

Company No. 3214950

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ORDINARY AND SPECIAL RESOLUTIONS

of

BLAKES CLOTHING PLC

At an Extraordinary General Meeting of the Company held at Dashwood House, 69 Old Broad Street, London EC2M 1NR on 26 March 1999 the following resolutions were passed, as an ordinary resolution in the case of resolution, and in the case of resolution 2, as a special resolution of the Company:-

ORDINARY RESOLUTION

- 1 That subject to and conditionally upon Resolution 2 below being passed in accordance with its terms, the requirement under Rule 9 of the City Code on Takeovers and Mergers that the Underwriters (as defined in a prospectus published by the Company on 3 March 1999) make a general offer to all shareholders for the remaining shares in the capital of the Company be waived (the requirement to make such an offer would ordinarily have arisen as a result of the Concert Party potentially holding 85.07 per cent of the issued share capital of the Company if they have to subscribe for their maximum commitments under the terms of the Underwriting Agreement).



SPECIAL RESOLUTION

- 2 THAT conditionally upon the passing of Resolution 1 above:-
- 2.1 each of the issued ordinary shares of 10p each in the capital of the Company at the date hereof is hereby sub-divided and converted into one new ordinary share of 1p each and one deferred share of 9p each having the rights and being subject to the restrictions set forth in the Articles of Association of the Company as amended by paragraph 2.4 of this Resolution;
- 2.2 each of the unissued ordinary shares of 10p each in the capital of the Company at the date hereof is hereby sub-divided and converted into ten ordinary shares of 1p each having the rights and being subject to the restrictions set forth in the Articles of Association of the Company as amended by paragraph 2.3 of this Resolution;
- 2.3 the authorised share capital of the Company be increased to £2,000,000 by the creation of 30,000,000 new ordinary shares of 1p each, such shares forming one class with the ordinary shares of 1p each in the capital of the Company created pursuant to paragraphs 2.1 and 2.3 of this Resolution;
- 2.4 the Articles of Association of the Company be amended by deleting the existing Article 3.1 and substituting the following therefor:
- "3.1 The share capital of the Company is £2,000,000 divided into 90,136,800 ordinary shares of 1p each (the "**Ordinary Shares**") and 9,984,800 deferred shares of 9p each (the "**Deferred Shares**") and 200,000 preference shares of £1 each ("**Preference Shares**").
- 3.2 The special rights, restrictions and provisions applicable to the Deferred Shares are as follows:-
- 3.2.1 as regards income:-

the Deferred Shares shall confer on the holders thereof no rights whatsoever to receive any dividend, distribution or other entitlement in respect of the profits of the Company;

3.2.2 as regards capital:-

on a winding up or other return of capital, and subject to any special rights which may be attached to any class of shares which may be issued in the future, the Deferred Shares shall entitle the holders thereof to repayment of the amounts paid up on such shares after repayment of the capital paid up on, and any other amounts which may be due and owing in respect of, all the Preference Shares and the Ordinary Shares in issue at such time;

3.2.3 as regards voting:-

the Deferred Shares shall confer on the holders thereof no rights to receive notice of or to attend or vote, whether on a show of hands or on a poll or otherwise, at any general meeting of the Company."

and by renumbering the present Articles 3.2 to 3.6 as Articles 3.3 to 3.7;

- 2.5 in substitution for all existing authorities the directors be and are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £730,641.58 to such persons and at such times and on such terms as they think proper during the period expiring (unless previously renewed, varied or revoked by the Company in general meeting) fifteen months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever first occurs, but the Company may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such period and the directors may allot relevant securities in pursuance of any

such offer or agreement notwithstanding the expiry of the authority given by this resolution; and

2.6 in substitution for all existing authorities the directors be and are generally empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred on them to allot relevant securities by paragraph 2.6 of this resolution as if section 89(1) of the Act did not apply to any such allotment. This power:-

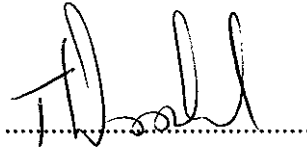
(A) expires fifteen months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company following the passing of this resolution, whichever first occurs, but the Company may make an offer or agreement which would or might require equity securities to be allotted after the expiry of such period and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution; and

(B) is limited to:-

- (i) the allotment for cash of up to 44,739,200 ordinary shares of 1p each pursuant to the Open Offer and in satisfaction of fees and commissions payable pursuant to the terms of an underwriting agreement dated 3 March 1999 between the Company, the directors, the several persons named therein as underwriters and Bell Lawrie Wise Speke and the allotment of up to 5,900,000 New Warrants, in each case as described in the prospectus published by the Company dated 3 March 1999 which accompanies this notice; and
- (ii) the allotment of equity securities in connection with an issue or offering by way of rights in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective

numbers of equity securities held by or deemed to be held by them on the record date of such allotment subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or any territory; and

- (iii) allotments of equity securities for cash otherwise than pursuant to subparagraphs (i) or (ii) above up to an aggregate nominal amount equal to five per cent of the nominal value of the issued ordinary share capital of the Company following completion of the Open Offer.

A handwritten signature in black ink, appearing to be 'J. D. Hall', is written over a horizontal dotted line.

CHAIRMAN

No: 3214950

BLAKES CLOTHING PLC

ARTICLES OF ASSOCIATION

ADOPTED ON THE

8th DAY OF JULY 1997

(amended by Special Resolution dated 26 March 1999)

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THE COMPANIES ACT 1985
ARTICLES OF ASSOCIATION
- OF -
BLAKES CLOTHING PLC

(Registered Number: 3214950)

1. EXCLUSION OF OTHER REGULATIONS

- 1.1 No regulations set out in any statute or statutory instrument concerning companies shall apply as Articles of Association or regulations of the Company.

2. INTERPRETATION

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

"the Act" the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;

"these Articles" these Articles of Association as amended from time to time;

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

"the Board" the Board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;

"Connected Person" Means in relation to any person, a person who is either:-

- (i) acting in concert (as defined in the City Code on Take-Overs and Mergers (July 1993 edition) with such aforesaid person; or

	(ii) a "connected person" (as defined in Section 839 of the Income and Corporation Taxes Act 1988) of such aforesaid person;
"clear days"	in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"elected"	elected or re-elected;
"Equity Shares"	means all the shares comprised in the equity share capital of the Company (as defined in Section 744 of the Companies Act 1985) and "Equity Share Capital" shall be construed accordingly and for the avoidance of any doubt excludes the Preference Shares;
"the holder"	in relation to shares the member whose name is entered in the register as the holder of the shares;
"London Stock Exchange"	London Stock Exchange Limited trading as the London Stock Exchange and any successor of it;
"member"	a member of the Company;
"mental disorder"	mental disorder as defined in Section 1 of the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984 (as the case may be) and "mentally disordered" shall be construed accordingly;
"Ordinary Shares"	means the ordinary shares of 10p each (or such other nominal amount into which the same shall be consolidated or sub-divided from time to time) in the capital of the Company;

