" means the Company and its subsidiaries from time to time;
- (d) "Group company" means any company in the Group;
- (e) "moneys borrowed" include not only moneys borrowed but also the following except in so far as otherwise taken into account:
  - (i) the nominal amount of any issued share capital and the principal amount of any debenture or borrowings of any 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 a Group company;
  - (ii) the principal amount raised by any Group company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house (not being a Group company) other than acceptances and acceptance credits relating to the purchase of goods or services in the ordinary course of business and outstanding for six months or less;
  - (iii) the principal amount of any debenture (whether secured or unsecured) of any Group company owned otherwise than by a Group company;
  - (iv) the principal amount of any preference share capital of any subsidiary owned otherwise than by a Group company; and
  - (v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but any premium payable on final repayment of an amount not to be taken into account as moneys borrowed shall not be taken into account);

but do not include:

- (vi) moneys borrowed by any Group company for the purpose of repaying, within six months of being first borrowed, the whole or any part of any moneys borrowed and then outstanding (including any premium payable on final repayment) of that or any other Group company pending their application for such purpose within that period; and

- (vii) notwithstanding sub-paragraphs (i) to (v) above, the proportion of moneys borrowed by a Group company (and not owing to another Group company) which is equal to the proportion of its issued equity share capital not attributable, directly or indirectly, to the Company;

and in sub-paragraphs (vi) and (vii) above references to amounts of moneys borrowed include references to amounts which, but for the exclusion under those sub-paragraphs, would fall to be included;

- (f) "relevant balance sheet" means the latest published audited consolidated balance sheet of the Group but, where the Company has no subsidiaries, it means the balance sheet and profit and loss account of the Company and where the Company has subsidiaries but there are no consolidated accounts of the Group, it means the respective balance sheets and profit and loss accounts of the companies comprising the Group;
- (g) "subsidiary" has the meaning given to it in the Act except that it shall also include a subsidiary undertaking (within the meaning of the Act) (except a subsidiary undertaking which is excluded from consolidation by virtue of the provisions of Section 229 of the Act); and "Group" and "Group company" shall, in such case, be construed so as to include subsidiary undertakings (except a subsidiary undertaking which is excluded from consolidation as aforesaid) and "equity share capital" shall be construed in relation to a subsidiary undertaking without share capital in the same manner as "shares" are defined in relation to an undertaking without share capital under section 259(2)(b) and (c) of the Act).

109.4 When the aggregate amount of moneys borrowed required to be taken into account for the purposes of this Article 109 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:

- (a) at the rate of exchange used for the conversion of that currency in the relevant balance sheet; or
- (b) if no rate was so used, at the middle market rate of exchange prevailing at the close of business in London on the date of that balance sheet; or
- (c) where the repayment of such moneys is expressly covered by a forward purchase contract, currency option, back-to-back loan, swap or other arrangements taken out and 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.

109.5 A report or certificate of the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed falling to be taken into account for the purposes of this Article 109 or to the effect that the limit imposed by this Article 109 has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions shall be conclusive evidence of the amount or of that fact. Nevertheless, the Board may at any time act in reliance on a bona fide estimate of the amount of the Adjusted 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 60 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.

109.6 No debt incurred or security given in respect of moneys borrowed in excess of the limit imposed by this Article 109 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.

## **PROCEEDINGS OF DIRECTORS AND COMMITTEES**

### **110 Board meetings**

110.1 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.

### **111 Notice of Board meetings**

111.1 One Director may, and the Secretary at the request of a Director shall, summon a Board meeting at any time. A Director may waive the requirement that notice be given to him of any Board meeting, either prospectively or retrospectively. Notice of a Board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for that purpose. It

shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has requested the Board in writing that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom notified to the Company for this purpose, but he shall not, in such event, be entitled to a longer period of notice than if he had been present in the United Kingdom at that address.

**112      Quorum**

- 112.1      The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be two persons, each being a Director or an alternate Director. 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.

**113      Chairman of Board**

- 113.1      The Board may appoint one or more of its body Chairman or Joint Chairman and one or more of its body Deputy Chairman of its meetings and may determine the period for which he is or they are to hold office and may at any time remove him or them from office. If no such Chairman or Deputy Chairman is elected, or if at any meeting neither a Chairman nor a Deputy Chairman is present within five minutes of the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. In the event of two or more Joint Chairmen or, in the absence of a Chairman, two or more Deputy Chairmen being present, the person to act as Chairman of the meeting shall be decided by those Directors present. Any Chairman or Deputy Chairman may also hold executive office.

