

FILE COPY



**CERTIFICATE OF INCORPORATION  
OF A PUBLIC LIMITED COMPANY**

Company No. 2914860

The Registrar of Companies for England and Wales hereby certifies that  
Severn Trent Water Utilities Finance Plc

is this day incorporated under the Companies Act 1985 as a public  
company and that the company is limited.

Given at Companies House, Cardiff, the 25th March 1994

A handwritten signature in cursive script that reads "Robin Woodyatt".

ROBIN WOODYATT

For The Registrar Of Companies



C O M P A N I E S H O U S E

**G**

COMPANIES FORM No. 12

**Statutory Declaration of compliance  
with requirements on application  
for registration of a company****12**Please do not  
write in  
this margin

Pursuant to section 12(3) of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

For official use

Name of company

\* insert full  
name of Company\*  
Severn Trent Water Utilities Finance PlcI, MICHAEL RICHARD COUNSELL, signing on behalf  
of SWIFT INCORPORATIONS LIMITED  
1 MITCHELL LANE  
BRISTOL BS1 6BU† delete as  
appropriate

do solemnly and sincerely declare that I am a ~~[Solicitor engaged in the formation of the-~~  
company]† [person named as director or secretary of the company in the statement delivered to  
the registrar under section 10(2)† and that all the requirements of the above Act in respect of the  
registration of the above company and of matters precedent and incidental to it have been  
complied with,

And I make this solemn declaration conscientiously believing the same to be true and by virtue of  
the provisions of the Statutory Declarations Act 1835

Declared at 11, SHIP STREETBRECON,POWYSDated 24th March 1994

Declarant to sign below

before me

A Commissioner for Oaths or Notary Public or Justice of  
the Peace or Solicitor having the powers conferred on a  
Commissioner for Oaths.

Presenter's name, address and  
reference (if any):**JORDAN & SONS LIMITED****21 St. Thomas Street****Bristol BS1 6JS****TSU/LS/ TV2027**

For official use

New Companies Section

Post room

Printed and supplied by

**Jordans**

Jordan & Sons Limited

21 St. Thomas Street, Bristol BS1 6JS  
Tel: 0272 230600 Telex 449119

10

**Statement of first directors and  
secretary and intended situation  
of registered office**

This form should be completed in black.

Company name (in full)

CN

For official use ☐

Severn Trent Water Utilities Finance Plc

Registered office of the company on  
incorporation.

RO

2297 COVENTRY ROAD

Post town BIRMINGHAM

County/Region WEST MIDLANDS

Postcode B26 3PU

If the memorandum is delivered by an  
agent for the subscribers of the  
memorandum mark 'X' in the box  
opposite and give the agent's name  
and address.

X

Name JORDAN & SONS LIMITED

RA

21 ST. THOMAS STREET

Post town BRISTOL

County/Region

Postcode BS1 6JS

Number of continuation sheets attached

3

To whom should Companies House  
direct any enquiries about the  
information shown in this form?

~~C.F.P.U.~~ JORDAN & SONS LIMITED

21 ST. THOMAS STREET

BRISTOL

Postcode BS1 6JS

Telephone 0272 230600

Extension 349

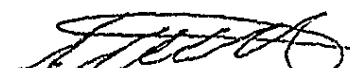
**Company Secretary** (See notes 1 - 5)

Name ☐ \*Style/Title  
Forenames  
Surname  
\*Honours etc  
Previous forenames  
Previous surname

**Address**

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

**Consent signature**

<b>CS</b>	MR
DAVID WILLIAM	
MATTIN	
-	
-	
-	
<b>AD</b>	MOONRAKERS, DARK LANE,
BLISS GATE, ROCK	
Post town	KIDDERMINSTER
County/Region	WORCESTERSHIRE
Postcode	DY14 9YN
Country	ENGLAND
I consent to act as secretary of the company named on page 1	
Signed	
Date	22/3/94

**Directors** (See notes 1 - 5)

Please list directors in alphabetical order.

Name ☐ \*Style/Title  
Forenames  
Surname  
\*Honours etc  
Previous forenames  
Previous surname

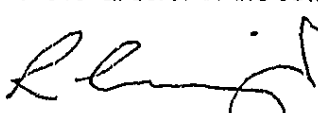
**Address**

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

Date of birth  
Business occupation  
Other directorships

\* Voluntary details

**Consent signature**

<b>CD</b>	MR
ROBERT	
CARGILL	
-	
-	
-	
<b>AD</b>	15 WOODFIELD ROAD
-	
Post town	SOLIHULL
County/Region	WEST MIDLANDS
Postcode	B91 2DW
Country	ENGLAND
<b>DO</b>	1 5 0 3 4 7
Nationality	<b>NA</b> BRITISH
<b>OC</b>	GROUP TREASURER
<b>OD</b>	NONE
I consent to act as director of the company named on page 1	
Signed	
Date	21/3/94

(See notes 1 - 5)

Name

**\*Style/Title**

## Forenames

• Surname

\*Honours etc

**Previous forenames**

Previous surname

**Address**

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

Date of birth

Business occupation

## Other directorships

\* Voluntary details


**Consent signature**

Delete if the form  
is signed by the  
subscribers.Delete if the form  
is signed by an  
agent on behalf of  
all the subscribers.

All the subscribers must sign either personally or by a person or persons authorised to sign for them.

CD MR  
VICTOR  
COCKER  
-  
-  
-  
AD 133 WHITE FIELDS ROAD  
Post town SOLIHULL  
County/Region WEST MIDLANDS  
Postcode B91 3NY Country ENGLAND  
DO 3 0 1 0 4 0 Nationality NA BRITISH  
OC DIRECTOR  
OD SEE ATTACHED LIST  
I consent to act as director of the company named on page 1  
Signed Date

Delete if the form is signed by the subscribers.

 Signature of agent on behalf of all subscribers	24 MAR 1994 Date
---	---------------------

Signed	Date
Signed	Date
Signed	Date
Signed	Date
Signed	Date
Signed	Date

**Company Secretary** (See notes 1 - 5)

Name **\*Style/Title**

Forenames

Surname

**\*Honours etc**

Previous forenames

Previous surname

**Address**

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

<b>CS</b>	
<b>AD</b>	
Post town	
County/Region	
Postcode	Country
I consent to act as secretary of the company named on page 1	
Signed	Date

**Consent signature**

**Directors** (See notes 1 - 5)

Please list directors in alphabetical order.

Name **\*Style/Title**

Forenames

Surname

**\*Honours etc**

Previous forenames

Previous surname

**Address**

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

<b>CD</b>	MR
	RONALD ALAN STUART
	COSTIN
	-
	-
	-
<b>AD</b>	WOODVIEW, REDLAND END
Post town	SPEEN
County/Region	BUCKINGHAMSHIRE
Postcode	Country
HP27 0RW	ENGLAND
<b>DO</b> 1 1 0 5 4 3	Nationality <b>NA</b> BRITISH
<b>OC</b>	DIRECTOR
<b>OD</b>	SEE ATTACHED LIST
I consent to act as director of the company named on page 1	
Signed	Date
	21/3/94

\* Voluntary details

**Consent signature**

**Joint  
Company Secretary** (See notes 1 - 5)

Name \*Style/Title

**CS** N/A

Forenames

N/A

Surname

SWIFT INCORPORATIONS LIMITED

\*Honours etc

N/A

Previous forenames

N/A

Previous surname

N/A

Address

**AD** 1 MITCHELL LANE

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

Post town BRISTOL

County/Region

Postcode BS1 6BU Country ENGLAND

I consent to act as secretary of the company named on page 1

Consent signature

Signed



(Authorised  
Signatory)

Date 24 MAR 1994

DIRECTORSHIPS OF RONALD ALAN STUART COSTIN

**Current Directorships**

Severn Trent Plc  
Biffa Waste Services Limited  
Severn Trent Industries Limited  
Severn Trent MIS Trustees Limited  
Severn Trent Property Limited  
Severn Trent WPS Trustees Limited  
Severn Trent Water Limited

**Past Directorships**

Chadmore Assets Plc  
Fleetdrive Limited  
Harvey Plant Limited  
Hawke Electronics Limited  
Impulse Electronics Limited  
Invader Electromechanical Distribution Limited  
Jermyn Development Limited  
Jermyn Distribution Limited  
Jermyn Holdings Limited  
Jermyn Manufacturing Limited  
Lex Electronics Europe Limited  
Lex Electronics UK Limited  
Lex Employee Share Scheme Trustees Limited  
Lex Industrial Services Europe Limited  
Lex Pension Trustees Limited  
Lex Service (Overseas) Limited  
Lex Service Plc  
Lex Systems Leasing Limited  
Lex Vehicle Finance Limited  
Lex Vehicle Leasing Limited  
Lombard Contract Hire Limited  
Mogul Electronics Limited  
Transfleet Services Limited  
Transfleet Truck Rentals Limited



THE COMPANIES ACTS 1985 to 1989

2914860.

PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF

Severn Trent Water Utilities Finance Plc



1. The Company's name is "Severn Trent Water Utilities Finance Plc".
2. The Company is to be a public company.
3. The Company's registered office is to be situated in England and Wales.
4. (i) The object of the Company is to carry on business as a general commercial company.

(ii) Without prejudice to the generality of the object and the powers of the Company derived from Section 3A of the Act the Company has power to do all or any of the following things:-

Barclays £200  
20-13-34. 90536237

PLCG93i

1

JORDAN & SONS LIMITED  
21 St. Thomas Street  
Bristol BS1 6JS  
TSU/LS/TV2027

(a) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.

(b) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire.

(c) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.

(d) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.

(e) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.

(f) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company), to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).

(g) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the

performance by the Company of any obligation or liability it may undertake or which may become binding on it.

(h) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.

(i) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interests, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

(j) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority any charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.

(k) To subscribe for, take, purchase, or otherwise acquire, hold, sell, deal with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.

(l) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.

(m) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.

(n) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.

(o) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.

(p) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.

(q) To distribute among the Members of the Company in kind any property of the Company of whatever nature.

(r) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.

(s) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance including insurance for any Director, officer or Auditor against any liability as is referred to in Section 310(1) of the Act; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants; and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such subsidiary, holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.

(t) If and only to the extent permitted by the Act, to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.

(u) To procure the Company to be registered or recognised in any part of the world.

(v) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either alone or in conjunction with others.

(w) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

AND so that:-

(1) None of the provisions set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be given to each such provision, and none of such provisions shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other provision set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause, or by reference to or inference from the name of the Company.

(2) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.

(3) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

5. The liability of the Members is limited.

6. The Company's share capital is £50,000 divided into 50,000 shares of £1 each.

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

---

Names and addresses of Subscribers

Number of shares taken  
by each Subscriber

---

1. For and on behalf of  
Instant Companies Limited  
4 Mitchell Lane  
Bristol BS1 6BU



- One

2. For and on behalf of  
Swift Incorporations Limited  
1 Mitchell Lane  
Bristol BS1 6BU



- One

---

Total shares taken

- Two

---

Dated this 24 MAR 1994

Witness to the above Signatures:-



Mark Anderson  
1 Mitchell Lane  
Bristol BS1 6BU

MLS/94

# THE COMPANIES ACTS 1985 to 1989

## PUBLIC COMPANY LIMITED BY SHARES

### ARTICLES OF ASSOCIATION OF

Severn Trent Water Utilities Finance Plc

#### PRELIMINARY

1. (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

(b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

#### ALLOTMENT OF SHARES

2. (a) Shares which are comprised in the authorised but unissued share capital of the Company shall be under the control of the Directors who may (subject to Sections 80 and 89 of the Act and to paragraphs (b) and (c) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.