"the office"	the registered office for the time being of the Company;
"paid up"	paid up or credited as paid up;
"Preference Shareholders"	means the holders of Preference Shares in the capital of the Company;
"Preference Shares"	means the preference shares of £1 each (or such other nominal amount into which the same shall be consolidated or sub-divided from time to time) in the capital of the Company;
"the register"	the register of members of the Company;
"Regulations"	means the Uncertificated Securities Regulations 1995 as amended or replaced from time to time and any subordinate legislation or rules made under them for the time being in force;
"Relevant System"	means any computer-based system, and procedures, permitted by the Regulations and the rules of the London Stock Exchange, which enable title to units of a security to be evidenced and transferred without a written instrument and which facilitate supplementary and incidental matters and shall include, without limitation, the relevant system of which CRESTCo Limited is the operator;
"Sale"	means the completion of an offer or agreement which results in any person together with his Connected Persons and their respective nominees acquiring or holding more than 50% of the Equity Share Capital but for the avoidance of doubt excluding Equity Shares held by Formal Group PLC;

"the Statutes"	means the Act and every other statute and any subordinate legislation, order or regulations made under them for the time being in force concerning companies and affecting the Company, including but without limitation, the Regulations;
"the seal"	the common seal of the Company or any official seal permitted under the Act that the Company may have;
"the secretary"	the secretary of the Company or any other person appointed by the Directors to perform any of the duties of the secretary of the Company including a joint, temporary, assistant or deputy secretary;
"Stock Exchange Nominee"	a nominee designated in the rules of the London Stock Exchange for the purposes of Section 185 of the Act;
"the United Kingdom"	Great Britain and Northern Ireland.

- 2.2 References to writing include references to printing, typewriting lithography, photography and any other mode or modes of presenting or reproducing words in a visible and non-transitory form.
- 2.3 Words denoting the singular shall include the plural and vice versa; words denoting the masculine gender shall include the feminine gender; words denoting persons shall include corporations, partnerships, firms and trusts.
- 2.4 Unless the context otherwise requires any words or expressions defined in the Act in force when these Articles become binding on the Company shall, unless otherwise expressly defined in these Articles, bear the same meaning in these Articles save that the word company shall include any body corporate.
- 2.5 References to:-
- 2.5.1 any section or provision of any statute, if not inconsistent with the subject or context, include any corresponding or substituted section or provision of any amending, consolidating or replacement statute;

2.5.2 "executed" include any mode of execution;

2.5.3 an Article by number are to the particular Articles of these Articles;

2.5.4 a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

3. **SHARE CAPITAL**

3.1 The share capital of the Company is £2,000,000 divided into 90,136,800 ordinary shares of 1p each (the "**Ordinary Shares**"), 9,984,800 deferred shares of 9p each (the "**Deferred Shares**") and 200,000 preference shares of £1 each ("**Preference Shares**").¹

3.2 The special rights, restrictions and provisions applicable to the Deferred Shares are as follows²:-

3.2.1 as regards income:-

the Deferred Shares shall confer on the holders thereof no rights whatsoever to receive any dividend, distribution or other entitlement in respect of the profits of the Company;

3.2.2 as regards capital:-

on a winding up or other return of capital, and subject to any special rights which may be attached to any class of shares which may be issued in the future, the Deferred Shares shall entitle the holders thereof to repayment of the amounts paid up on such shares after repayment of the capital paid up on, and any other amounts which may be due and owing in respect of, all the Preference Shares and the Ordinary Shares in issue at such time;

3.2.3 as regards voting:-

¹ Amended by Special Resolution dated 26 March 1999

² Adopted by Special Resolution dated 26 March 1999

the Deferred Shares shall confer on the holders thereof no rights to receive notice of or to attend or vote, whether on a show of hands or on a poll or otherwise, at any general meeting of the Company.

- 3.3 Subject to the provisions of the Act and without prejudice to any special rights attached to any existing shares or class of shares any shares in the Company may be issued with or have attached to it such preferential deferred qualified or special rights privileges or conditions either temporary or otherwise as to participation in dividends or in distribution of assets or as to voting or otherwise as the Company may from time to time by ordinary resolution determine or if no such resolution has been passed or so far as the resolution does not make specific provision as the Board may decide. All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment payment of calls lien transfer transmission forfeiture and otherwise.
- 3.4 Subject to the Act and the provisions of these Articles the power of the Company to allot and issue shares shall be exercised by the Board, and the unissued shares in the capital of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, issue or grant options over such shares to such persons at such time and for such consideration and upon such terms and conditions as the Board may determine.
- 3.5 Subject to the provisions of the Act and to any rights conferred on the holders of any other shares, shares may be issued on terms that they are or, at the option of the Company or the holder, are liable to be redeemed.
- 3.6 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. In addition the Company may, on any issue of shares, pay such brokerage as may be lawful.
- 3.7 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise (even when having notice of it) any equitable, contingent, future, partial or other interest in any share; except an absolute right to the entirety thereof in the holder.

4. **RIGHTS ATTACHING TO THE PREFERENCE SHARES**

4.1 On a return of assets of the Company available for distribution amongst the members in a winding-up of the Company or other return of capital by the Company the surplus assets of the Company available for distribution shall be applied as follows:-

4.1.1 first, each Preference Shareholder shall be entitled in priority to the holders of any other class of share to receive an amount in respect of each Preference Share held equal to the amount paid up or credited as paid up on such Preference Share together in each case with a sum equal to the aggregate of the premium on such Preference Share calculated in accordance with Article 5.1.7 and any commission on such Preference Share calculated in accordance with Article 5.1.9; and

4.1.2 subject to any special rights which may be attached to any class of share the balance of such assets shall be divided amongst the holders of Ordinary Shares *pari passu* in proportion to the amounts paid up or credited as paid up on such Shares.

4.2 Except as provided herein the Preference Shares shall not carry any right to participate in the profits or assets of the Company.

4.3 The Preference Shareholders shall have the right to receive notice of and attend all general meetings of the Company but shall have no right to vote thereat either in person or by proxy in respect of their holdings of Preference Shares unless:-

4.3.1 the Company shall not have redeemed the Preference Shares in accordance with Article 5 on the due date for redemption; or

4.3.2 the business of the meeting includes a resolution for the appointment of an administrator of the Company or for a voluntary arrangement in respect of the Company (within the meaning of section 1 of the Insolvency Act 1986) or the liquidation of the Company or a reduction of the capital of the Company involving a repayment of capital to shareholders or a resolution adversely altering or abrogating any of the special rights and privileges attaching to the Preference Shares

in which event the Preference Shareholders shall be entitled to call for and vote on a poll held thereat PROVIDED THAT in the case of Article 4.3.2 the Preference Shareholders shall be

entitled to vote only on any such resolution as is mentioned therein. For the avoidance or doubt in the case of Article 4.3.1 the Preference Shareholders shall be entitled to vote only for so long as the Preference Shares shall remain unredeemed. On any such vote the Preference Shareholders present in person or by proxy shall be entitled to one vote on a show of hands and on a poll ten votes for every Preference Share held.