**114      Voting**

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

**115      Participation by telephone**

- 115.1      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, or by a series of telephone calls from the Chairman of the 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. Such a meeting shall be deemed to take

place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the Chairman of the meeting then is.

**116      Resolution in writing**

116.1      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 the members of a committee of the Board for the time being entitled to receive notice of such committee meeting and not being less than a quorum of that committee, 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). Such a resolution:

- (a)      may consist of several documents in the same form each executed by one or more of the Directors or members of the relevant committee, including executions evidenced by means of facsimile transmission;
- (b)      need not be signed by an alternate Director if it is signed by the Director who appointed him;
- (c)      if signed by an alternate Director, need not also be signed by his appointor; and
- (d)      to be effective, need not be signed by a Director who is prohibited by these Articles from voting thereon, or by his alternate Director.

**117      Proceedings of committees**

117.1      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 the Board may prescribe and subject thereto shall be governed by such of these Articles as regulate the proceedings of the Board as are capable of applying.

**118      Minutes of proceedings**

118.1      The Board shall cause minutes to be made in books kept for the purpose of recording:

- (a)      all appointments of officers and committees made by the Board and of any such officer's salary or remuneration; and
- (b)      the names of Directors present at every meeting of the Board, of a committee of the Board, of the Company or of the holders of

any class of shares or debentures of the Company, and all orders, resolutions and proceedings of such meetings.

- 118.2 Any such minutes, 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.

**119 Validity of proceedings**

- 119.1 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 Director or member of a committee and entitled to vote.

**DIRECTORS' INTERESTS**

**120 Director may have interests**

- 120.1 Subject to the provisions of the Act and provided that Article 121 is complied with, a Director, notwithstanding his office:
- (a) 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;
  - (b) 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 for 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;
  - (c) may be a director or other officer, or employed by, 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

- (d) 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.

## **121        Disclosure of interests to Board**

121.1        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:

- (a) 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
- (b) 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.

## **122        Interested Director not to vote or count for quorum**

122.1        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 any proposal whatsoever to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of section 346 of the Act) is to his knowledge a material interest or otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters:

- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;



- (b) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (d) any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder, or otherwise, provided that he (together with persons connected with him within the meaning of section 346 of the Act) does not have an interest (as the term is used in Part VI of the Act) in one per cent. or more of the issued equity share capital of any class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- (e) any proposal relating to a pension fund, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which either (i) has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes or (ii) does not award him any privilege or benefit not awarded to the employees to whom such scheme relates; or
- (f) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors.

## **123      Director's interest in own appointment**

- 123.1      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.

In such case each of the Directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

**124      Chairman's ruling conclusive on Director's interest**

124.1      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. The Chairman's ruling in relation to the Director concerned shall be final and conclusive.

**125      Directors' resolution conclusive on Chairman's interest**

125.1      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.

**126      Company may suspend or relax provisions**

126.1      Subject to the provisions of the Act, the Company may by ordinary resolution suspend or relax the provisions of Articles 120 to 125, either generally or in respect of any particular matter, or ratify any transaction not duly authorised by reason of a contravention of these Articles.

**127      Definitions**

127.1      For the purposes of Articles 120 to 127:

- (a)      an interest of a person who is for the purposes of the Act connected (which word shall have the meaning given to it by section 346 of the Act) with a Director shall be treated as an interest of the Director; and
- (b)      in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director in addition to any interest which the alternate Director otherwise has.

## **THE SEAL**

### **128      Safe Custody and Application of Seal**

- 128.1      The Board shall provide for safe custody of the seal and of any other seal of the Company. The Seal shall be used only by the authority of a resolution of the Board or of a committee of the Board so authorised. The Board may determine whether any instrument to which the Seal is affixed shall be signed and, if it is to be signed, who shall sign it and by what means. The Board may also determine, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical or other means. Unless otherwise so determined:
- (a)      share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the Seal in respect of any debentures or other securities need not be signed and any signature may be affixed to or printed on any such certificate by any means approved by the Board; and
  - (b)      every other instrument to which the Seal is affixed shall be signed by one Director and by the Secretary or by two Directors.
- 128.2      Every certificate or share warrant shall be issued either under the Seal (which may be affixed to it or printed on it by mechanical or other means) or in such other manner as the Board, having regard to the terms of issue, the Act and the regulations of the London Stock Exchange, may authorise; all references in these Articles to the Seal shall be construed accordingly.