(b) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of

incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

(c) The Directors are empowered to allot and grant rights to subscribe for or convert securities into shares of the Company pursuant to the authority conferred under paragraph (b) above as if Section 89(1) of the Act did not apply. This power shall enable the Directors so to allot and grant rights to subscribe for or convert securities into shares of the Company after its expiry in pursuance of an offer or agreement so to do made by the Company before its expiry.

(d) Save as authorised by the Act, the Company shall not give, whether directly or indirectly, any financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151 of the Act.

(e) Save as permitted by Section 101(2) of the Act, no shares of the Company shall be allotted except as paid up at least as to one quarter of their nominal value and the whole of any premium.

#### SHARES

3. The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

#### GENERAL MEETINGS AND RESOLUTIONS

4. Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

5. (a) If a quorum is not present within half an hour from the time appointed for a General Meeting the General 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 other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefor such adjourned General Meeting shall be dissolved.

(b) Clause 41 in Table A shall not apply to the Company.

#### APPOINTMENT OF DIRECTORS

6. (a) Clause 64 in Table A shall not apply to the Company.

(b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General



Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be two.

(c) The Directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.

(d) No person shall be appointed a Director at any General Meeting unless either:-

(i) he is recommended by the Directors; or

(ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice signed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

(e) Subject to paragraph (d) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

(f) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of Directors and for the time being in force.

#### BORROWING POWERS

7. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

#### ALTERNATE DIRECTORS

8. (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.

(b) A Director, or any such other person as is mentioned in Clause 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in

addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.

#### GRATUITIES AND PENSIONS

9. (a) The Directors may exercise the powers of the Company conferred by Clause 4(ii)(s) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

(b) Clause 87 in Table A shall not apply to the Company.

#### PROCEEDINGS OF DIRECTORS

10. (a) A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

(b) Clauses 94 to 97 (inclusive) in Table A shall not apply to the Company.

#### THE SEAL

11. (a) If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Clause 6 in Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Clause 101 in Table A shall not apply to the Company.

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

#### INDEMNITY

12. (a) Every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.

(b) The Directors shall have power to purchase and maintain for any Director, officer or Auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act.


(c) Clause 118 in Table A shall not apply to the Company.

---

Names and addresses of Subscribers

---

1. For and on behalf of  
Instant Companies Limited  
1 Mitchell Lane  
Bristol BS1 6BU



2. For and on behalf of  
Swift Incorporations Limited  
1 Mitchell Lane  
Bristol BS1 6BU



---

Dated this 24 MAR 1994

Witness to the above Signatures:-

Mark Anderson  
1 Mitchell Lane  
Bristol BS1 6BU



MLS/94

**G**

COMPANIES FORM No. 224

**Notice of accounting reference date  
(to be delivered within 9 months of  
incorporation)****224**Please do not  
write in  
this marginPursuant to section 224 of the Companies Act 1985  
as inserted by section 3 of the Companies Act 1989Please complete  
legibly, preferably  
in black type, or  
bold block letteringTo the Registrar of Companies  
(Address overleaf)

Company number

2914860

Name of company

\* Severn Trent Water Utilities Finance Plc\* Insert full name  
of companygives notice that the date on which the company's accounting reference period is to be treated as  
coming to an end in each successive year is as shown below:Important  
The accounting  
reference date to  
be entered along-  
side should be  
completed as in the  
following examples:

Day Month

3 1 0 3

5 April  
Day Month

0 5 0 4

30 June  
Day Month

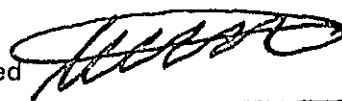
3 0 0 6

31 December  
Day Month

3 1 1 2

† Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed



Designation†

Secretary

Date 28 September 1994

Presenter's name address  
telephone number and reference (if any):Slaughter and May  
35 Basinghall Street  
London EC2V 5DB

Ref: CRS/ERS/CJB

For official use  
D.E.B.

Post room



# G

COMPANIES FORM No. 117

## Application by a public company for certificate to commence business and statutory declaration in support

# 117

Please do not  
write in  
this margin

Pursuant to section 117 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

Company number

--	--	--	--

2914860

Name of company

\* Severn Trent Water Utilities Finance Plc

\* Insert full name  
of company

applies for a certificate that it is entitled to do business and exercise borrowing powers.

For that purpose I, Robert Gargillof Severn Trent Water Utilities Finance Plc2308 Coventry Rd Birmingham B26 3JZ† delete as  
appropriate[~~the secretary~~][a director]† of the above company,

do solemnly and sincerely declare that;

- 1 the nominal value of the company's allotted share capital is not less than the authorised minimum
- 2 the amount paid up on the allotted share capital of the company at the time of this application is
- 3 the [~~estimated~~]† amount of the preliminary expenses of the company is

£ 12,499.50

£ 698.68

and [~~has been paid~~][is payable]‡ by§ insert name of  
person(s) by whom  
expenses paid  
or payable

§ Severn Trent Water Limited

Presenter's name address and  
reference (if any):Slaughter and May  
35 Basinghall Street  
London EC2V 5DB

Ref: CRS/ERS/CJB

For official Use  
General Section

Post room



[4a. no amount or benefit has been paid or given or is intended to be paid or given to any of the promoters of the company]†

Please do not write in this margin

[4b the amount or benefit paid or given or intended to be paid or given to any promoter of the company is:]†

Please complete legibly, preferably in black type, or bold black lettering

† delete as appropriate

Promoter No.1;

The amount paid or intended to be paid to him £ \_\_\_\_\_

Any benefit given or intended to be given to him \_\_\_\_\_

The consideration for such payment or benefit \_\_\_\_\_

Promoter No 2;

The amount paid or intended to be paid to him £ \_\_\_\_\_

Any benefit given or intended to be given to him \_\_\_\_\_

The consideration for such payment or benefit \_\_\_\_\_

Promoter No.3;

The amount paid or intended to be paid to him £ \_\_\_\_\_

Any benefit given or intended to be given to him \_\_\_\_\_

The consideration for such payment or benefit \_\_\_\_\_

Promoter No.4;

The amount paid or intended to be paid to him £ \_\_\_\_\_

Any benefit given or intended to be given to him \_\_\_\_\_

The consideration for such payment or benefit \_\_\_\_\_

Note  
Please continue on a separate sheet if necessary

And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 2063 Coventry Rd  
Sheldon Birmingham 26

Declarant to sign below

*R. e. j.*

the 6th day of October  
one thousand nine hundred and ninety four  
before me P. A. Tobias

A Commissioner for Oaths or Notary Public or Justice of the Peace or Solicitor having the powers conferred on a Commissioner for Oaths.

**P. A. TOBIAS LL.B.**  
**A SOLICITOR EMPOWERED**  
**TO ADMINISTER OATHS**

FILE COPY



**CERTIFICATE THAT A PUBLIC COMPANY  
IS ENTITLED TO DO BUSINESS AND BORROW**

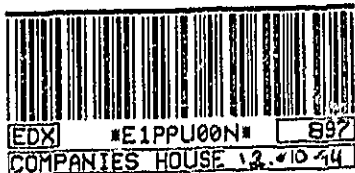
Company No. 2914860

I hereby certify that the provisions of section 117(1) of the Companies Act 1985 have been complied with in relation to

SEVERN TRENT WATER UTILITIES FINANCE PLC

and that the company is entitled to do business and borrow.

Given at Companies House, Cardiff, the 12th October 1994



*J. E. Spears*  
For The Registrar Of Companies



C O M P A N I E S H O U S E



No: 2914860

THE COMPANIES ACT 1985 (AS AMENDED)

Company Limited by Shares

---

RESOLUTIONS

of

Severn Trent Water Utilities Finance Plc

---

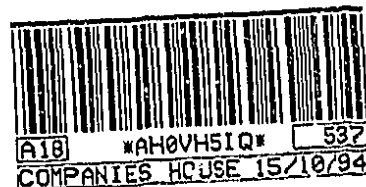
At an Extraordinary General Meeting of the above-named Company duly convened and held on 30 September 1994, resolutions 1 and 2 were passed as special resolutions:-

SPECIAL RESOLUTIONS

- 1) That the memorandum of association be altered with respect to its objects by the adoption of a new Clause 4 in the form contained in the document produced to the meeting and for the purpose of identification signed by the Chairman thereof in substitution for and to the exclusion of the existing Clause 4.
- 2) That the regulations contained in the document produced to the meeting and for the purpose of identification signed by the Chairman thereof be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association thereof.

  
.....  
Secretary

stwufca.sr



2914860

THE COMPANIES ACT 1985 (as amended)

---

PUBLIC COMPANY LIMITED BY SHARES

---

MEMORANDUM OF ASSOCIATION

of

Severn Trent Water Utilities Finance Plc

1. The Company's name is "Severn Trent Water Utilities Finance Plc".
2. The Company is to be a public company.
3. The Company's registered office is to be situated in England and Wales.
4. The Company's objects are:[1]
  - (1) (A) To borrow and raise money (in any currency) by the issue of stocks, shares, debentures, bonds, notes or other marketable securities (whether negotiable or otherwise and whether or not convertible into shares or other securities of the Company or any other company, corporation or other institution) in any manner and on any terms (including but not limited to terms as to

---

[1] By a special resolution of the Company passed on 30 September 1994 the objects of the Company were altered.



payment of interest (if any) and repayment of principal) anywhere in the world and to apply the money so raised for the purpose of the provisions of finance to or the refinancing of the indebtedness of any company, corporation or other institution (whether domestic or overseas) by any means whatsoever and upon any terms (including but not limited to terms as to payment of interest (if any) and repayment of principal).

- (B) To carry on all or any of the businesses of general merchants and traders, cash and credit traders, manufacturers' agents and representatives, insurance brokers and consultants, estate and advertising agents, mortgage brokers, financial agents, advisers, managers and administrators, hire purchase and general financiers, brokers and agents, commission agents, importers and exporters, manufacturers, retailers, wholesalers, buyers, sellers, distributors and shippers of, and dealers in all products, goods, wares, merchandise and produce of every description, to participate in, undertake, perform and carry on all kinds of commercial, industrial, trading and financial operations and enterprises; to carry on all or any of the businesses of marketing and business consultants, advertising agents and contractors, general storekeepers, warehousemen, discount traders, mail order specialists, railway, shipping and forwarding agents, shippers, traders, capitalists and financiers either on the Company's own account or otherwise, printers and publishers; haulage and transport contractors, garage proprietors, operators, hirers and letters on hire of, and dealers in motor and other vehicles, craft, plant, machinery, tools and equipment of all kinds; and to purchase or otherwise acquire and take over any businesses or undertakings which may be

deemed expedient, or to become interested in, and to carry on or dispose of, remove or put an end to the same or otherwise deal with any such businesses or undertakings as may be thought desirable.

- (2) (A) To acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes and other securities, obligations and other investments of any nature whatsoever issued, created or guaranteed by any company constituted or carrying on business in any part of the world or by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
- (B) To acquire any such shares, stocks, debentures, debenture stock, bonds, notes, securities, obligations and investments by original subscription, contract, tender, purchase, exchange, participation in syndicates or otherwise, and whether or not fully paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit.
- (C) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any such shares, stocks, debentures, debenture stocks, bonds, notes, securities, obligations and investments.
- (D) To provide any form of capital for and take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for such purposes to appoint and remunerate any directors, accountants or other experts, advisers or agents and to act as agents for and to manage, supervise or control and provide services to the

business, property or operations of any person, company or undertaking, or any property in which the Company may be interested.