4.4 The Company shall send to the Preference Shareholders a copy of every document sent to the holders of the Ordinary Shares at the same time as the same is sent to the holders of the Ordinary Shares.

4.5 The Preference Shareholders shall have the right to participate *pari passu* with the Ordinary shareholders of the Company in any rights issue and/or open offer made by the Company.

5. **PROVISIONS RELATING TO PREFERENCE SHARES AND OTHER SHARES**

5.1 5.1.1 Subject to the provisions of Statutes, the Preference Shares not previously redeemed shall be redeemed on 1 January 2000. The Company shall give to the Preference Shareholders not less than 28 days notice in writing of such redemption.

5.1.2 At the election of the holders of all or any of the Preference Shares following the publication of the Accounts of the Group for the financial period ending 31 January 1998 such Preference Shares will within 14 days of such election be converted into Ordinary Shares by the Company at a price of 72.5p per Ordinary Share.

5.1.3 Subject to the provisions of the Statutes, if a Sale occurs the Preference Shareholders shall have the option to convert the Preference Shares into Ordinary Shares on the same terms as in Article 5.1.2 and all of the Preference Shares not previously redeemed or converted shall be redeemed immediately prior thereto or simultaneously therewith. The Company shall, so far as it is able, give to the Preference Shareholders not less than 28 days notice in writing of such Sale.

5.1.4 Any notice of redemption given by the Company shall specify the number of Preference Shares to be redeemed, the date fixed for redemption (referred to in this Article as the "Redemption Date") and the place at which the certificates for Preference Shares are to be presented for redemption and upon such date each of the holders of the Preference Shares concerned shall be bound to deliver to the Company

at such place the certificates for such of the Preference Shares of which he is the holder (in order that the same may be cancelled) or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate. Upon such delivery, the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the Register) of such Preference Shares the amount due to him in respect of such redemption as set out in Article 5.1.7. If any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant Redemption Date a fresh certificate for such Preference Shares shall be sent to the holder or holders delivering such certificate to the Company at their risk free of charge as soon as practicable and in any event within 14 days thereafter.

- 5.1.5 If any holder of Preference Shares whose Preference Shares are to be redeemed shall fail or refuse to deliver up the certificate or his Preference Shares the Company may retain the redemption monies in respect of those Shares until delivery of the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate) but shall thereupon pay the redemption monies to the holder of the Preference Shares in question in accordance with Article 5.1.4.
- 5.1.6 Any Preference Shares to be redeemed shall be selected as nearly as may be to ensure that the number of Preference Shares held by each holder thereof is reduced in the same proportion. All Preference Shares redeemed will be cancelled and may not be re-issued.
- 5.1.7 There shall be paid on the redemption of each Preference Share an amount equal to the amount paid up or credited as paid up thereon and any commission on each such Preference Share calculated in accordance with Article 5.1.9. In addition, there shall be paid on the redemption of each Preference Share a premium equal to 15 per cent of the amount paid up or credited as paid up thereon.
- 5.1.8 If and to the extent the Company shall be unable, in compliance with the provisions of the Statutes, to redeem all or any of the Preference Shares in accordance with the provisions of this Article 5 on the due date for redemption specified herein then the Company shall redeem such Preference Shares as soon after such date as the Company shall be able to do so in compliance with the provisions of the Statutes.
- 5.1.9 If on any due date for redemption of any Preference Shares (or the date which would

be such due date but for the provisions of Article 5.1.8) the Company fails to make such redemption, a commission shall be payable to the holders of the Preference Shares in question on the date of actual payment of such outstanding amount equal to interest on the overdue redemption monies at 3 per cent. per annum (compounded with six monthly rests) over the National Westminster Bank Plc base rate from time to time accruing from the due date as aforesaid down to the date of actual payment of such outstanding amount.

- 5.2 Subject to the provisions of the Statutes, and to any rights conferred on the holders of any other shares any shares may be issued on terms that they are or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as these Articles or the rights attaching to those shares may from time to time provide.
- 5.3 Subject to the provisions of the Statutes, the Company may purchase its own shares (including any redeemable shares).
- 5.4 The Company may not purchase any share forming part of its equity share capital if, at the time of such purchase, there are outstanding any securities of the Company convertible into, or carrying the right to subscribe for, shares of the same class as those proposed to be purchased unless such purchase has been sanctioned by an Extraordinary Resolution passed at a separate class meeting of the holders of the convertible securities.
- 5.5 The Preference Shares and any interest therein shall be transferable.
- 5.6 Notwithstanding anything to the contrary contained in these Articles, but subject to any rights specifically attached to any class of shares from time to time, the rights attached to any class of shares shall be deemed not to be varied or abrogated by anything done by the Company pursuant to this Article 5.
- 5.7 Without prejudice to the restrictions contained in these Articles as to the modification of rights attaching to any class of shares, the consent or sanction of the Preference Shareholders (given in accordance with Article 6) shall be required:-
 - 5.7.1 to the creation, allotment or issue of any shares or securities of the Company ranking as regards the date or dates of redemption or participation in the assets (but not the profits) of the Company in priority to or *pari passu* with the Preference Shares or to

- the grant of any rights to require the allotment or issue of the same; or
- 5.7.2 to any amendment of the provisions of any of the Articles affecting the rights attached to the Preference Shares (including this Article); or
- 5.7.3 to the payment of any dividend or any other distribution to the holders of any shares after the Company shall have failed or shall have been unable to redeem the Preference Shares in accordance with this Article 5 on the due date for redemption specified therein PROVIDED ALWAYS that such consent or sanction shall only be required whilst any Preference Shares remain so unredeemed; or
- 5.7.4 (except as authorised by section 146(2) of the Act or in respect of redeemable shares as provided herein as authorised by section 159 to 162 of the Act) to the proposal or passing of any resolution to reduce the share capital of the Company involving a repayment of capital to shareholders or to reduce any uncalled liability in respect of partly paid shares or (except as authorised by sections 130(2), 160(2) or 170(4) of the Act) to reduce the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserves involving a repayment of capital to shareholders in any manner for which the consent of the court would be required pursuant to the Statutes; or
- 5.7.5 to the making of any distribution to shareholders of a capital nature including any distribution out of capital profits or capital reserves arising from a distribution of profits or reserves by a subsidiary of the Company and for this purpose insofar as the accounts of the relevant company do not distinguish between capital and revenue reserves the Company shall be entitled to rely (in the absence of manifest error) upon a written estimate of its auditors as to the extent to which any part of the reserve should be regarded as capital; or
- 5.7.6 to the issue by any subsidiary of the Company (other than to the Company or another wholly-owned subsidiary of the Company) of any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital or to any disposal by the Company or by any subsidiary of the Company of any such shares (otherwise than as aforesaid or as a part of the disposal of the whole of the share capital of that subsidiary); or

- 5.7.7 to the capitalisation of any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve except upon any allotment of shares in lieu of a cash dividend; or
- 5.7.8 to the passing of any resolution to approve a contract for the purchase by the Company of its shares; or
- 5.7.9 to the passing of any resolution to wind up or dissolve the Company or any of its subsidiaries or for the appointment of an administrator of the Company or for a voluntary arrangement in respect of the Company (within the meaning of Section 1 of the Insolvency Act 1986); or
- 5.7.10 to the approval or coming into effect of any scheme or compromise or arrangement within the meaning of section 425 of the Act.