### **129      Deed without sealing**

- 129.1      A document signed by a Director and by the Secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company as a deed shall have the same effect as if it were executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of a resolution of the Board or of a committee of the Board authorised in that behalf. An instrument or document which is executed by the Company as a deed shall not be deemed to be delivered by the Company solely as a result of it having been executed by the Company.

### **130      Official seal for use abroad**

- 130.1      Subject to the provisions of the Act, the Company may have an official seal for use in any place abroad.

## **THE SECRETARY**

### **131      The Secretary**

- 131.1      Subject to the provisions of the Act, 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 on such terms and conditions as it thinks fit and such person so appointed may be removed by the Board.
- 131.2      Any provision of the Act 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 place of, the Secretary.

## **DIVIDENDS AND OTHER PAYMENTS**

### **132      Declaration of dividends**

- 132.1      Subject to the provisions of the Act and of these Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. The Board shall propose a separate ordinary resolution for the declaration of a dividend in respect of profits of the Company attributable to the first pool and a separate ordinary resolution for the declaration of a dividend in respect of profits of the Company attributable to the new pool.

### **133      Interim dividends**

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

**134      Entitlement to dividends**

- 134.1      Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.

**135      Calls or debts may be deducted from dividends**

- 135.1      The Board may deduct from any dividend or other money 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 the shares of the Company.

**136      Distribution in specie**

- 136.1      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 partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit. In particular, the Board may:

- (a)      issue fractional certificates (or ignore fractions);
- (b)      fix the value for distribution of such assets or any part thereof and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and
- (c)      vest any such assets in trustees on trust for the persons entitled to the dividend.

**137      Dividends not to bear interest**

- 137.1      Unless otherwise provided by the rights attached to the share, no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

**138      Method of payment**

- 138.1      The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by cheque, direct debit, bank transfer, dividend warrant, or money order and may send the same by post or

other delivery service to the registered address (or in the case of a Depositary, subject to the approval of the Board, such persons and addresses as the Depositary may require) of the member or person entitled to it (or, if two or more persons are holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the member or otherwise by operation of law, to the registered address of such of those persons as is first named in the Register) or to such person and such address as such member or person or persons 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 crossed in accordance with the Cheques Act 1992 shall be made payable to the person or persons entitled, or to such other person as the person or persons entitled may direct in writing. Payment of the cheque, warrant or order shall be a good discharge to the Company. If any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Board may, at the request of the person entitled thereto, issue a replacement cheque or warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit. Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other moneys payable in respect of such share. Any such dividend, interest or other sum may also be paid by any other method as the Board considers appropriate.

138.2 The Board may, at its discretion, make provisions to enable a Depositary and/or any member as the Board shall from time to time determine to receive duly declared dividends in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such market rate selected by the Board as it shall consider appropriate ruling at the close of business in London on the date which is the business day last preceding:

- (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Board publicly announces its intention to recommend that specific dividend; and
- (b) in the case of any other dividend, the date on which the Board publicly announces its intention to pay that specific dividend,

Provided that where the Board considers the circumstances to be appropriate it shall determine such foreign currency equivalent by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Board may select.

**139        Uncashed dividends**

- 139.1        If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto 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.

**140        Unclaimed dividends**

- 140.1        All dividends, interest or other sum payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, interest or other sum payable unclaimed for a period of 12 years after having become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

**141        Reserves**

- 141.1        The Board may, before recommending any dividend (whether preferential or otherwise) but having regard to section 842 of the Income and Corporation Taxes Act, 1988, carry to reserve out of the profits of the Company such sums as it thinks fit. Sums carried to reserve which are attributable to the first pool shall be accounted for separately to sums carried to reserve which are attributable to the new pool. All sums standing to reserve may be applied from time to time, at the discretion of the Board, for any purpose to which the profits of the Company may properly be applied and, pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board thinks fit. The Board may divide the reserve into such special funds as it thinks fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