- (3) To carry on business as a general commercial company.
- (4) To carry on all or any of the businesses of suppliers, developers, abstracters, producers, refiners, distillers, processors, treaters, converters, bottlers, packagers, storers, carriers, disposers, incinerators and explorers and prospectors for all kinds of water (including, but not limited to, natural, mineral, spa and bottled water), sewage, other effluent, sludge, waste (including, but not limited to, industrial and domestic waste, and refuse and debris of every description) and products derived from or connected with any of them.
- (5) To carry on all or any of the businesses of suppliers, designers, developers, assemblers, installers, fitters, repairers and maintainers of appliances, equipment, fittings, apparatus, goods, machinery, materials and installations connected with the use of water for domestic, industrial, commercial, recreational or other purposes or with the supply, discharge or conservation of water including without limitation, meters and plumbing, bathroom and sanitary equipment, fittings and materials.
- (6) To carry on all or any of the businesses of inspectors, maintainers, repairers, reconditioners, cleaners, clearers, servicers, coaters, designers, developers, constructors, installers, layers, fitters, hirers, letters on hire and suppliers of mains, sewers, drains, pipes, pipelines, equipment ancillary to the operation or use of any of them, installations and facilities of all kinds, tools and machinery of every description, plumbing, engineering and

other equipment, plant, components, accessories and supplies of every description.

- (7) To carry on all or any of the businesses of consultants, advisers and suppliers of management, personnel and training services, whether generally or in respect of one or more of the types of business or activity which the Company has power to carry on, and to provide training and educational courses, instruction and materials, of every description, for employees of the Company and for other persons.
- (8) To carry on all or any of the businesses of, and provide services associated with, plumbers, engineers (including, without limitation, water, sewerage, mechanical, gas, electrical, heating, ventilation, civil construction, chemical and telecommunications engineers), mechanics, technicians, geologists, draughtsmen, designers, surveyors, architects, builders, painters and decorators.
- (9) To carry on all or any of the businesses of suppliers, developers and promoters of recreational, sporting and leisure services, facilities and activities, whether or not connected with the use of water or land associated with water.
- (10) To carry on all or any of the businesses of bankers, factors, debt collectors, dealers in securities, underwriters, insurers, brokers of any kind, storage contractors, freight contractors, carriers by land, water and air of freight and passengers, forwarding agents, shipping agents and agents of any other kind.
- (11) To carry on all or any of the businesses of developers of, and dealers in, property, real or personal, and interests and rights in such property, and of estate agents.

(12) To carry on all or any of the businesses of running, operating, managing, supplying, servicing, repairing and dealing in:

(i) telecommunication systems, systems of other kinds for the conveyance by any means of sounds, visual images and signals; and

(ii) data processing and information retrieval systems, computers, computer programs and software, computer bureaux and databases,

and services, facilities and equipment ancillary to, or for use in connection with, any of the same.

(13) To carry on all or any of the businesses of nurserymen, gardeners, landscapers and funeral undertakers.

(14) To provide and supply laboratory, scientific, biological, bio-chemical, technological, analytical and environmental services of all kinds.

(15) To carry on all or any of the businesses of suppliers, distributors, manufacturers, producers, processors, importers and exporters of, and dealers in, chemicals, pharmaceuticals, fertilisers, compost and foodstuffs.

(16) To carry on business as inventors, researchers and developers, to conduct, promote and commission research and development in connection with the activities of the Company and its subsidiaries, to establish and maintain research stations, laboratories, workshops, testing and proving grounds, facilities and establishments and installations and to exploit and turn to account the results of any research and development carried out by or for it.

- (17) To invent, design, develop, construct, manufacture, produce, erect, assemble, test, alter, install, maintain, repair, renovate, refurbish, recondition, utilise, operate, manage, purchase, sell, hire, hire out, import, export, supply and otherwise deal in all kinds of equipment, apparatus, plant, machinery, appliances, articles, furniture, things, accessories, components, fittings, tools, materials, substances, products, systems, computers, computer programs and software which are required or are likely to be required by the Company for the purposes of, or in connection with, any of its businesses, or by other persons, or which in the opinion of the Directors may be conveniently or advantageously dealt with by the Company in connection or association with any of its objects or the objects of any of its subsidiaries.
- (18) To purchase, charter, lease, take or let on hire, operate, use, employ or turn to account, build, equip, service, repair, maintain, supply and deal in ships and vessels and craft of every description (including, without limitation, submersible craft), hovercraft, motor vehicles, aircraft, airships, railway locomotives, wagons, trucks and any means of transport and parts and accessories of all kinds for any of the same.
- (19) To enter into, carry on and participate in financial transactions and operations of all kinds and to undertake, carry on and execute all kinds of financial, commercial, trading, trust, agency and other operations, including, without limitation, acting as agents for the collection, receipt or payment of money.
- (20) To establish, acquire, produce, transmit, broadcast, publish, print and reproduce in any form whatsoever (including, without prejudice to the generality of the foregoing, visual or audible form and forms capable of being



used by, in, or in connection with, computers), and to buy, sell, supply and otherwise deal in brochures, manuals, journals, periodicals, magazines, newspapers, books, pictures, photographs, stationery and other documents, sound and visual recordings, tapes, films, and programmes for radio, television, cinema and other means of communication.

- (21) To carry on any other business or activity which the Directors consider is, or may be, capable of being carried on directly or indirectly for the benefit of the Company.
- (22) To acquire by any means and hold and deal with any real or personal property or rights whatsoever and, without prejudice to the generality of the foregoing, to purchase, take on lease or in exchange, hire or otherwise acquire and hold any real property and any estate or interest in such property, including without limitation any lands, buildings, installations, structures, servitudes, easements, rights, privileges and concessions and to exploit and develop the same.
- (23) To explore for, acquire and exploit natural resources, lands, claims, wells, mines, minerals, mineral drilling and mining rights, exploration and production rights, and interests of all descriptions in or relating to the same.
- (24) To further the conservation, enhancement and appreciation of features of the natural and physical environment.
- (25) To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in connection with any such business, and to acquire an interest in, amalgamate or enter into any arrangement for sharing profits, or for

co-operation, or for mutual assistance, with any such person and to give or accept, for any of the acts or things aforesaid or property acquired, such consideration as the Company thinks fit, including, without limitation, any shares, whether fully or partly paid up, debentures, or other securities or rights.

- (26) To apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, secret processes, designs, copyrights, trade marks, service marks, commercial names and designations, know-how, formulae, licences, concessions and the like (and any interest in any of them) or any exclusive or non-exclusive or limited right to use, or any secret or other information as to, any invention or secret process of any kind and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account or deal with, the property, rights or information so acquired.
- (27) To subscribe for, underwrite, purchase or otherwise acquire, and to hold, and deal with, any shares, stocks, debentures, bonds, notes and other securities, obligations and other investments of any nature whatsoever and any options or rights in respect of them; and otherwise to invest and deal with the money and assets of the Company.
- (28) To borrow or raise money or secure or discharge any debt or obligation (whether of the Company or of any other person) in such manner as the Company thinks fit and in particular (but without prejudice to the generality of the foregoing) by the creation or issue, upon such terms as to priority or otherwise as the Company thinks fit, of securities of any kind or mortgages or charges (fixed or floating) founded or based upon all or any part of the undertaking, property, assets and rights (present and future) of the Company, including its uncalled capital, or without any such

security; and to receive money on deposit and advance payments with or without allowance of interest thereon.

- (29) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods or in any other manner, the performance of any contracts, obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company and whether or not any consideration or advantage is received by the Company.
- (30) To advance, lend or deposit money, and to give credit or financial accommodation to any person on such terms as may be thought fit by the Company.
- (31) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (32) To accept securities of any person or any property or interest therein of whatsoever nature in payment or part payment for any services rendered or for any sale or supply made to, or debt owing from, any such person.

- (33) To insure any property, asset, matter or interest and against any potential liability or loss of the Company or of any other person and the life or health of any person for the benefit of the Company.
- (34) To enter into and carry into effect any arrangement for partnership or joint working or joint venture in business or for the sharing of profits or for amalgamation with any other person.
- (35) To apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence, appointment, consent, or authorisation of any government, state, municipality, minister, department, local authority, or other authority or public body for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated, directly or indirectly, to prejudice the interests of the Company or of its members.
- (36) To enter into any arrangements with any governments or authorities (national, municipal, local, international or otherwise), or any corporations, companies, public bodies, or persons that may seem conducive to the Company's objects or any of them, and to obtain from any such government, authority, corporation, company, body or person any charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable, and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- (37) To do all or any of the following, namely:

(A) to establish, provide, carry on, maintain, manage, support, purchase and contribute to any pension, superannuation, retirement, redundancy, injury, death benefit or insurance funds, trusts, schemes or policies for the benefit of, and to give or procure the giving of pensions, annuities, allowances, gratuities, donations, emoluments, benefits of any description (whether in kind or otherwise), incentives, bonuses, assistance (whether financial or otherwise) and accommodation in such manner and on such terms as the Company thinks fit, and to make payments for or towards the insurance of:

(i) any individuals who are or were at any time in the employment of, or directors or officers of (or held comparable or equivalent office in), or acted as consultants or advisers to or agents for:

(a) the Company or any company which is or was its holding company or is or was a subsidiary of the Company or any such holding company;  
or

(b) any person to whose business the Company or any subsidiary of the Company is, in whole or in part, a successor directly or indirectly;  
or

(c) any person otherwise allied to or associated with the Company;

(ii) any other individuals whose service has been of benefit to the Company or who are or were at any time members, or eligible to be members, of a scheme established or designated under Section 27 of the Water Act 1973 or contained in or governed

by regulations under Section 7 or Section 12 of the Superannuation Act 1972 or who the Company considers have a moral claim on the Company; and

(iii) the spouses, widows, widowers, families and dependants of any such individuals as aforesaid; and

(B) to establish, provide, carry on, maintain, manage, support and provide financial assistance to welfare, sport and social facilities, associations, clubs, funds and institutions which the Company considers likely to benefit or further the interests of any of the aforementioned individuals, spouses, widows, widowers, families and dependants.

(38) To establish, maintain, manage, support and contribute to any schemes for the acquisition of shares in the Company or its holding company by or for the benefit of any individuals who are or were at any time in the employment of, or directors or officers of:

(i) the Company;

(ii) any company which is or was its holding company or is or was a subsidiary of the Company or any such holding company; or

(iii) any other company or former company connected or associated in any way with the Company or with the whole or any part of its undertaking,

and to lend money to any such individuals to enable them to acquire shares in the Company or in its holding company and to establish, maintain, manage and support (financially or otherwise) any schemes for sharing profits of the Company or

any other such company as aforesaid with any such individuals.

- (39) To subscribe or contribute (in cash or in kind) to, and to promote or sponsor, any charitable, benevolent or useful object of a public character or any object which may in the opinion of the Company be likely directly or indirectly to further the interests of the Company, its employees or its members.
- (40) To pay and discharge all or any expenses, costs and disbursements, to pay commissions and to remunerate any person for services rendered or to be rendered in connection with the formation, promotion and flotation of the Company and the underwriting or placing or issue at any time of any securities of the Company or of any other person.
- (41) To issue, allot and grant options over securities of the Company for cash or otherwise or in payment or part payment for any real or personal property or rights therein purchased or otherwise acquired by the Company or any services rendered to, or at the request of, or for the benefit of, the Company or as security for, or indemnity for, or towards satisfaction of, any liability or obligation undertaken or agreed to be undertaken by or for the benefit of the Company, or in consideration of any obligation (even if valued at less than the nominal value of such securities) or for any other purpose.
- (42) To procure the Company to be registered or recognised in any part of the world.
- (43) To promote any other company for the purpose of acquiring all or any of the property or undertaking, any of the liabilities of the Company, or both, or of undertaking any business or operations which may appear likely to assist or

benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such company.

- (44) To dispose by any means of the whole or any part of the assets of the Company or of any interest therein.
- (45) To distribute *in specie* or otherwise by way of dividends or bonus or reduction of capital all or any of the property or assets of the Company among its members and particularly, but without prejudice to the generality of the foregoing, securities of any other company formed to take over the whole or any part of the assets or liabilities of the Company or any proceeds of sale or other disposal of any property or assets of the Company.
- (46) To do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (47) To do all such other things as may be deemed, or as the Directors consider, incidental to or conducive to the attainment of the above objects or any of them.