6. VARIATION OF RIGHTS

- 6.1 Whenever the capital of the Company is divided into different classes of shares, unless otherwise provided by the terms of issue of the shares of that class the rights attached to any class may be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three-quarters in nominal amount of the issued shares of the affected class or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders but not otherwise.
- 6.2 The provisions relating to general meetings contained in these Articles shall, mutatis mutandis, apply to every such separate general meeting, save that:-
 - 6.2.1 the quorum necessary at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy;
 - 6.2.2 any holder of shares of the class in question present in person or by proxy may demand a poll; and

6.2.3 the holders of shares of the class in question shall, on a poll, have one vote in respect of every share of the class held by them respectively.

6.3 Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares in the capital of the Company shall be deemed to be varied or abrogated by the allotment of further shares ranking in priority thereto for payment of a dividend or repayment of capital but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already in issue.

7. **SHARE CERTIFICATES**

7.1 Every person (except a Stock Exchange nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a holder of any share in the register shall be entitled, without payment, to receive one certificate in respect of each class of shares held by him or, with the consent of the Board and upon payment of such reasonable out-of-pocket expenses for every certificate after the first as the Board shall determine, to several certificates, each for one or more of his shares unless the Board resolves otherwise in accordance with Article 6.2.

7.2 Shares of different classes may not be included in the same certificate.

7.3 Where a holder of any share has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.

7.4 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

7.5 The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to any of them.

7.6 In the case of shares held jointly by several persons any such request mentioned in this Article may be made by any one of the joint holders.

7.7 Every certificate shall be issued under the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up thereon.

7.8 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity with or without security as the Board may require and, where it is worn out or defaced, after delivery of the certificate to the Company. In the case of loss or destruction the person to whom the new certificate is issued shall pay only any exceptional out-of-pocket expenses incidental to the investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity to the Company.

8. EVIDENCE OF TITLE TO SECURITIES

8.1 Nothing in these Articles shall require title to any shares or other securities of the Company to be evidenced by a certificate if the Statutes and the London Stock Exchange permit otherwise.

8.2 Subject to the Statutes and the rules of the London Stock Exchange, the Board without further consultation with the holders of any shares or securities of the Company may resolve that any class or classes of shares or other securities of the Company from time to time in issue or to be issued may be in uncertificated form and no provision of these Articles will apply to any uncertificated share or other securities of the Company to the extent that they are inconsistent with the holding of such shares or other securities in uncertificated form or the transfer of title to any such shares or other securities by means of a Relevant System.

8.3 To the extent that any provision of these Articles is inconsistent in any respect with the terms of the Regulations in relation to any uncertificated shares or other securities of the Company, such provision shall not apply thereto and the Regulations shall be given effect thereto in accordance with their terms.

9. LIEN

9.1 The Company shall have a first and paramount lien on any of its shares which are not fully paid in the circumstances and to the extent permitted by Section 150(2) of the Act for all amounts (whether presently payable or not) called or payable in respect of that share, but the

Board may waive any lien which has arisen and may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien (if any) on a share shall further extend to all dividends and interest payable on such share.

9.2 The Company may sell in such manner as the Board determines any shares on which the Company has a lien, if a sum in respect of which the liens exists is presently payable and is not paid within fourteen clear days after notice in writing has been served on the holder of the shares or the person entitled to the share in consequence of death or bankruptcy of the holder demanding payment of the sum presently payable and stating that if the notice is not complied with the shares may be sold.

9.3 To give effect to such a sale the Board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale, and he shall not be bound to see to the application of the purchase money.

9.4 The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the liens exists so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable or any liability not likely to be presently fulfilled or discharged as existed upon the shares before the sale) be paid to the holder of (or the person entitled by transmission to) the shares immediately before the sale.

10. **CALLS ON SHARES AND FORFEITURE**

10.1 Subject to the terms of allotment the Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of the nominal value of the shares or premium); provided that (subject as aforesaid) at least fourteen clear days' notice shall be given of every call specifying the time or times and place of payment. A call may be revoked in whole or part or the time fixed for its payment postponed in whole or part by the Board. A call may be made payable by instalments.

10.2 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

- 10.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
- 10.4 Each member shall pay to the Company, at the time and place of payment specified in the notice given in accordance with Article 8.1, the amount called on his shares. A person on whom a call is made will remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 10.5 If a sum called in respect of a share shall not be paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on such sum from the day fixed for payment to the time of actual payment at such rate, not exceeding 15 per cent. per annum, as the Board may decide, but the Board may waive payment of interest wholly or in part.
- 10.6 Any sum which by the terms of allotment of a share becomes payable on allotment or at any other fixed date, whether in respect of the nominal value of the share or any premium thereon, shall be deemed to be a call duly made, notified and payable on the date on which, by the terms of allotment, it becomes payable. If such sum is not paid all the provisions of these Articles relating to payment of interest and expenses, forfeiture and otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 10.7 The Board may, in its absolute discretion, receive from any member willing to advance the same to it all or any money uncalled and unpaid upon any shares held by him, and may pay upon all or any money so advanced (until it would, but for the advance, become presently payable) interest at such rate (if any) not exceeding 15 per cent. per annum as the Board may decide. No sum paid in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.
- 10.8 The Board may on the allotment of shares differentiate between the allottees or holders as to the amount and the times of payment of calls to be paid.
11. **FORFEITURE**
- 11.1 Where a member fails to pay the whole or any part of any call or instalment of a call on the day fixed for payment, the Board may, at any time thereafter during such time as any part of such

call or instalment remains unpaid, serve a notice in writing on him requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of the non-payment.