**142        Capitalisation of reserves**

- 142.1        The Board may, with the authority and in accordance with the terms of an ordinary resolution of the Company but subject to any special rights attaching to any shares:

- (a) subject as provided in this Article, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of share premium account or capital redemption reserve or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised to the holders of shares in the manner authorised by such resolution, provided that
  - (i) the share premium account, the capital redemption reserve, any other undistributable 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 allotted to holders of shares credited as fully paid; and
  - (ii) in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment thereof;
- (c) resolve that any shares allotted in accordance with such resolution to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;
- (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit thereof to the Company rather than to the holders of shares concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the holders of shares concerned into an agreement with the Company providing for either (i) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation or (ii) the payment up by the Company on behalf of such holders by the application thereto of their respective proportions of the reserves or 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 effective and binding on all such holders); and

- (f) generally do all acts and things required to give effect to such resolution.

**143        Distribution of realised capital profits**

- 143.1        The Board shall establish a reserve to be called the Capital Reserve. All surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the Capital Reserve. Subject to the Act, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. Any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the Act, any expenses, loss or liability (or provision therefor) which the Board considers to relate to a capital item or which the Board otherwise considers appropriate to be debited to the Capital Reserve shall be carried to the debit of the Capital Reserve. All sums carried and standing to the credit of the Capital Reserve may be applied for any of the purposes to which sums standing to any revenue reserve are applicable except and provided that notwithstanding any other provision of these Articles no part of the Capital Reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 263(2) of the Act) or be applied in paying dividends on any shares in the Company.

**144        Record dates**

- 144.1        Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any shares and subject always to the Act the Company or the Board may by resolution specify any date (the "record date") as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and such record date may be on or at any time before the date on which the same is paid or made or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities.

## ACCOUNTS

### **145      Accounting records**

- 145.1      The Board shall cause accounting records to be kept in accordance with the Act.

### **146      Inspection of records**

- 146.1      No member (other than a Director) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by statute, by order of the court, by the Board or by ordinary resolution of the Company.

### **147      Accounts to be sent to members**

- 147.1      Except as provided in Article 148, a printed copy of the annual accounts, Directors' and Auditors' reports accompanied by printed copies of the balance sheet and every document required by the Act to be annexed to the balance sheet and of the profit and loss account or income and expenditure account shall, not less than 21 clear days before the annual general meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company and to the Auditors and to every other person who is entitled to receive notice of general meetings. However, this Article shall not require a copy of those documents to be sent to any person who under the provisions of these Articles is not entitled to receive notices from the Company or of whose address the Company is unaware or to any holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of each of those documents as the regulations of that stock exchange may require.

### **148      Summary financial statements**

- 148.1      The Company may, in accordance with section 251 of the Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in Article 147. Where it does so, the statement shall be delivered or sent by post to the member not less than 21 clear days before the annual general meeting before which those documents are to be laid.

## NOTICES

### **149        Notices to be in writing**

- 149.1        Any notice to be given to or by any person pursuant to these Articles shall be in writing, except that a notice convening a Board meeting need not be in writing.

### **150        Service of notice on members**

- 150.1        The Company may give any notice or document (including a share certificate) to a member, either personally or by sending it by post or other delivery service in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of a member registered on an overseas branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.
- 150.2        In the case of joint holders of a share, all notices or documents shall be given to the joint holder whose name stands first in the Register in respect of the joint holding. Notice so given shall be sufficient notice to all the joint holders.
- 150.3        Where 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 shall be entitled to receive any notice or document from the Company.
- 150.4        If on three consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices or other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address or address within the United Kingdom for the service of notices.

### **151        Notice in case of death, bankruptcy or mental disorder**

- 151.1        The Company may give notice to the person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law, by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member, addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or representative by operation of law or by any like description, at the address (if any) within the United Kingdom

supplied for the purpose by the person claiming to be so entitled. Until such an address has been so supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred.

**152        Evidence of service**

152.1       Any member present, in person or by proxy, at any meeting of the Company or of the holders of any class of shares of the Company shall be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.

152.2       Any notice, certificate 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 on the day after the day when it was put in the post (or, where second-class mail is employed, on the second day after the day when it was put in the post). Proof that an envelope containing the notice or document was properly addressed and put into the post as a prepaid letter shall be conclusive evidence that the notice was given. Any notice, certificate or other document not sent by post but delivered or 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 on which it was so delivered or left.