AND IT IS HEREBY DECLARED that in this clause:

- (i) unless the context otherwise requires, words in the singular include the plural and vice versa;
- (ii) unless the context otherwise requires, a reference to a person includes a reference to a company, and a reference to a person or company includes a reference to a firm, partnership, corporation, government or other authority



(municipal, local or otherwise), undertaking, organisation, association, statutory, public or other body and any other legal entity, whether resident, domiciled or situated (in any such case) in the United Kingdom or elsewhere;

- (iii) references to "other" and "otherwise" shall not be construed *ejusdem generis* where a wider construction is possible;
- (iv) a reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it for the time being in force;
- (v) the words "subsidiary" (except in paragraph (vi) below) and "holding company" have the same meaning as in Section 736 of the Companies Act 1985 or any statutory modification or re-enactment of it; and
- (vi) the objects specified in each of the foregoing paragraphs of this clause shall be separate and distinct objects of the Company and accordingly shall not be in any way limited or restricted (except so far as otherwise expressly stated in any paragraph) by reference to or inference from the terms of any other paragraph or the order in which the paragraphs occur or the name of the Company, and none of the paragraphs shall be deemed merely subsidiary or incidental to any other paragraph.

5. The liability of the Members is limited.

6. The Company's share capital is £50,000 divided into 50,000 shares of £1 each.

CJB0008.94D

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

Names and addresses of Subscribers	Number of shares taken by each Subscriber
------------------------------------	---

1. For and on behalf of  
Instant Companies Limited  
1 Mitchell Lane  
Bristol BS1 6BU

One

2. For and on behalf of  
Swift Incorporations Limited  
1 Mitchell Lane  
Bristol BS1 6BU

One

Total shares taken

Two

Dated this 24th day of March, 1994.

Witness to the above Signatures: -

Mark Anderson  
1 Mitchell Lane  
Bristol BS1 6BU

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ARTICLES OF ASSOCIATION

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THE COMPANIES ACT 1985 (as amended)

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

Severn Trent Water Utilities Finance Plc

PART I - PRELIMINARY

Interpretation

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

"Act" means the Companies Act 1985;

"Auditors" means the auditors for the time being of the Company or, in the case of joint auditors, any of them;

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

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

"Company" means Severn Trent Water Utilities Finance Plc;

"Directors" means the directors for the time being of the Company;

"dividend" includes bonus;

"holder" means in relation to shares, the Member whose name is entered in the Register as a holder of those shares;

"in writing" and "written" includes printing, lithography, telex and facsimile transmissions and other modes of representing and reproducing words in a visible form;

"Member" means a member of the Company;

"month" means calendar month;

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

"Ordinary Shares" means all shares in the capital of the Company;

"paid up" includes credited as paid up;

"present in person" includes presence of a company, by a duly authorised representative;

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

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

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

"Seal" means the Common Seal of the Company or any official seal that the Company may have pursuant to the provisions of the Act;

"Subsidiary" and "Subsidiary Undertaking" have the same meanings as in Sections 736 and 258 of the Act respectively;

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

"United Kingdom" means Great Britain and Northern Ireland.

(B) In these Articles:

reference to "other" and "otherwise" shall not be construed *ejusdem generis* where a wider construction is possible;

references to a power are to a power of any kind, whether administrative, discretionary or otherwise;

references to a Committee of the Directors are to a Committee established in accordance with these Articles, whether or not comprised wholly of Directors;

words importing the singular number only include the plural number and vice versa;

words importing the masculine gender only include the feminine and neuter gender;

words importing persons include corporations;

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

a reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it for the time being in force.

Table "A" not to apply

2. None of the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 shall apply to the Company.

PART II - SHARE CAPITAL

3. The authorised share capital of the Company at the date of adoption of this paragraph of this Article is £50,000 divided into 50,000 Ordinary Shares of £1 each.

Allotment of Shares

4. (A) Subject to the authority of the Company in General Meeting required by the Act, the Directors shall have unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased capital) or rights to subscribe for or convert any security into shares to such persons, at such times and for such consideration and generally upon such terms and conditions with such rights and privileges attached thereto and subject to such restrictions as the Directors may determine (but so that no shares shall be issued at a discount).
- (B) For the purposes of these Articles, a share in the capital of the Company is deemed paid up (as to its nominal value or any premium on it) in cash, or allotted for cash, if the consideration for the payment up or allotment is cash received by the Company, or is a cheque received by it in good faith which the Directors have no reason for suspecting will not be paid, or is a release of a liability of the Company for a liquidated sum, or is an undertaking to pay cash to the Company at a future date.

Shares may be issued subject to different conditions as to calls

5. The Directors may make arrangements on the allotment or issue of shares for difference(s) as between the allottees or holders of such shares in the amount of calls to be paid and the time of payment of such calls.

### Payment of commission

6. In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Act of paying commissions to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company. Subject to the provisions of the Act, such commission may be satisfied by payment of cash or by the allotment of fully or partly paid shares or the grant of an option to call for an allotment of shares or in any combination of such methods. The Company may also on any issue of shares pay such brokerage as may be lawful.

### Trusts not recognised

7. Except as otherwise provided by these Articles or as required by law, the Company shall be entitled to treat the holder of any share as the absolute owner thereof, and accordingly shall not be required to or be bound to recognise (even when having notice of it) any equitable, contingent, future, partial or other claim to or interest in any share on the part of any other person.

### Joint Holders

8. The Company shall not be bound to register more than four persons as the joint holders of any share.

## CERTIFICATES

### Certificates

9. The certificates of title to shares shall be issued under the Seal which may be affixed to or printed on them or in such other manner as the Directors having regard to the terms of issue may authorise.

### Members' right to certificates

10. Every holder of shares in the Company (except a Recognised Person in respect of whom the Company is not required by law to complete and have ready a certificate) shall be entitled within the time specified by the Act and without payment to one certificate for all the shares registered in his name, or in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares so registered, and where a holder transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares retained by him and registered in his name. Upon request and upon payment for every certificate after the first of such reasonable sum as the Directors may determine, every holder of shares in the Company shall be entitled to receive several certificates for shares

(being shares of one class) registered in his name, and every such holder shall be entitled to receive one certificate in substitution for several certificates for shares (being shares of one class) registered in his name upon surrender to the Company of all the share certificates representing such shares. Every such certificate for shares shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon.

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

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

Costs

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

To which of the joint holders certificates to be issued

13. The Company shall not be bound to issue more than one certificate in respect of shares registered in the names of two or more persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

SHARE WARRANTS

Share Warrants

14. The Company may, with respect to any fully paid shares, issue a warrant (hereinafter called 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.

Conditions of issue

15. The powers referred to in Article 14 may be exercised by the Directors who may determine and vary the conditions upon which share warrants shall be issued and in particular upon which:
  - (i) 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 Directors are satisfied beyond reasonable doubt that the original has been destroyed);

- (ii) the bearer of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at General Meetings;
- (iii) dividends will be paid; and
- (iv) 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.

#### CALLS ON SHARES

##### Calls

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

##### May be payable by instalments, etc.

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

##### When call deemed to have been made

18. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. A person upon whom a call is made shall remain liable notwithstanding the subsequent transfer of the shares in respect of which the call was made.

##### Liability of joint holders of shares

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

When interest on calls payable

20. If the whole of the sum payable in respect of any call is not paid on or before the day appointed for payment, the person from whom it is due and payable shall pay interest on the unpaid amount at such rate as may be fixed by the terms of allotment of the share in question or, if no rate is so fixed, at such rate, not exceeding (without the sanction of the Company given by Ordinary Resolution) fifteen per cent. per annum, as the Directors may determine, from the time appointed for payment thereof until the actual payment thereof, together with all costs, charges and expenses which may have been incurred by the Company by reason of such non-payment, but the Directors may waive payment of such interest or such costs, charges and expenses wholly or in part. No dividend shall be paid or payable in respect of any such unpaid amount and no other rights may be exercised by the holder of any share so long as any such amount, or any interest, costs, charges or expenses payable in accordance with this Article in relation thereto, remains unpaid.

Payment of calls in advance

21. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up; and upon the money paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance shall have been made, the Company may pay interest at such rate (not exceeding, without the sanction of the Company given by Ordinary Resolution, fifteen per cent. per annum) as the Member and the Directors may agree. Any such payment in advance shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced.

Sums due on allotment etc. to be treated as calls

22. Any sum payable in respect of a share on allotment or at any fixed date (including by way of instalment), whether on account of the nominal value of the share or by way of premium or as an instalment of a call, shall for the purposes of these Articles be deemed to be a call and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become due and payable by virtue of a call duly made and notified.

Power to differentiate

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

## FORFEITURE AND LIEN

### If call not paid notice may be given

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

### Form of notice

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

### If notice not complied with shares may be forfeited

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

### Forfeited shares to become the property of Company

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

Power to annul forfeiture

28. The Directors may at any time, before any share so forfeited shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture upon payment of all calls and interest due upon and costs, charges and expenses incurred in respect of the share and upon such further conditions (if any) as they think fit.

Arrears to be paid notwithstanding forfeiture

29. Any person whose shares have been forfeited shall thereupon cease to be a Member in respect of such shares and shall surrender to the Company for cancellation the certificate for the shares but shall notwithstanding remain liable to pay, and shall forthwith pay to the Company all calls, instalments, interest and costs, charges and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon, from the time of forfeiture until payment, at the rate of fifteen per cent. per annum (or such lower rate as the Directors may determine) and the Director may waive payment wholly or in part or enforce payment thereof if they think fit without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

Company's lien on shares

30. The Company shall have a first and paramount lien upon all the shares, other than fully paid-up shares, registered in the name of each Member (whether solely or jointly with other persons) for any amount payable in respect of such shares, whether the period or time for payment thereof shall have actually arrived or not and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such shares. The Directors may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Article.

As to enforcing lien by sale

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

Application of proceeds of sale

32. The net proceeds of any such sale, after payment of the costs

thereof, shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Member of the person (if any) entitled by transmission to the shares.

Validity of sale after forfeiture or for enforcing lien

33. Upon any sale or re-allotment after forfeiture or upon any sale for enforcing any lien in purported exercise of the powers hereinbefore given, the Directors may in the case of a sale nominate some person to execute a transfer of the shares sold in the name and on behalf of the holder or his executors or administrators and may in any case receive the purchase or subscription money in respect of any transfer or re-allotment of the shares, cause the name of the purchaser or re-allottee to be entered in the Register in respect of the shares sold or re-allotted, and issue share certificates in respect of the shares to such purchaser or re-allottee. A statutory declaration by a Director or the Secretary that a share has been forfeited or sold by way of enforcement of a lien on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the shares and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the shares and the purchaser or re-allottee shall not be bound to see to the regularity of the proceedings or to the application of the purchase or subscription money, and, after his name has been entered in the Register in respect of such shares, the validity of the sale or forfeiture shall not be impeached by any person.

TRANSFER OF SHARES

Form of transfer

34. Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his shares by an instrument of transfer in writing in any usual form (which shall include a block transfer form) or in any other form which the Directors approve, and such instrument shall be signed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof, and when registered the instrument of transfer shall (subject to Article 151(iii)) be retained by the Company.

Restraint on transfer

35. (A) The Directors may, in their absolute discretion and without giving any reason, refuse to register any share transfer unless:

- (i) it is in respect of a fully paid share;
- (ii) it is in respect of a share on which the Company does not have a lien;
- (iii) it is in respect of only one class of shares;
- (iv) it is in favour of not more than four joint holders as transferees;
- (v) it is duly stamped (if so required); and
- (vi) any other conditions relating thereto specified or imposed by the Directors (in their absolute discretion) have been satisfied in respect thereof.