- 11.2 The notice shall fix a further day (being not less than seven clear days from the date of the notice) and the place where the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the time and at the place specified, the shares on which the call was made will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited upon such terms and conditions as are acceptable to it and, subject to such terms and conditions, a surrendered share shall be treated as if it had been forfeited.
- 11.3 If the notice is not complied with, any share in respect of which the notice was given may, at any time before payments required by the notice have been made, be forfeited by a resolution of the Board to that effect. Forfeiture shall include all dividends and other money payable in respect of the forfeited shares and not paid before forfeiture.
- 11.4 Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Board determines, either to the person who was before the forfeiture the holder or to any other person, and at any time before sale, re-allotment or other disposition the forfeiture may be cancelled on such terms as the Board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Board may authorise some person to execute an instrument of transfer of the share to that person.
- 11.5 A person any of whose shares have been forfeited shall cease to be a member in respect of such forfeited shares and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall, notwithstanding such forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture was then payable by him to the Company in respect of the shares, with interest on such moneys at such rate (not exceeding 15 per cent. per annum) as the Board decides from the date of forfeiture until payment but the Board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or any consideration received on their disposal.
- 11.6 A statutory declaration by a Director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against

all persons claiming to be entitled to the share. The statutory declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity in or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

12. **TRANSFER OF SHARES**

- 12.1 Subject to such of the restrictions contained in these Articles as may be applicable, any member may transfer all or any of his shares by transfer in writing in any usual or common form or in any other form acceptable to the Board or by any other manner acceptable to the Board and permitted by the Statutes and the London Stock Exchange and any such transfer shall be registered within fourteen days of receipt of the same by the Company, subject as provided below.
- 12.2 Every written instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall remain the holder of the share concerned until the name of the transferee is entered in the Register in respect of that share.
- 12.3 The Board may, in its absolute discretion and without assigning any reasons therefor, refuse to register the transfer of a share which is not fully paid or on which the Company has a lien provided that, where any such share is listed or admitted to trading on the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.
- 12.4 The Board may also refuse to register a transfer of shares unless:-
- 12.4.1 the instrument of transfer is lodged at the office or at such other place as the Board may from time to time appoint, accompanied by the certificate for the shares to which it relates and such other evidence (if any) as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) provided that, in the case of a transfer by a stock exchange nominee the lodgement of share certificates shall not be necessary; or

12.4.2 the instrument of transfer is in respect of only one class of share; or

12.4.3 in the case of a transfer to joint holders, they do not exceed four in number.

12.5 If the Board refuses to register a transfer, it shall within two months after the date on which the instrument of transfer was lodged with the Company send to the transferee notice of the refusal.

12.6 The registration of transfers of shares or of any class of shares may be suspended and the register closed at such times and for such periods as the Board may from time to time decide, provided that it shall not be closed for more than thirty days in any year.

12.7 No fee shall be payable to the Company for the registration of any transfer or any other document relating to or affecting the title to any share.

12.8 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

12.9 For the avoidance of doubt nothing in these Articles shall require shares to be transferred by a written instrument if the Statutes provide otherwise and the Directors shall be empowered to implement such arrangements as they consider fit in accordance with and subject to the Statutes and the rules of the London Stock Exchange to evidence and regulate the transfer of title to shares in the Company and to approve the registration of such transfers.

13. **TRANSMISSION OF SHARES**

13.1 If a member dies the survivor or survivors where he was a joint holder and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the Company as having any title to his shares but nothing contained in these Articles shall release the estate of a deceased member from any liability in respect of any share held by him whether solely or jointly with other persons.

13.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon production of such evidence as to his title as the Board may properly require and subject to the other provisions of these Articles, elect either to be registered as the holder of the share or to have some person nominated by him registered as the holder. If the

person elects to become the holder he shall give notice in writing to that effect to the Company. If the person shall elect to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member had not occurred and the notice or instrument of transfer were an instrument of transfer executed by a member.

- 13.3 A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, subject to the requirements of these Articles and to the provisions of this Article, be entitled to receive, and may give a good discharge for, all dividends and other money payable in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or to any of the other rights or privileges of a member until he shall have become a member in respect of the share. The Board may at any time give notice in writing to any such person requiring such person to elect either to be registered or to transfer the share and if such notice is not complied with within sixty days the Board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of such notice have been complied with.

14. **ALTERATION OF SHARE CAPITAL**

- 14.1 The Company may by ordinary resolution:-

- 14.1.1 increase its share capital by the creation of new shares of such amount as the resolution shall prescribe;
- 14.1.2 consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- 14.1.3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and
- 14.1.4 cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

14.2 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share the Board may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale (subject to retention by the Company of small amounts the cost of distribution of which would be disproportionate to the amounts involved) in due proportion among those members, and the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

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

15. PURCHASE OF OWN SHARES

15.1 Subject to the provisions of the Statutes, the Company may purchase its own shares of any class (including any redeemable shares). Every contract providing for the purchase by the Company of shares in the Company shall be authorised by such resolution of the Company as may be required by the Act and, if the Company has in existence any shares which entitle the holders to convert them (whether immediately or otherwise) into equity shares, an extraordinary resolution passed at a separate class meeting of the holders of such shares.

15.2 Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends of capital conferred by any class of shares.

15.3 Notwithstanding anything to the contrary contained in these Articles, the rights attached to any class of shares shall be deemed not to be varied or abrogated by anything done by the Company pursuant to Article 15.1.

16. SHARE WARRANTS

16.1 The Board may issue warrants (hereinafter called "share warrants") with respect to fully paid up shares stating that the bearer is entitled to the shares therein specified and may provide by

coupons or otherwise for the payment of future dividends on the shares included in such share warrants. The directors may determine and from time to time vary the conditions upon which share warrants shall be issued and upon which a new share warrant or coupon shall be issued in the place of one worn out defaced or destroyed. No new share warrant or coupon shall be issued to replace one that has been lost unless it is proved beyond reasonable doubt and to the satisfaction of the Board to have been destroyed.

- 16.2 The Board may determine and from time to time vary the conditions upon which the bearer of a share warrant shall be entitled to receive notices of and attend and vote at general meetings or to join in requisitioning general meetings and upon which a share warrant may be surrendered and the name of the holder entered in the register in respect of the shares therein specified. Subject to such conditions and to these Articles the bearer of a share warrant shall be a member to the full extent. The holder of a share warrant shall hold such warrant subject to the conditions for the time being in force with regard to share warrants whether made before or after the issue of such share warrant.

17. **STOCK**

- 17.1 Subject to the provisions of the Act the Company may by ordinary resolution convert any paid up shares into stock, and re-convert any stock into paid up shares of any denomination.
- 17.2 The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations, as would have applied to the shares from which the stock arose if such shares had not been converted, or as near thereto as circumstances admit, but the Board may from time to time, if they think fit, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of each of the shares from which the stock arose.
- 17.3 The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages in all respects as if they held the shares from which the stock arose, provided that no such rights, privileges or advantages (except participation in dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such rights, privilege or advantage.

- 17.4 The provisions of these Articles applicable to paid up shares shall apply to stock, and the words "share" and "member" shall include "stock" and "stockholder" respectively.