**153        Notice binding on transferees**

153.1       Every person who, by operation of law, transfers 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 given by the Company under section 212 of the Act) which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

**154        Notice by advertisement**

154.1       Any notice to be given by the Company to the members or any of them, and not otherwise provided for by these Articles, shall be sufficiently given if given by advertisement in at least one national daily newspaper published in the United Kingdom and, where the Company keeps an overseas branch register, in at least one daily newspaper published in the territory in which such register is maintained. Any notice given by advertisement shall be deemed to have been served at noon on the day on which the advertisement first appears.

**155        Suspension of postal services**

155.1       If at any time by reason of the suspension, interruption or curtailment of postal services or threat thereof within the United Kingdom the Company is or would be unable effectively to convene a general meeting

by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national daily newspaper published in the United Kingdom and, where the Company keeps an overseas branch register, in at least one daily newspaper published in the territory in which such register is maintained. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the first of such advertisements appears. In any such case the Company shall send confirmatory copies of the notice by post if, at least seven days prior to the meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

## **WINDING UP**

### **156      Division of assets**

- 156.1      If the Company is wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110 of the Insolvency Act 1986. The liquidator may, with the like sanction, vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine, but no member shall be compelled to accept any assets on which there is a liability.

### **157      Transfer or sale under section 110 Insolvency Act 1986**

- 157.1      A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section 110 of the Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights, and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

### **158      Voluntary Liquidation of the Company**

- 158.1      The Directors shall:
- (a)      convene an extraordinary general meeting of the Company to be held on 24th August 2003 or, if that is not a business day, on the immediately preceding business day, at which a resolution (a

"Liquidation Resolution") will be proposed requiring the Company to be wound up voluntarily unless the Directors shall have previously been released from their obligation to do so by a special resolution of the Company, such special resolution having been passed not earlier than 24th August 2002;

- (b) convene an extraordinary general meeting of the Company to be held on 24th August 2008 or, if that is not a business day, on the immediately preceding business day, at which a resolution (a "Liquidation Resolution") will be proposed requiring the Company to be wound up voluntarily unless the Directors shall have previously been released from their obligation to do so by a special resolution of the Company, such special resolution having been passed not earlier than 24th August 2007.

158.2 The Board shall procure that:

- (a) the special resolution referred to in Article 158.1(a);
- (b) an extraordinary resolution of the holders of the income shares required under Article 4.8(a)(ii)(B) to sanction such special resolution (the "Income Release Resolution");
- (c) an extraordinary resolution of the holders of the capital shares required under Article 4.8(b)(ii)(B) to sanction such special resolution (the "Capital Release Resolution"); and
- (d) an extraordinary resolution of the holders of the "S" shares to the effect that, if the Directors are not released from their obligation to propose a Liquidation Resolution pursuant to Article 158.1(a), then such holders would wish an arrangement or offer of a nature complying with Article 158.6(a)(i) to be proposed or made (the "'S" Share Exchange Resolution"),

are proposed at a general meeting of the Company and at a separate class meeting of each such holders held within 20 days of each other and not earlier than 24th August 2002 and not later than 24th June 2003.

158.3 Immediately prior to an extraordinary general meeting convened pursuant to Article 158.1, the Board shall declare and pay an interim dividend in respect of the first pool which shall be paid to the holders of the income shares and distributed amongst them rateably according to the amounts paid up on the income shares held by them respectively of an amount equal to the Directors' best estimate of the revenue profits of the Company (including accumulated revenue reserves) attributable to the first pool and available for distribution.

\*158.4 At any extraordinary general meeting convened pursuant to Article 158.1 those holders of shares who are present in person or by proxy and are entitled to vote and who vote in favour of a Liquidation Resolution or any resolution in respect of any procedural matters relating to or connected with a Liquidation Resolution shall collectively have such total number of votes on a poll as is one more than the number of votes which are required to be cast on such poll for the Liquidation Resolution and any such resolution to be carried.