Nothing in these Articles shall preclude the Directors from allowing the allotment of any shares to be renounced by the allottee in favour of some other person, but for the purposes of this Article such renunciation shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect to it as if the renunciation were a transfer.

- (B) If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

#### Registration of transfer

- 36. Every instrument of transfer must be lodged, duly stamped, at the Office, or at such other place as the Directors may from time to time determine, to be registered, accompanied (except in the case of a transfer by a Recognised Person, where a certificate has not been issued in respect of the shares) by the certificate for the shares comprised therein, and such evidence as the Directors may reasonably require to prove the title of the transferor, and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf the authority of that person so to do and thereupon the Directors, subject to the power vested in them by the last preceding Article, shall register the transferee as the holder.

#### Fees on registration

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

#### Suspension of registration and closing of Register

- 38. The registration of transfers may be suspended at such times and

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

Location of instruments of transfer

39. All instruments of transfer which are registered shall, subject to Article 151(iii), be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in the case of fraud or any other case determined by the Directors) be returned to the person depositing the same.

TRANSMISSION OF SHARES

Representatives of interest of deceased Members

40. The executors or administrators of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to shares held by him alone; but in the case of shares held by more than one person, the survivor or survivors only shall be recognised by the Company as being entitled to such shares. Nothing in this Article shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.

Evidence in case of death or bankruptcy or mental disorder

41. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or in consequence of a Member being or becoming a patient within the meaning of Part VII of the Mental Health Act 1983 or of any other event giving rise to a transmission of such entitlement by operation of law may, upon such evidence being produced as may be required by the Directors, elect in writing either to be registered as a Member by giving notice in writing to that effect or, without being so registered, execute a transfer to some other person who shall be registered as a transferee of such share and the execution of such a transfer shall signify his election as aforesaid; all the Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the death or bankruptcy of the Member or his being or becoming a patient as aforesaid or any other event as aforesaid had not occurred. The Directors may at any time give notice requiring any such person to elect as aforesaid and if such notice is not complied with within sixty clear days the Directors may thereafter withhold payment of all dividends and other moneys payable in respect of such share until compliance therewith.

Rights as to dividends and voting

42. Any person becoming entitled to a share in consequence of the

death or bankruptcy of any Member or of his becoming a patient as mentioned in Article 41 or of any other such event as is mentioned in Article 41 shall, subject to the requirements of Article 133, be entitled to the same dividends and other advantages to which he would be entitled if he were the holder of the share, except that he shall not, unless and until he is registered as a Member in respect of the share, be entitled in respect of it to receive notices of or to exercise any rights conferred by membership in relation to meetings of the Company.

#### CONSOLIDATION AND SUB-DIVISION OF SHARES

##### Consolidation

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

##### Sub-division

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

##### Fractions

45. Subject to any direction by the Company in General Meeting, whenever as the result of any consolidation or sub-division of shares Members of the Company are entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which Members are so entitled in fractions to any person (including, subject to the provisions of the Act, the Company) for the best price reasonably obtainable and pay and distribute to and amongst the Members entitled to such shares in due proportions the net proceeds of the sale thereof (except that any amount otherwise due to a Member, being less than £2.50 or such other sum as the Directors may from time to time determine, may be retained for the benefit of the Company). For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the Members so entitled to the purchaser thereof or any other person nominated by the purchaser and may cause the name of the purchaser or any other person nominated by the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the



shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### CONVERSION OF SHARES INTO STOCK

#### Paid up shares convertible into stock

46. The Company may by Ordinary Resolution convert any fully paid up shares into stock of the same class as the shares which shall be so converted, and reconvert such stock into fully paid up shares of the same class and of any denomination. No such conversion shall affect or prejudice any preference or other special privilege.

#### Transfer of stock

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

#### Privilege of stock-holders

48. A holder of stock shall, according to the amount of the stock held by him, have the same rights as if he held the shares from which the stock arose: Provided that no such right (except participation in dividends and in the assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right.

#### Definitions

49. All such provisions of these Articles relating to shares as are applicable to fully paid-up shares shall apply to stock, and in all such provisions (unless the context otherwise requires) the words "share" and "Member" shall include "stock" and "stockholder".

### INCREASE AND REDUCTION OF CAPITAL

#### Increase of capital

50. The Company may, from time to time, by Ordinary Resolution, increase its capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution may prescribe. Subject

to such privileges, priorities, or conditions as are or may be attached thereto, all new shares shall be subject to the same provisions in all respects as if they had been part of the original capital.

Power to attach rights and issue redeemable shares

51. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any new shares in the capital of the Company may be allotted with such preferential right to dividend and such priority in the distribution of assets, or subject to such postponement of dividends or in the distribution of assets, and with or subject to such preferential or limited or qualified right of voting at General Meetings or such other special rights or restrictions as the Company may from time to time by Ordinary Resolution determine, or, if no such determination be made, as the Directors shall determine, but so that the rights attached to any issued shares as a class shall not be varied except with the consent of the holders thereof duly given under the provisions of these Articles (and in construing for the purposes of this Article whether rights are, or are to be treated as, varied or not varied, the provisions of Article 82(B) shall apply). Subject as aforesaid any shares in the capital of the Company may be issued on terms that they are, or, at the option of the Company or the holder, are to be liable, to be redeemed.

Reduction of capital and purchase of own shares

52. (A) Subject to the provisions of the Act and to any rights attached to any shares, the Company may from time to time by Special Resolution reduce its share capital, any capital redemption reserve and any share premium account or any other undistributable reserve in any manner. The Company may also by Ordinary Resolution cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal value of the shares so cancelled.
- (B) Subject to the provisions of the Act and to any rights attached to any shares, the Company may purchase all or any of its own shares of any class (including any redeemable shares) provided that if at the relevant date proposed for approval of the proposed purchase there shall be in issue any shares of a class entitling the holders thereof to convert into Ordinary Shares in the capital of the Company then no such purchase shall take place unless it has been sanctioned by an Extraordinary Resolution passed at a separate class meeting (or meetings if there is more than one class) of the holders of any such class of convertible shares. Neither the Company nor the Directors shall be required to select the shares to be purchased rateably or in any particular manner as between the holders of the shares of the same class or as between them and the holders of

shares of any other class or in accordance with the rights as to dividends or capital attached to any class of shares.

### PART III - GENERAL MEETINGS

#### Annual General Meetings

53. Annual General Meetings shall be held at such time and place, subject to the provisions of the Act, as may be determined by the Directors.

#### Extraordinary General Meetings

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

#### When Extraordinary General Meeting to be called

55. The Directors may, whenever they think fit, convene an Extraordinary General Meeting of the Company, and Extraordinary General Meetings shall also be convened on such requisition or in default may be convened by such requisitionists as provided by the Act. Any meeting convened under this Article by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors. If there are insufficient Directors within the United Kingdom capable of acting to form a quorum at a meeting of the Directors, any Directors within the United Kingdom may convene a General Meeting.

#### Notice of meetings

56. Subject to the provisions of the Act, an Annual General Meeting and an Extraordinary General Meeting called for the passing of a Special Resolution shall be called by not less than twenty-one clear days' notice in writing, and all other Extraordinary General Meetings of the Company shall be called by not less than fourteen clear days' notice in writing. The notice shall specify the place, the day and hour of meeting and the general nature of the business to be transacted. The notice shall be given to the Members, other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company, to the Directors and to the Auditors. A notice calling an Annual General Meeting shall specify the meeting as such and a notice convening a meeting to pass a Special Resolution or an Extraordinary Resolution as the case may be shall specify the intention to propose the resolution as such. Notwithstanding that a meeting of the Company is convened by shorter notice than that specified in this Article, it shall be deemed to have been properly convened if it is so agreed:-
- (a) in the case of an Annual General Meeting, by all the members entitled to attend and vote at the meeting; and

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

#### Proxies

57. In every notice calling a meeting of the Company or any class of the Members of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him, and that a proxy need not also be a Member. Every such notice shall also state the place where instruments of proxy are to be deposited if the Directors determine that place to be other than the Office.

#### Omission to send notice

58. The accidental omission to send a notice or, where required by these Articles, a proxy form with a notice to, or the non-receipt of any notice or proxy form by, any Member, any Director or the Auditors shall not invalidate the proceedings at any General Meeting.

#### Quorum

59. No business shall be transacted at any General Meeting unless a quorum is present. Two persons entitled 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.

#### Procedure if quorum not present

60. If a quorum is not present within half an hour after the time appointed for a meeting, or if during a meeting a quorum ceases to be present, the meeting, if convened by or upon the requisition of Members, shall be dissolved, and in any other case shall stand adjourned to such time (being not less than ten nor more than sixty days later) and place as the Chairman of the meeting (or, in default, the Directors) shall appoint. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the meeting shall be dissolved.

#### Chairman

61. The Chairman (if any), or, in his absence, the Deputy Chairman (if any) of the Board of Directors, or, in the absence of both of them, some other Director nominated by the Directors, shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman or Deputy Chairman or nominated Director, or if at any meeting none of them is present within fifteen minutes after the time appointed for holding the meeting,

or none of them is willing to act, the Directors present shall select one of their number to be Chairman, and if only one Director is present and willing to act, he shall be Chairman. That failing, the Members present and entitled to vote shall choose one of their number to be Chairman.

#### Power to adjourn

62. Without prejudice to any other power which he may have under these Articles or at common law, the Chairman may, with the consent of the meeting, and shall, if so directed by the meeting, adjourn any meeting from time to time or *sine die* and from place to place. No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

#### When notice of adjourned meeting to be given

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

#### How questions to be decided at meetings

64. At any General Meeting, a resolution put to the vote of the meeting shall be decided by a show of hands unless (before or upon the declaration of the result of, the show of hands) a poll is duly demanded in accordance with the provisions of these Articles and unless a poll is demanded a declaration by the Chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

#### Amendments to resolutions

65. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than an amendment to correct a manifest error) may be considered or voted upon and in the case of a resolution duly proposed as an Ordinary Resolution no amendment thereto (other than an amendment to correct a manifest error) may be considered or voted upon unless either at least forty-eight 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 in his absolute discretion decides that it may be considered or voted upon.

Amendments ruled out of order

66. If an amendment to any resolution under consideration is ruled out of order by the Chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in the ruling.

Casting vote

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

Who may demand a poll

68. A poll may be demanded upon any question by the Chairman or by not less than five Members present in person or by proxy and entitled to vote or by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting or by a Member or Members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Poll demanded by proxy

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

How poll to be taken

70. Subject to the provisions of the next succeeding Article, if a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the Chairman of the meeting directs, and either at once, or after an interval or adjournment (but not more than thirty days after the date of the meeting or adjourned meeting at which the poll was demanded), and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn before the poll is taken but only with the consent of the Chairman and a demand so withdrawn shall validate the result of a show of hands declared before the demand was made (and in the case of a poll demanded before the declaration of the result of a show of hands, where the demand is duly withdrawn, the meeting shall continue as if the demand had not been made). 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 Chairman may in the event of a poll appoint scrutineers and may fix a time and place for declaring the result of the poll.

In what cases poll taken without adjournment

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

Business may proceed notwithstanding demand of a poll

72. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any Business other than the question on which a poll has been demanded.

VOTING

Votes of Members

73. Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, or any suspension or abrogation of voting rights pursuant to these Articles, every Member present in person at a general meeting of the Company shall upon a show of hands have one vote and every Member present in person or by proxy shall upon a poll have one vote for every Ordinary Share of which he is the holder.

Joint Owners

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

Votes of Members suffering from mental disorder

75. A Member who is or becomes a patient within the meaning of Part VII of the Mental Health Act 1983 or in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, *curator bonis* or other person authorised in that behalf appointed by the court and may, on a poll, vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote on behalf of such Member 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 forty-eight 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.