18. **DISCLOSURE OF INTERESTS**

- 18.1 Section 211 (with the exception of sub-section (10)), 212 and 213 of the Act shall be deemed to be incorporated into these Articles and accordingly to apply as between the Company and each member. Sections 203 to 205 (inclusive) and 208 of the Act apply for the purpose of construing references in this Article to persons interested in shares and to interests in shares respectively, as they apply in relation to Sections 198 to 201 (inclusive) of the Act (but with the omission of any reference to Section 209 of the Act).
- 18.2 No member shall, unless the Board otherwise determines, have the right in respect of shares held by him to attend and/or vote at a general meeting either personally or by proxy, or to exercise any other right conferred by membership in relation to meetings of the Company, if a notice under Section 212 of the Act ("Section 212 notice") has been duly served on him or any person whom the Company knows or has reasonable cause to believe to be interested in such shares and he or any such person is in default in supplying to the Company the information thereby required within the period of:-
- 18.2.1 fourteen days from the date of service of the Section 212 notice in the case of a notice where the aggregate nominal value of such shares is at least 0.25 per cent. of the aggregate nominal value of the issued shares of the same class at the date of such notice; or
- 18.2.2 twenty-eight days from the date of service of the Section 212 notice in any other case.
- 18.3 Subject as set out below so long as any shares are the subject of restrictions under Article 16.2, any dividend on such shares will be withheld and any transfer of or agreement to transfer such shares (other than following a sale shown to the satisfaction of the Board to be of the full legal and beneficial ownership of such shares to a bona fide unconnected third party) will be void, unless the directors otherwise determine. Transfers may not be refused and dividends may not be withheld if the aggregate nominal value of those shares is less than 0.25 per cent. of the aggregate nominal value of the issued shares of the same class.

- 18.4 The period during which any of the rights referred to in Article 16.1 and 16.2 (or any of them) shall be suspended shall commence on expiry of the period of fourteen days or twenty-eight days (as the case may be) from the date of service of the Section 212 notice and shall continue until the earlier of such time as:-
- 18.4.1 the defaulter has disclosed the relevant facts about the shares in compliance with the notice to the satisfaction of the Board; or
- 18.4.2 the shares are transferred following a sale shown to the satisfaction of the Board to be of the full legal and beneficial ownership of such shares to a bona fide unconnected third party.
- 18.5 If any shares are at any time subject to restrictions pursuant to this Article, that fact shall be noted against the name of the registered holder of such shares in the register of members for so long as the restrictions shall continue and the removal of the restrictions shall be recorded in the same manner.
- 18.6 For the purpose of this Article a sale shall be presumed to be to a bona fide unconnected third party where the sale is made:-
- 18.6.1 through a recognised investment exchange for the purposes of the Financial Services Act 1986; or
- 18.6.2 pursuant to acceptance of a takeover after as defined in Section 428 of the Act.
- 18.7 For the purpose of ensuring that a particular transfer of shares is pursuant to a sale at arms' length, the directors may require the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information as the Board may think necessary or relevant. Failing such information being furnished to the satisfaction of the Board within a period of fourteen days (where the aggregate nominal value of the shares being transferred is at least 0.25 per cent. of the aggregate nominal value of the issued shares of the same class) or twenty-eight days (in any other case) after such request, the Board shall be entitled to refuse to register the transfer in question.
- 18.8 Any dividends withheld pursuant to this Article shall be paid on removal of the restriction on the payment of dividends on the shares in question and shall not bear interest against the

Company. Pending payment, all dividends may be invested or otherwise made use of by the Board for the benefit of the Company and the Company shall not be constituted a trustee in respect thereof.

18.9 Nothing in this Article 18 shall limit the power of the Board under Section 216 of the Act.

19. **GENERAL MEETINGS**

19.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.

19.2 The Board may call an extraordinary general meeting whenever it thinks fit and, on the requisition of members in accordance with the Act, it shall forthwith proceed to convene an extraordinary general meeting for a date not more than eight weeks after receipt of the requisition at the office.

20. **NOTICE OF GENERAL MEETINGS**

20.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a Director, shall be called by at least twenty one clear days' notice in writing. All other extraordinary general meetings shall be called by at least fourteen clear days' notice in writing. The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted. Subject to the provisions of these Articles and to any restriction imposed on any Shareholder, notice shall be given to all members, the Directors and the Auditors.

20.2 The accidental omission to give notice of a meeting, or (where forms of proxy are sent out with notices) to send a form of proxy with a notice to any person entitled to receive such notice, or the non-receipt of a notice of meeting or form or proxy by such a person, shall not invalidate the proceedings at the meeting.

21. **PROCEEDINGS AT GENERAL MEETINGS**

21.1 All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting with the exception of sanctioning or declaring dividends, the consideration of the accounts and balance sheet, the reports of the Directors and Auditors and any other documents required to be annexed to the

balance sheet, the appointment of Directors in the place of those retiring by rotation or otherwise, the appointment of Auditors where special notice of such appointment is not required by the Act, and the fixing of, or determining of the method of fixing of, the remuneration of the Auditors and the giving, variation or renewal of any authority of the Board for the purposes of Section 80 of the Act or any power pursuant to Section 95 of the Act.

- 21.2 No business shall be transacted at any general meeting, when the meeting proceeds to business, unless a quorum is present. The absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Subject to Article 21.3 two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.
- 21.3 If within half an hour from the time appointed for the meeting a quorum is not present the meeting, if convened on the requisition of members, shall be dissolved and in any other case shall stand adjourned to such day and to such time and place (being not less than seven nor more than twenty eight days thereafter) as may be fixed by the chairman of the meeting. If at such adjourned meeting a quorum is not present within fifteen minutes from the time fixed for holding the meeting the meeting shall be dissolved. The Company shall give notice in writing of any meeting adjourned through lack of a quorum.
- 21.4 The chairman of the Board or in his absence some other Director nominated by the Board shall preside as chairman at every general meeting of the Company. If there is no such chairman or other Director or if at any meeting neither the chairman nor such other Director is present within fifteen minutes after the time fixed for holding the meeting or if neither is willing to act as chairman of the meeting, the Directors present shall elect one of themselves or if no Director is present within fifteen minutes after the time appointed for holding the meeting, or if all the Directors present decline to take the chair, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
- 21.5 The chairman of the meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place. No business shall be transacted at any adjourned meeting except business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for an indefinite period the time and place for the adjourned meeting shall be fixed by the Board. Whenever a meeting is adjourned for fourteen days or more or for an indefinite period, seven clear days' notice at the least, specifying the place, the day, and the hour of the

adjourned meeting and the general nature of the business to be transacted shall be given in the same manner as in the case of an original meeting. Save as provided in these Articles it shall not otherwise be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

- 21.6 Without prejudice to any other power which he may have under these Articles or by law, the chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting, to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of. If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled to and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.
- 21.7 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands or on the withdrawal of any other due demand for a poll a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:-
- 21.7.1 by the chairman of the meeting; or
 - 21.7.2 by at least two members present in person or by proxy and entitled to vote; or
 - 21.7.3 by any 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
 - 21.7.4 by a member or members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting, being shares on which an

aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by a member.