158.5 If the Directors are not released from their obligation under Article 158.1(a) to propose a Liquidation Resolution and either the Capital Release Resolution or the "S" Share Exchange Resolution is passed or both the Capital Release Resolution and the "S" Share Exchange Resolution are passed then, unless there has been a change in legislation or other event which makes it impracticable to do so, the Directors shall use all reasonable endeavours to procure that either:

- (a) at a general meeting or at general meetings of the Company held on, or within 60 days before, 24th August 2003 a resolution is or resolutions are proposed asking shareholders to sanction any form of arrangement (including, without limitation, any arrangement under section 110 of the Insolvency Act 1986) which is recommended by the Directors and is stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole; or
- (b) an offer is made to all holders of the income shares, capital shares and "S" shares (other than the offeror and/or persons acting in concert with the offeror) which becomes or is declared unconditional in all respects during the period of 60 days ending on 24th August 2003 and which is recommended by the Directors and is stated to be, in the opinion of an independent financial adviser appointed by the Directors, fair and reasonable and in the interests of shareholders as a whole,

which arrangement or offer complies with Article 158.6.

158.6 An arrangement proposed or offer made pursuant to Article 158.5 shall:

- (a) (i) if the "S" Share Exchange Resolution is passed, entitle the holders of the "S" shares to exchange such shares for an interest or holdings in a new investment company or investment trust or for units or holdings in any collective investment scheme and which company, trust or scheme is

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\* Amended by Special Resolution passed on 18th December, 1995.

intended to have the same or a similar investment policy to the Company and to have a planned terminal date on or about 24th August 2008; or

- (ii) if the "S" Share Exchange Resolution is not passed, entitle the holders of the "S" shares to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such holders would otherwise have been entitled on a winding-up of the Company as a result of the passing of a resolution for the voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2003 (ignoring any option any of them may be given to elect to receive their entitlement otherwise than in cash pursuant to the arrangement or to elect to receive an alternative consideration pursuant to the offer and whether or not the offer is accepted in any particular case); and
- (b) if both the Income Release Resolution and the Capital Release Resolution are not passed or if the Income Release Resolution is passed but the Capital Release Resolution is not passed, entitle the holders of the income shares and the holders of the capital shares respectively to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such respective holders would otherwise have been entitled on a winding-up of the Company as a result of the passing of a resolution for the voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2003 (ignoring any option any of them may be given to elect to receive their entitlement otherwise than in cash pursuant to the arrangement or to elect to receive an alternative consideration pursuant to the offer and whether or not the offer is accepted in any particular case); or
- (c) if the Capital Release Resolution is passed but the Income Release Resolution is not passed, entitle:
  - (i) the holders of the capital shares to exchange such shares as described, *mutatis mutandis*, in paragraph (a)(i) above; and
  - (ii) the holders of the income shares to receive not later than the Relevant Date an amount in cash estimated by the Directors to be not less than that to which such holders would otherwise have been entitled on a winding-up of the Company as a result of the passing of a resolution for the



voluntary winding-up of the Company on a date determined by the Directors falling during the period of 60 days ending on 24th August 2003 (ignoring any option any of them may be given to elect to receive their entitlement otherwise than in cash pursuant to the arrangement or to elect to receive an alternative consideration pursuant to the offer and whether or not the offer is accepted in any particular case).

- 158.7 If neither the Capital Release Resolution nor the "S" Share Exchange Resolution is passed, the Directors shall proceed to propose a Liquidation Resolution in accordance with Article 158.1(a).
- 158.8 For the purposes of these Articles, the Relevant Date shall be 30th September in the relevant year or, if later, the date(s) estimated by the Directors to be the date(s) on which the holders of the income shares, capital shares and "S" shares would have received in cash their respective entitlements on a winding-up of the Company as a result of the passing of the Liquidation Resolution proposed in accordance with Article 158.1(a) or Article 158.1(b) (as the case may be).

## INDEMNITY

### 159 Right to indemnity

- 159.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may be otherwise entitled, every Director, alternate Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him in the actual or purported execution or discharge of his duties or 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 and 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 any material breach of duty on his part or in connection with any application in which relief is granted to him by any court of competent jurisdiction from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

### 160 Power to insure

- 160.1 Subject to the provisions of the Act, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a Director or other officer or employee

of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director, officer or employee. The Board may authorise directors of subsidiaries of the Company to purchase and maintain insurance at the expense of the Company for the benefit of any present or former director, other officer or employee of such company in respect of such liability, loss or expenditure.