Voting personally or by proxy

76. (A) On a poll votes may be given personally or by proxy or (in the case of a corporate member) by a duly authorised representative and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. The instrument appointing a proxy shall be in writing in the usual form, or such other form as shall be approved by the Directors, under the hand of the appointor or his duly constituted attorney; or if such appointor is a corporation, either under its Common Seal or signed on its behalf by an officer, attorney or other person authorised to sign it. A proxy need not be a Member of the Company. A Member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at any meeting or adjournment thereof.
- (B) Subject to Article 58, proxy forms shall be sent by the Company to all or none of the persons entitled to receive notice of and to vote at any meeting, and if sent shall provide for two-way voting (without prejudice to any right to abstain) on all resolutions set out in the notice of meeting.

As to deposit of proxy

77. The instrument appointing a proxy and any authority under which it is executed or a copy of the authority certified notarially or in some other way approved by the Directors shall:
- (i) be deposited at the Office or at such other place in the United Kingdom as 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 forty-eight hours (or such lesser time as may be specified in such notice or such proxy) before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (ii) in the case of a poll taken more than forty-eight hours after it was demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four hours (or such lesser time as may be specified by the Directors) before the time appointed for taking the poll; or
  - (iii) where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, be delivered



at the meeting to the Chairman or to the Secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share: if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

#### As to validity of proxy

78. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates and may confer authority on the proxy to vote on any amendment to any resolution in respect of which it is given (or on any other business which may properly come before the meeting), but any such authority purportedly conferring discretion on the proxy shall, although binding as between the appointor and the Company, be without prejudice, as between the appointor and the proxy, to any instructions which the appointor may separately give to the proxy.

#### Corporations acting by representatives

79. Any corporation which is a Member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative (or representatives) at any meeting of the Company, or at any separate meeting of the holders of any class of shares. The person (or persons) so authorised shall be entitled to exercise the same power on behalf of the corporation (in respect of that part of the corporation's holding to which the authorisation relates in the case of an authorisation of more than one person) as the corporation could exercise if it were an individual Member of the Company, and 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.

#### When votes by proxy valid though authority revoked

80. A vote given or poll demanded by a proxy or a duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination was received by the Company at the Office or such other place as is specified for depositing the instrument of proxy not later than the last time at which an instrument of proxy should have been

delivered in order to be valid for use at the meeting or adjourned meeting at which any such vote is given or at which any such poll is demanded.

#### Qualification and counting of votes

81. No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

### VARIATION OF RIGHTS

#### Consent to variation

82. (A) Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares all or any of the rights or privileges attached to any class may (unless otherwise provided by the term of issue of that class) be varied either while the Company is a going concern or during or in contemplation of a winding-up (i) in such manner (if any) as may be provided by such rights, or (ii) in the absence of any such provision either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise.
- (B) The creation or issue of shares ranking *pari passu* with or subsequent to the shares of any class and the purchase by the Company of its own shares in accordance with the provisions of the Act and Article 52(B) shall not (unless otherwise expressly provided by the rights attached to such last mentioned shares as a class) be deemed to be a variation of the rights of such shares. The variation of all or any of the rights or privileges attached to some only of the shares of any class shall be treated as a variation requiring the consent in accordance with the provisions of this Article of the holders of those shares which are adversely affected by the variation.

#### Proceedings at meetings of classes of Members

83. Any meeting for the purpose of the last preceding Article shall be convened and conducted in all respects as nearly as possible in the same way as an Extraordinary General Meeting of the Company, provided that no Member, not being a Director, shall be entitled to notice thereof or to attend thereat unless he be a holder of shares of the class the rights or privileges attached

to which are intended to be varied or abrogated by the resolution, and that no vote shall be given except in respect of a share of that class, and that the quorum at any such meeting shall be two persons at least present in person holding or representing by proxy at least one-third in nominal value of the issued shares of the class, or at an adjourned meeting one person holding any shares of the class in question who is present in person or his proxy shall constitute the requisite quorum and that a poll may be demanded in writing by any Member present in person or by proxy and entitled to vote at the meeting: Provided further that in the case of a variation of the rights or privileges attached to some only of the shares of any class, the foregoing provisions of this Article shall apply as if references to a class of shares were references to that part of the class which would be adversely affected by the variation.

#### PART IV - DIRECTORS AND OTHER OFFICERS DIRECTORS

##### Number of Directors

84. Unless and until otherwise determined by the Company by Ordinary Resolution, the number of Directors (other than any alternate directors) shall not be less than three but shall not be subject to any maximum. The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors be less than the prescribed minimum the remaining Director or Directors shall only act for the purpose of appointing an additional Director or additional Directors to make up such minimum or to convene a General Meeting of the Company for the purpose of making such appointment. If there be no Director or Directors able or willing so to act then any two Members may summon a General Meeting for the purpose of appointing Directors. Any additional Director so appointed or Director appointed at any such General Meeting shall (subject to the provisions of these Articles) hold office only until the dissolution of the Annual General Meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

##### Remuneration of Directors

85. Until otherwise determined by the Company by Ordinary Resolution, there shall be paid to each Director (other than an alternate director) such fee (as the Company may by Ordinary Resolution determine) for his services in the office of Director as the Directors may decide. Such fee shall be deemed to accrue from day to day. Any fee payable pursuant to this Article shall be distinct from any salary, remuneration or other amounts payable to a Director, or determined, pursuant to other provisions of these Articles.

Travelling and hotel expenses and special remuneration

86. The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors including any expenses incurred in attending and returning from meetings of the Board of Directors or of Committees of the Board of Directors of General Meetings or separate meetings of the holders of any class of shares or debentures of the Company and if in the opinion of the Directors it is desirable that any of their number should go or reside abroad or make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid such reasonable additional remuneration by way of salary, percentage of profits or otherwise and expenses therefor as the Directors may from time to time determine.

Qualification. Directors entitled to attend at General Meetings and separate meetings

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

Directors to have power to fill vacancies

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

ALTERNATE DIRECTORS

Appointment and Revocation

89. Any Director (other than an alternate director) may by writing under his hand (to take effect upon receipt at the Office by the Secretary) appoint (i) any other Director, or (ii) any other person who is approved by the Board of Directors to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and of Committees of the Directors of which his appointor is a member and, in the absence from such meetings of the Director appointing him, to attend and vote at such meetings of the Directors, and to exercise all the powers,

rights, duties and authorities of the Director appointing him. A Director may at any time by writing under his hand (to take effect upon receipt at the Office by the Secretary) revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid where requisite, appoint another person in his place. If a Director shall die or cease to hold the office of Director, the appointment of his alternate shall thereupon cease and determine. If any Director retires but is re-elected at the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. The appointment of an alternate director shall cease and determine on the happening of any event which, if he were a Director, would cause his office to be vacated pursuant to Article 103 of these Articles. An alternate director need not hold a share qualification and shall not be counted in reckoning any maximum number of Directors. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present. Execution by an alternate director of any resolution in writing of the Board of Directors or a Committee of Directors shall, unless the notice of his appointment provides to the contrary, be as effective as execution by the Director appointing him.

Alternate to be responsible for his own acts, remuneration of alternate etc.

90. Every person acting as an alternate director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions to the same extent as if he were a Director. An alternate director shall not be entitled as against the Company to any fees for his services as an alternate director: the remuneration of any such alternate director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him. Subject to this Article, an alternate director shall be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director and shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

MANAGING AND EXECUTIVE DIRECTORS

Appointment

91. The Directors may from time to time appoint one or more of their number (whether solely or jointly with any other Director) to be Managing Director or Chief Executive Director of the Company or

to hold any other executive office under the Company (with whatever designation the Directors may determine) and, subject to the provisions of the Act, any such appointment may be made for such term, at such remuneration and on such other conditions as the Directors think fit. Any appointment of a Director to an executive office under the Company shall terminate if he ceases to be a Director but without prejudice to any claim for damages for breach of the contract of service between himself and the Company. A Managing Director or Chief Executive Director and an executive Chairman of the Board of Directors (including any joint holder of any such office) shall not while continuing to hold that office be subject to retirement by rotation and shall not be taken into account in determining the rotation of retirement of Directors.

#### Powers

92. The Directors may from time to time delegate, entrust to and confer upon a Managing Director or Chief Executive Director or any Director holding any other executive office for the time being such of the powers exercisable under these Articles by the Directors, other than power to make calls or forfeit shares, as they may think fit (including, without limitation, the power to sub-delegate any such powers), and may delegate, entrust and confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they may think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, after or vary all or any of such powers.

#### POWERS AND DUTIES OF DIRECTORS

##### Directors to have entire superintendence and control of business of Company

93. The business of the Company shall be managed by the Directors who, 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 may exercise all the powers of the Company. No alteration of the Memorandum of Association of the Company or of these Articles and no direction given by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such alteration had not been made or such direction had not been given, and the provisions contained in these Articles as to any specific power of the Directors shall not be deemed to limit the general powers hereby given. A meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

Power to award pensions etc. to Directors

94. The Directors may exercise all the powers of the Company to provide benefits, whether by the payment of pensions, annuities, gratuities or superannuation or other allowances or by insurance or otherwise, to any persons who are or have at any time been Directors (or the holders of any equivalent or comparable office) of and employed by or in executive office under the Company, or any company which is a subsidiary company of, allied to or associated with the Company, or any corporate body to whose business the Company or any of its subsidiaries is, in whole or in part, a successor directly or indirectly, and to the spouses, widows, widowers, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise). The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any other person. No Director or former Director shall be accountable to the Company or the Members for any benefit provided pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director.

Directors' interests

95. (A) Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any material interest of his:
- (i) a Director may hold any other office or place of profit under the Company (except that of Auditor or auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity to the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any such remuneration shall be in addition to any remuneration provided for by any other Article;
  - (ii) no Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either in regard to such other office or place of profit or as vendor, purchaser or otherwise; and
  - (iii) no contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be avoided, nor shall any Director who enters into any

such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established.

(B) For the purposes of this Article:

- (i) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

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

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

- (i) the giving of any guarantee, security or indemnity to him in respect of money lent to, or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription, purchase or exchange in which offer he is or is to be interested as



a participant in the underwriting or sub-underwriting thereof;

(iv) any contract, arrangement, transaction or proposal to which the Company is or is to be a party and concerning any other company (including any subsidiary of the Company) (a "relevant company") in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not directly or indirectly interested in one per cent. or more of the issued shares of any class of the relevant company or of the voting rights of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances) and, for the purposes of this paragraph (iv):

- (a) a person shall be deemed to be directly interested in the issued shares of any class of a company if he holds (whether solely or jointly) or is beneficially interested in such shares;
- (b) a person shall be deemed to be indirectly interested in the issued shares of any class of a company if another company (an "intermediary company") in whose equity share capital he is directly or indirectly interested holds (whether solely or jointly) or is beneficially interested in such shares;
- (c) a person shall be deemed to be indirectly interested in one per cent. or more of the issued shares of any class of a relevant company if the percentage of the issued shares of such class attributable to such person through his percentage interest in the equity share capital of each intermediary company through which his interest in the relevant company is derived represents one per cent. or more of the issued shares of such class of the relevant company; and
- (d) a person shall be deemed to be directly interested in one per cent. or more of the voting rights available to members of a relevant company if he can cause one per cent. or more of such voting rights to be cast at his direction.

For the purposes of this paragraph (iv) there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or is in remainder if and so long as some other person is entitled to receive the income therefrom and any shares comprised

in any authorised unit trust scheme in which the Director is interested only as a unit holder;

- (v) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a superannuation fund, a retirement benefits scheme or a personal pension scheme under which he may benefit and which either (a) has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes or (b) relates to both employees and Directors of the Company and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such fund or scheme relates;
  - (vi) any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time executive Directors of the Company and/or any subsidiary to acquire shares or share in profits of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees; and
  - (vii) the purchase or maintenance for any Director or Directors of insurance against any liability.
- (E) A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.
- (F) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) 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 considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under paragraph (D)(iv) of this Article or otherwise) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (G) If any question shall arise at any meeting as to the materiality of a Director's (other than the Chairman's) interest or as to the entitlement of any Director (other than the Chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be

final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fully disclosed.