- 21.8 Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minute book, 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.
- 21.9 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority:-
- 21.9.1 to demand or join in demanding a poll; and
- 21.9.2 to vote on a poll.
- 21.10 If any votes are counted which ought not to have been counted, or might have been rejected or if any votes are not counted which ought to have been counted the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment thereof, and it is in the opinion of the chairman of the meeting of sufficient magnitude to vitiate the result of the voting.
- 21.11 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution proposed as an extraordinary or special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in the event be considered or voted upon.
- 21.12 If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct (including the use of ballot or voting papers or tickets). The chairman may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

- 21.13 A poll demanded on the election of the chairman of a meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting directs, but in any case not more than twenty-eight days after the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the completion of the poll. The demand for a poll may be withdrawn at any time before the conclusion of the meeting. No notice need be given of a poll not taken immediately.
- 21.14 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member or as a representative or proxy of a member.
- 21.15 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

22. **VOTES OF MEMBERS**

- 22.1 Subject to any terms as to voting upon which any shares may be issued, or may for the time being be held, every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote on a show of hands, and on a poll every member shall have one vote for each share of which he is the holder.
- 22.2 On a poll votes may be given in person or by proxy. A member may appoint more than one proxy to attend on the same occasion.
- 22.3 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- 22.4 A member 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 that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the 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.

- 22.5 No member shall be entitled to vote at any general meeting or at any separate general meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 22.6 If any objection shall be raised as to the qualification of any voter the objection shall not vitiate the decision on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered. Any objection made in due time shall be referred to the chairman of the meeting, and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the objection or allegation is justified and that the decision of the meeting may have been affected. The decision of the chairman shall be final and conclusive.
- 22.7 Forms of instrument of proxy shall be in writing in any usual or common form or in such other form as the Board may approve. Forms of instrument of proxy shall be sent by the Company to all persons entitled to notice of and to attend and vote at any meeting, and shall (unless the Board otherwise determines) provide for voting both for and against all resolutions to be proposed at the meeting other than resolutions relating to the procedure of the meeting. The instrument of proxy shall be executed by or on behalf of the appointor. A corporation may execute a form of proxy either under its common seal or as a deed or by an attorney or under the hand of a duly authorised officer.
- 22.8 The instrument of proxy and the power of attorney or other written authority (if any) under which it is signed, or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 or the Enduring Powers of Attorney Act 1986 (or any statutory modification or re-enactment thereof for the time being in force) of such power or written authority, shall be deposited at the office (or at such other place in the United Kingdom as shall be specified for that purpose in the notice of meeting or in any form of proxy or other document accompanying the same) not less than forty-eight hours before the time appointed

for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll taken subsequently to the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for taking the poll, and unless so deposited the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months of such date. The instrument of proxy shall, unless the contrary is stated, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

- 22.9 A vote given or poll demanded by proxy or by the 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 in writing of the determination shall have been received by the Company at the office (or other place at which the instrument of proxy was duly deposited in accordance with the notice of meeting or form of proxy or other document accompanying the same) before the commencement of the meeting or adjourned meeting at which the instrument or proxy is used or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, the time appointed for taking the poll.
- 22.10 The Board may, at the expense of the Company, send to the members, by post or otherwise, instruments of proxy (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares of the Company either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person, or one of a number of persons, specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.

23. **CORPORATIONS ACTING BY REPRESENTATIVES**

- 23.1 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 at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could

exercise if it were an individual member of the Company and such 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 thereat.

24. POWERS OF THE BOARD

- 24.1 Subject to the provisions of the Act, the memorandum of association of the Company and these Articles and to any directions given by special resolution the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. No alteration of the memorandum of association of the Company or of these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or that direction had not been given. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article. A meeting of the Board at which a quorum is present may exercise all powers exercisable by the directors.
- 24.2 The Board may make such arrangements as the Board thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the Board (other than the power to borrow and make calls) with power to sub-delegate.
- 24.3 The Board may from time to time by power of attorney appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions as the Board may think fit for the protection or convenience of persons dealing with any such attorney and may authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 24.4 The Board may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be

governed by the Articles regulating the proceedings of the Board so far as they are capable of applying. If any such committee determines to co-opt persons other than Directors on to such committee, the number of such co-opted persons shall be less than one half of the total number of members of the committee and no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting concerned are Directors. If the powers of the Board are delegated to a committee which consists wholly of directors no resolution of the committee shall be effective unless at least two directors are present at the meeting.

25. BORROWING POWERS

- 25.1 Subject as hereinunder provided, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.
- 25.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to ensure (as regards subsidiaries so far as by such exercise the Board can ensure) that without the previous sanction of an ordinary resolution of the Company the aggregate amount for the time being outstanding of all borrowings by the Company or any of its subsidiaries (excluding money owed by any of the Company or any of its subsidiaries to any other of the Company or any of its subsidiaries) shall not at any time exceed an amount equal to three times the adjusted capital and reserves. For the purpose of the above restriction the "adjusted capital and reserves" means the aggregate from time to time of:-
- 25.2.1 the amount paid up on the issued share capital of the Company; and
- 25.2.2 the amount standing to the credit of the capital and revenue reserves of the Company (or, if the Company has subsidiaries, the consolidated capital and revenue reserves of the Company and its subsidiaries) including any share premium account, capital redemption reserve, revaluation reserve and credit balance on profit and loss account;

all as shown in the latest audited balance sheet of the Company or (as the case may be) the latest audited consolidated balance sheet of the Company and its subsidiaries but adjusted as may be necessary to take account of:-

- 25.2.3 any variation in the paid up share capital or the share premium account or capital redemption reserve or revaluation reserve since the date of such balance sheet and so that for the purpose of making such adjustments, if any issue or proposed issue of shares by the Company for cash has been underwritten, then such share shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- 25.2.4 any distribution from such reserves (otherwise than to the Company or to a subsidiary) not provided for therein;
- 25.2.5 the exclusion of any sums set aside for taxation;
- 25.2.6 the deduction of any debit balance on profit and loss account as shown in such balance sheet;
- 25.2.7 any company which has become or ceased to be a subsidiary since the date of such balance sheet and any variation in the interests of the Company in its subsidiaries since the date of such balance sheet;
- 25.2.8 where the calculation is required for the purposes of or in connection with a transaction under or in connection with any company which is to become or cease to be a subsidiary, such adjustments as would be appropriate if such transaction had been carried into effect; and
- 25.2.9 the deduction of any amount for goodwill or any other intangible asset (not being goodwill arising on consolidation) incorporated as an asset in such balance sheet.

25.3 For the purpose of this Article 25 “borrowings” shall be deemed to include not only borrowings but also the following except in so far as otherwise taken into account:-

- 25.3.1 the nominal amount of any issued share capital and the principal amount of any debentures or borrowed money together with any fixed or minimum premium payable on redemption, the beneficial interest in which is not for the time being owned by the Company or any of its subsidiaries, of a body whether corporate or unincorporated and the redemption or repayment of which is the subject of a guarantee or indemnity by the Company or any of its subsidiaries;
- 25.3.2 the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of the Company or any of its subsidiaries;
- 25.3.3 the principal amount (including any premium payable on final repayment) of any debenture (whether secured or unsecured) of the Company or any of its subsidiaries owned otherwise than by the Company or any of its subsidiaries;
- 25.3.4 the principal amount of any preference share capital of any subsidiary owned otherwise than by the Company or any of its subsidiaries;

but shall be deemed not to include:-

- 25.3.5 borrowings incurred by the Company or any of its subsidiaries for the purpose of repaying the whole or any part of any borrowings by the Company or any of its subsidiaries for the time being outstanding within six months of being so borrowed, pending their application for that purpose within that period; and
- 25.3.6 borrowings incurred by the Company or any of its subsidiaries for the purpose of financing any contract in respect of which any part of the price receivable by the Company or any of its subsidiaries is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other governmental department fulfilling a similar function, up to an amount not exceeding that part of the price receivable under the contract which is so guaranteed or insured.