- (H) If any question shall arise at any meeting as to the materiality of the Chairman's interest or as to the entitlement of the Chairman to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Directors present at the meeting, excluding the Chairman, whose majority vote shall be final and conclusive except in a case where the nature or extent of the interests of the Chairman have not been fully disclosed.
- (I) The Company may by Ordinary Resolution suspend or relax the provisions of this Article either generally or in respect of any particular matter or ratify any transaction not duly authorised by reason of a contravention of this Article.
- (J) For the purpose of this Article an interest of a person who is for the purpose of the Act connected with (which words shall have the meaning given thereto by Section 346 of the Act) a Director shall be treated as an interest of the Director and in relation to an alternate an interest of his appointor shall be treated as an interest of the alternate without prejudice to any interest which the alternate has otherwise.

#### Exercise of voting powers

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

#### Directors may join Boards of other companies

- 97. A Director of the Company may continue or become a director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, employee or member of such company: Provided always that this Article shall not be construed as restricting the right of any Director to be or become a director or other officer, servant or member of any other company or to retain any benefits derived as such.

Overseas branch register

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

LOCAL MANAGEMENT

Local management

99. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether in the United Kingdom or elsewhere, in such manner as they think fit, and the following provisions of this Article shall be without prejudice to the general powers conferred by this Article.

Delegation

- (i) The Directors from time to time, and at any time, may establish any local board or agencies for managing any of the affairs of the Company in any such specified locality, and may appoint any persons to be members of such local board, or any managers or agents, and may fix their remuneration. The Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Directors, other than the power of making calls or forfeiting shares, and may authorise the members for the time being of any such local board, or any of them, to fill up the vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation and, subject to any terms and conditions expressly imposed by the Directors, the proceedings of any local board or agency with two or more members shall be governed by such of these Articles as regulate the proceedings of Directors, so far as they are capable of applying.

Powers of attorney etc.

- (ii) The Directors may at any time and from time to time by power of attorney or otherwise, appoint any person or persons to be the agent or agents of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles), and for such period and subject to such conditions as the Directors may from time to time think fit; and any such power of attorney or other instrument of

appointment may contain such provisions for the protection or convenience of persons dealing with such agent or agents as the Directors may think fit. The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Directors generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Directors or by a Committee authorised by the Directors.

#### Sub-delegation

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

#### Job designations

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

### BORROWING POWERS

#### Power to raise money

- 101. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

#### Register of Charges

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

## DISQUALIFICATION AND REMOVAL OF DIRECTORS

Office of Director to be vacated

103. The office of a Director shall be vacated:

If he resigns

- (i) If he delivers to the Board or to the Secretary a notice in writing of his resignation of his office of Director;

Ceases to be a Director

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

Becomes bankrupt

- (iii) If he becomes bankrupt, has an interim receiving order made against him or makes any arrangement or compounds with his creditors generally;

Suffers mental disorder

- (iv) If an Order is made by any Court of competent jurisdiction on the ground of mental disorder for his detention or for the appointment of a guardian or receiver or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984;

Fails to attend meetings

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

Is removed

- (vi) If he is removed from office by notice in writing signed by all his co-Directors being not less than three in number (without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company); or

Executive office terminates

- (vii) If in the case of a Director who holds any executive office

his appointment as such is terminated or expires and the Directors resolve that his office be vacated.

Power of removal by Ordinary Resolution

104. 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 (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.

RETIREMENT, ELECTION AND APPOINTMENT OF DIRECTORS

Rotation and retirement of Directors

105. Subject to the provisions of Article 91 in respect of a Managing Director or Chief Executive Director and an executive Chairman of the Board of Directors, at each Annual General Meeting one-third of the Directors who are subject to retirement by rotation, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office, but if there are fewer than three directors who are subject to retirement by rotation, they shall all retire.

Which Director to retire

106. Subject to the provisions of the Act, the Directors to retire 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 second, such further Directors as shall, including such Directors as aforesaid, be the one-third or other nearest number who have been longest in office. As between two or more who have been in office an equal length of time, the Director to retire shall in default of agreement between them be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office.

Meeting to fill up vacancies and appoint Directors

107. 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 additional Director, and may also so determine the rotation in which any additional Directors are to retire.

Retiring Director to remain in office until successor appointed

108. If the Company at any General Meeting at which a Director retires by rotation does not fill the vacancy, the retiring Director shall, if willing, be deemed to have been reappointed and shall continue in office until the dissolution of the Annual General Meeting in the next year, unless it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost.

Retiring Director at an Annual General Meeting

109. Subject as aforesaid, a Director who retires at an Annual General Meeting may be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

Appointment of Directors to be voted upon individually

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

Notice to propose new Directors

111. No person, other than a Director retiring by rotation, shall be appointed or reappointed a Director at any General Meeting unless:
- (i) he is recommended by the Directors; or
  - (ii) not less than six nor more than thirty-five clear days before the date appointed for the meeting, notice executed by a Member (other than that person) qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's Register of Directors together with notice executed by that person of his willingness to be appointed or reappointed.

No Director to retire on account of age

112. No person shall be or become incapable of being appointed a Director by reason of his having attained the age of seventy or any other age, nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person and no Director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age and sub-sections (1) to (6) of Section 293 of the Act shall not apply to the Company. Where any General Meeting of the Company is convened at which, to the



knowledge of the Directors, a Director will be proposed for appointment or reappointment who will, at the date of the meeting be seventy or more, the Directors shall give notice of his age in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings or any appointment or reappointment of that Director at that meeting.

## PROCEEDINGS OF DIRECTORS AND COMMITTEES

### Meetings of Directors

113. Subject to the provisions of these Articles, the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Until otherwise determined by the Directors, two Directors shall constitute a quorum. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. One Director may, and the Secretary shall at the request of a Director, at any time summon a meeting of the Directors.

### Notice of Board Meetings

114. Notice of Board Meetings shall be given to all Directors and shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address in the United Kingdom or any other address in the United Kingdom given by him to the Company for this purpose. It shall not be necessary to give notice of a meeting of the Directors to a Director who is not within the United Kingdom.

### Chairman of Board

115. The Directors may elect a Chairman or Joint Chairmen and one or more Deputy Chairmen of their meetings and determine the period for which he is or they are to hold office (and may at any time remove him or them), but if no such Chairman or Deputy Chairman is elected, or if at any meeting neither the Chairman nor a Deputy Chairman is present within five minutes of the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting. Any Chairman or Deputy Chairman may also hold an executive office under the Company.

### Board may act if quorum present

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

### Resolution in writing

117. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors and not being less than a quorum or by all the members of a Committee for the time being shall be as valid and effective for all purposes as a resolution of those Directors or that Committee passed at a meeting duly convened and held and may be in any form, including facsimile transmission, and may consist of several documents in the like form each signed by one or more of the Directors or the said members of that Committee (including by means of facsimile transmission): Provided that such a resolution need not be signed by an alternate director if it is signed by the Director who appointed him and a resolution signed by an alternate director need not also be signed by his appointor.

### Directors may appoint Committees

118. The Directors may delegate any of their powers to any Committee consisting of one or more Directors and (if thought fit) one or more other persons, (but a majority of the members of the Committee shall be Directors and no resolution of the Committee shall be effective unless a majority of those present when it was passed are Directors). Any such delegation (which may include authority to sub-delegate all or any of the powers delegated) may be subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and may be revoked or varied. Without prejudice to the foregoing, the power to delegate under this Article includes the power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any Director provided that, in relation to the determination of any fee, remuneration or other benefit to a Director holding any executive office, such Committee shall consist only of two or more non-executive Directors.

### Committees subject to control of Directors

119. All committees shall in the exercise of the powers delegated to them and in the transaction of business, conform to any mode of proceedings and regulations which may be prescribed by the Directors, and subject thereto shall be governed by such of these Articles as regulate the proceedings of Directors, so far as they are capable of applying.

### Minutes of Proceedings

120. The Directors shall cause minutes to be made of the following matters, namely:
- (i) of all appointments of officers and Committees made by the Directors;

- (ii) of the names of Directors present at every meeting of the Board or of Committees of Directors, and all business transacted at such meetings; and
- (iii) of all orders, resolutions and proceedings of all meetings of the Company, of the holders of any class of shares or debentures in the Company, and of the Directors and Committees of Directors.

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

Defective appointment of Directors not to invalidate their acts

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

Participation in board meetings by telephone

122. All or any of the members of the Board of Directors or any Committee of Directors may participate in a meeting of the Board or that Committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting then is.

SECRETARY AND AUTHENTICATION OF DOCUMENTS

Secretary

123. The Secretary and any joint, deputy or assistant Secretary shall, subject to the provisions of the Act, be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by the Directors.

Authentication of documents

124. Any Director or the Secretary or any person appointed by the

Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including its Memorandum and Articles of Association) and any resolutions passed by the Company or the Board of Directors or the Committee of Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts.

## PART V - DIVIDENDS AND MISCELLANEOUS

### DIVIDENDS AND OTHER PAYMENTS

#### Declarations of dividends

125. Subject to the provisions of the Act and as hereinafter provided, the Company in General Meeting may by Ordinary Resolution declare dividends to be paid to the Members according to their respective rights and interests in the profits, but no larger dividend shall be declared than is recommended by the Directors.

#### Dividends not to bear interest

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

#### Dividends: how payable

127. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this Article as paid up on the share. Subject as aforesaid all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. Dividends may be declared or paid in any currency.

#### Dividends to joint holders

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

#### Interim dividends

129. Subject to the provisions of the Act, the Directors may from time to time declare and pay such interim dividends as appear to the Directors to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends

as well as on shares which confer preferential rights with regard to dividend, but no interim or other dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to the Directors that the profits available for distribution justify the payment. Provided the Directors act in good faith, they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of any interim dividend on any shares having deferred or non-preferred rights.

#### Unclaimed dividends

130. The Company may cause to send any cheque or warrant through the post or employ any other means of payment for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if either (i) in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed or that means of payment has failed or (ii) following one such occasion reasonable enquiries have failed to establish any new address of the registered holder. Subject to the provisions of these articles, the Company may recommence sending cheques or warrants or employing such means in respect of dividends payable on those shares if the holder or person entitled by transmission requests such recommencement in writing. All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof.

#### To whom dividends belong

131. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable, subject to any lien of the Company, to the person(s) registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered notwithstanding any subsequent transfer or transmission of shares, but without prejudice to the rights *inter se* of transferors and transferees of any such shares in respect of such dividend. The Directors may pay the dividends payable on shares in respect of which any person is by transmission entitled to be registered as holder to such a person on production of such certificate and evidence as would be

required if such a person desired to be registered as a Member in respect of such share.

Calls or debts may be deducted from dividends

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

Method of Payment

133. The Company may pay any dividend, interest or other sum payable in cash or by direct debit, bank transfer, cheque, dividend warrant, or money order and may send the same by post to the Members or persons entitled thereto, and in case of joint holders or if two or more persons are jointly entitled to the share by reason of the death or bankruptcy of the Member or otherwise by operation of law, to the Member or such of those persons whose name stands first in the Register (or, in the case of persons entitled on death or bankruptcy, if their names are not entered in the Register, to such of those persons whose surname stands alphabetically first), or to such person and address as the holder or joint holders may direct in writing. Every cheque, warrant or order is sent at the risk of the person(s) entitled to the money represented by it and shall be made payable to the person(s) entitled or to such other person as the person(s) entitled may in writing direct and otherwise shall be in such form as the Directors consider appropriate. Payment of the cheque, warrant or order shall be a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. The Company may cease to send any cheque, warrant or order by post for any dividend payable on any shares in the Company which is normally paid in that manner if in respect of at least two consecutive dividends payable on those shares the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these Articles, shall recommence sending cheques, warrants or orders in respect of dividends payable on those shares if the holder or the person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

Payment of dividends in specie

134. Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of any other company, and the Directors shall give effect to any such direction provided that no such distribution shall be made unless

recommended by the Directors. Where any difficulty arises in regard to the distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates (or ignore fractions), and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments may be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors.

Payment of scrip dividends

135. The Directors may, if authorised by an Ordinary Resolution of the Company, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Directors) of any dividend or dividends; and any such offer may be made before or after such authorisation is given. The following provisions shall apply:

- (i) For the purposes of this Article, an election may be made either in relation to a particular dividend or dividends or by way of mandate (by whatever name called - a "scrip dividend mandate") in relation to future dividends in respect of which the right to elect is offered; but no such election (whether or not by way of a scrip dividend mandate) shall be revoked in relation to a dividend unless prior to the latest time specified by the Directors for lodgement of elections in respect of that dividend written notice of revocation is lodged at such place as is specified by the Directors for that purpose.
- (ii) The entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forgo. For this purpose "relevant value" shall be calculated in such manner as may be determined by or in accordance with the Ordinary Resolution. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditors may rely on advice or information from brokers or other such sources of information as they think fit.
- (iii) On or as soon as practicable after announcing that it is to declare or recommend any dividend, the Directors, if they intend to offer an election in respect of that dividend, shall also announce that intention, and shall, before or after determining the basis of allotment, if they decide to proceed with the offer, notify the holders of Ordinary Shares in writing of the right of election offered to them,

and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective; provided that the Directors shall not be required to notify any holder of Ordinary Shares in respect of whom there is a subsisting scrip dividend mandate.

- (iv) The Directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (v) The Directors may exclude from any offer any holders of Ordinary Shares where the Directors believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- (vi) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been made (the "elected ordinary shares") and instead additional Ordinary Shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose the Directors shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the Directors may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full and the appropriate number of unissued Ordinary Shares for allotment and distribution to the holders of the elected ordinary shares on that basis.
- (vii) No fraction of any Ordinary Share shall be allotted. The Directors may make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any Member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of any such Member of fully paid Ordinary Shares and/or provisions whereby cash payments may be made to Members in respect of their fractional entitlements.
- (viii) The Directors may in their absolute discretion amend, suspend or terminate any offer which is in operation.
- (ix) The Directors may do all acts and things which they consider necessary or expedient to give effect to any such capitalisation, and may authorise any person to enter into



an agreement with the Company providing for such capitalisation and incidental matters on behalf of all the Members interested, and any agreement so made shall be binding on all concerned.

- (x) The additional Ordinary Shares when allotted shall rank *pari passu* in all respects with the fully-paid Ordinary Shares then in issue except that they will not be entitled to participation in the relevant dividend.

#### CAPITALISATION OF PROFITS

##### Capitalisation of profits, etc.

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

- (iii) resolve that any shares allotted under this Article to any Member in respect of a holding by him of any partly paid Ordinary Shares shall, so long as such Ordinary Shares remain partly paid rank for dividends only to the extent that such partly paid Ordinary Shares rank for dividend;
  - (iv) where any difficulty arises with regard to any distribution of any capitalised reserve or other sum, settle the matter as they think expedient and in particular make such provision by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as the Directors think fit for the case of shares or debentures becoming distributable under this Article in fractions;
  - (v) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for either:
    - (a) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled upon such capitalisation;
    - (b) the payment up by the Company on behalf of such Members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts or any part of the amounts remaining unpaid on their existing shares;
 (any agreement made under such authority being thereupon effective and binding on all such Members); and
  - (vi) generally do all acts and things required to give effect to such resolution as aforesaid.
- (B) (i) Where, pursuant to an employees' share scheme (within the meaning of Section 743 of the Act) the Company has granted options to subscribe for Ordinary Shares on terms which provide (*inter alia*) for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to the provisions of the Act, the Directors may, on the exercise of any of the options concerned and payment of the subscription which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in sub-Article (A)(i) above

to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly.

- (ii) The provisions of sub-Article (A)(iii) to (vi) above shall apply *mutatis mutandis* to this sub-Article (B) (but as if the authority of an Ordinary Resolution of the Company were not required).

#### RECORD DATES

##### Record dates

137. Notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any shares, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

#### ACCOUNTS

##### Inspection of accounts and books and Register of Members

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

##### Copy to be sent to Members

139. A printed copy of every profit and loss account and balance sheet, (including all documents required by law to be annexed to the balance sheet) which is to be laid before the Company in General Meeting, together with copies of the Directors' and of the Auditors' reports (or such documents which may be required or permitted by law to be sent in lieu) shall not less than twenty-one clear days before the date of the meeting be sent to every Member (whether he is or is not entitled to receive notices of General Meetings of the Company), and to every holder of debentures of the Company (whether he is or is not so entitled), and to the Auditors Provided that if the Company is permitted by

law to send to any Member, to any holder of debentures of the Company or to the Auditors any summary financial statement in lieu of all or any of such profit and loss account and balance sheet or other documents, this Article shall impose no greater obligation on the Company than that imposed by law; but this Article shall not require a copy of those documents to be sent to any Member or holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures.

#### SEALS

##### Provision for Seals and safe custody

140. The Directors shall provide a Common Seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in lieu thereof. The Directors may exercise the powers conferred on the Company by Section 40 of the Act with regard to having an Official Seal solely for sealing documents creating or evidencing securities of the Company. The Directors shall provide for the safe custody of the Seal.

##### Application of Seals

141. The Seal shall be used only by the authority of a resolution of the Directors or of a Committee of the Directors. The Directors may determine whether any instrument to which the Seal is affixed (or, in the case of share certificates, upon which the Seal is printed) shall be signed, whether autographically or otherwise, and may so determine either generally or in relation to a particular instrument or type of instrument. Unless otherwise determined by the Directors:

- (i) 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 applied to any such certificate by any mechanical or other means or may be printed on it; and
- (ii) every other instrument to which the Seal is affixed shall be signed by one Director and by the Secretary or another Director.

##### Official Seal for use abroad

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

## BILLS, NOTES, CHEQUES AND RECEIPTS

### Signature of negotiable instruments

143. The Directors may draw, make, accept or endorse, or authorise any other person or persons to draw, make, accept, or endorse any cheques, bills of exchange, promissory notes or other negotiable instruments, provided that every cheque, bill of exchange, promissory note or other negotiable instrument drawn, made or accepted shall be signed by such person or persons as the Directors may appoint for the purpose.

## NOTICES

### Service of notice on Members

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

### When registered address not in the United Kingdom

145. Members whose registered address shall not be in the United Kingdom, and who shall not have given to the Company an address for service of notices in the United Kingdom, shall not be entitled to receive any notices whatsoever.

### Evidence of service

146. A notice or other document served by the Company addressed to a Member at his registered address or address for service in the United Kingdom shall, if not shown to have been served earlier, be deemed to have been served, if served by post, at the latest within twenty-four hours if prepaid as first class and within forth-eight hours if prepaid as second class, after the same shall have been posted, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed and duly posted. A Member present, in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

### Notice to joint holders

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

Notice in case of death, bankruptcy or mental disorder

148. Service of a notice by the Company at the registered address or the address for service in the United Kingdom of any person whose name remains registered as the holder or joint holder of any share, shall notwithstanding the death, bankruptcy or mental disorder of such person and whether or not the Company have notice of his decease, bankruptcy or mental disorder be deemed to be sufficient notice (as the case may be) to his executors or administrators, and to the survivor or survivors of the joint trustee in bankruptcy, *curator bonis*, guardian, receiver, holders, and to all persons interested in such share.

Notice by advertisement and entitlement to notice

149. (A) Except as otherwise expressly provided in these Articles, any notice required to be given by the Company to a Member shall be sufficiently given if given by advertisement. Any notice required to be, or which may be given, by advertisement shall be advertised once in a national daily newspaper published in the United Kingdom and shall be taken as given at noon on the day on which such advertisement appears.
- (B) Notice of every General Meeting must be sent by post as provided in these Articles except that if postal services in the United Kingdom are suspended or curtailed so that the Company is unable effectively to convene a General Meeting by notice sent through the post, then a General Meeting may be convened by notice advertised in at least two national daily newspapers published in the United Kingdom. Such notice shall be deemed to have been duly served on all Members entitled thereto at noon on the day when the advertisement appears. If it becomes possible to give notice by post at least seven clear days before the Meeting then the Company shall send a duplicate notice by post.
- (C) Any notice to be given to a Member may be given by reference to the Register as it stands at any time within the period of fifteen days before the notice is given; and no change in the Register after that time shall invalidate the giving of the notice.
- (D) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been given to the person from whom he derives his title; but this paragraph does not apply to a notice given under Section 212 of the Act.

## UNTRACED SHAREHOLDERS

Untraced Shareholders

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

- (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a prepaid envelope addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register or the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed by the person entitled thereto and no communication has been received by the Company from the Member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed by the person entitled thereto; and
- (ii) the Company has at the expiration of the said period of twelve years by advertisement in both a national daily newspaper published in the United Kingdom and in a newspaper circulating in the area in which the address referred to in paragraph (i) of this Article is located given notice of its intention to sell such share or stock; and
- (iii) the Company has not during the further period of three months after the date of the advertisement or the later advertisement if the two advertisements are published on different dates and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission; and
- (iv) the Company has first given notice in writing to the Quotations Department of The Stock Exchange of its intention to sell such shares or stock.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the holder of or person entitled by the transmission to such share or stock and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The Directors shall be entitled to register such transfer notwithstanding that no certificate representing the said shares shall be produced. The Company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale by carrying all moneys in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect

thereof for such Member or other person. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit. No interest shall be payable and no account need be made for any money earned in respect of the net proceeds.

#### DESTRUCTION OF DOCUMENTS

##### Destruction of documents

151. The Company may destroy:

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (iv) any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry in the Register was first made in respect of it;

provided that any document referred to in this Article may be destroyed earlier than the relevant date authorised by paragraphs (i), (ii), (iii) and (iv) of this Article, but only if a permanent record of the document is made which is not destroyed before that date and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company: Provided always that:

- (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid



or in any case where the conditions of proviso (a) above are not fulfilled; and

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

#### DIVISION OF ASSETS IN SPECIE

##### Division in specie

152. The liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may with the authority of an Extraordinary Resolution and any other sanction required by the Act or the Insolvency Act 1986, divide among the Members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between Members or classes of Members but so that if any such division shall be otherwise than in accordance with the existing rights of the Members, every Member shall have the same right of dissent and other ancillary rights as if such resolution were a Special Resolution passed in accordance with the Act. The liquidator may, with like sanction, vest the whole or part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability. The power of sale of the liquidator shall include a power to sell wholly or partly for shares or debentures or other obligations of another company, either then constituted or about to be constituted for the purposes of carrying out the sale.

#### PROVISION FOR EMPLOYEES

##### Provision for employees on cessation or transfer of business

153. The Company shall exercise the power conferred upon it by Section 719(1) of the Act only with the prior sanction of a Special Resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require the prior consent in writing of the holders of three-fourths in nominal value of the Issued shares of each class or the prior sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the shares of each class convened and held in accordance with the provisions of Article 83.

## INDEMNITY

Indemnity

154. Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled:

- (A) every Director, Secretary, other officer, employee and auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities incurred by him in or about the execution of his duties or in relation thereto including (without prejudice to the generality of the foregoing) any liability incurred in defending any proceedings, whether civil or criminal, 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 guilt or breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company; and
- (B) the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any Director, Secretary, other officer, employee and auditor 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 omitted to be done or alleged to have been done or omitted to be done as a Director, Secretary, other officer, employee or auditor.

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