- 25.4 When the aggregate amount of borrowings required to be taken into account for the purposes of these Articles on any particular day is being ascertained, any money denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at

the rate of exchange prevailing on that day in London or, if it would result in a lower sterling equivalent, at the rate of exchange prevailing in London six months before such day (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business on the day in question or, if that is not a business day, on the last business day before the date in question).

25.5 Subject to the provisions of the Act, the Company may from time to time change the accounting conventions on which the audited balance sheet or audited consolidated balance sheet is prepared.

25.6 A certificate or report by the Auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by these Articles has not been or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact. For the purposes of their computation, the auditors may, at their discretion, make such further or other adjustments (if any) as they think fit. Nevertheless for the purposes of these Articles the Board may act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves at any time and if in consequence such limit is inadvertently exceeded an amount of moneys borrowed equal to the excess may be disregarded until the expiration of sixty days after the day on which (by reason of a determination of the auditors or otherwise) the Board becomes aware that such a situation has or may have arisen.

25.7 Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article 22 is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit had been or was thereby exceeded.

26. **NUMBER AND QUALIFICATION OF DIRECTORS**

26.1 Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall be not less than two in number but shall not be subject to any maximum.

26.2 A Director shall not be required to hold any shares of the Company by way of qualification.

26.3 There shall not be any age limit for Directors and sub-sections (1) to (6) of Section 293 of the Act shall not apply to the Company. No special notice need be given of any resolution for the appointment or reappointment or approving the appointment as a Director of a person who has attained the age of seventy, and it shall not be necessary to give the members notice of the age of any Director or person proposed to be appointed or re-appointed as such.

26.4 If the number of Directors is reduced below the minimum number fixed in accordance with these Articles, the Directors for the time being may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company, but not for any other purpose.

27. **APPOINTMENT AND RETIREMENT BY ROTATION**

27.1 Subject to the provisions of Articles 26 and 27.2 and without prejudice to the power of the Board under Article 26.4 the Company may by ordinary resolution elect a person who is willing to act to be a Director either to fill a vacancy or as an additional Director, and may also determine the rotation in which any additional Directors are to retire but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.

27.2 No person other than a Director retiring (or, if appointed by the Board, vacating office) at the meeting shall, unless recommended by the Board, be eligible for election to the office of a Director at any general meeting, unless not less than seven nor more than thirty days before the day fixed for the meeting there shall have been left at the office addressed to the secretary notice in writing by a member entitled to be present and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected. The notice shall give the particulars in respect of that person which would (if he were elected) be required to be included in the Company's register of Directors.

27.3 A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void. For the purposes of this Article a resolution approving a person's appointment or for nominating a person for appointment shall be treated as a resolution for the election of such a person.

- 27.4 The Board shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed from time to time. Any Director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for election, but shall not be taken into account in determining the Directors to retire by rotation at such meeting under the provisions in that behalf contained in these Articles.
- 27.5 Subject to the provision of these Articles at every annual general meeting one-third of the Directors who are subject to rotation or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office.
- 27.6 The Directors to retire by rotation shall be those who have been longest in office since their last election; as between persons who became or were last elected Directors on the same day, those to retire by rotation shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire (both as to number and as to identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting.
- 27.7 A retiring Director shall be eligible for re-election. If he is not re-elected or deemed to be re-elected he shall hold office until the meeting elects someone in his place, or if it does not do so, until the end of the meeting.
- 27.8 If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost.
28. **RESIGNATION AND REMOVAL OF DIRECTORS**
- 28.1 A Director (not being a chief executive, managing or executive Director) may resign his office by notice in writing submitted to the Board.

28.2 A chief executive, managing or executive Director may tender his resignation at a meeting of the Board; but only if the other Directors resolve to accept it shall such resignation be effective.

28.3 The Company may by ordinary resolution of which special notice has been given in accordance with Section 379 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company.

29. **DISQUALIFICATION OF DIRECTORS**

29.1 The office of a Director shall be vacated if the Director:-

29.1.1 becomes bankrupt or the subject of a receiving order or makes any arrangement or composition with his creditors generally;

29.1.2 is or may be suffering from mental disorder and either:-

29.1.2.1 is admitted to hospital pursuant to an application for admission for treatment under the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984;
or

29.1.2.2 an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or

29.1.3 is absent from meetings of the Board (whether or not his alternate attends) for six consecutive months without permission of the Board and the Board resolves that his office be vacated;

29.1.4 is by virtue of any provision of the Act or becomes prohibited by law from being a Director;

29.1.5 shall be removed from office by notice in writing served upon him signed by all his co-Directors being not less than two in number, but so that if he holds an appointment to an executive office which thereby automatically determines, such removal shall be

deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

30. REMUNERATION OF DIRECTORS

- 30.1 The Directors of the Company shall be paid such remuneration (by way of fee) for their services as may be determined by the Board or any committee of the Board formed for the purpose of determining Directors' fee and remuneration save that unless otherwise approved by ordinary resolution of the Company in general meeting the aggregate of the remuneration (by way of fee) of all the Directors shall not exceed £30,000 per annum (which figure shall be subject to an annual upwards only increase of the same percentage increase as the percentage increase of the Retail Prices Index (or such other government index as may replace it from time to time) over the immediately preceding 12 month period). The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of travelling to and from Board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company.
- 30.2 Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may decide.

31. CHIEF EXECUTIVE, MANAGING AND EXECUTIVE DIRECTORS

- 31.1 The Board may from time to time:-
- 31.1.1 appoint one or more of its body to the office or chief executive, managing Director or joint managing Director, or to any other office (except that of auditor) or employment in the Company, for such period (subject to the Act) and on such terms as it thinks fit, and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose appointment is revoked may have against the Company by reason of such revocation);
- 31.1.2 permit any person elected or appointed to be a Director to continue in any other office or employment held by the person before he was so elected or appointed.

A Director (other than a chief executive, managing Director or joint managing Director) holding any such other office or employment is referred to in these Articles as "an executive Director".

31.2 Any Director appointed to any of the offices of chief executive, managing Director or joint managing director or an executive Director shall not, while holding that office, be subject to retirement by rotation or be taken into account in deciding the number of Directors to retire by rotation on any particular occasion, but shall (subject to the provision of any contract between himself and the Company) be subject to the same provision as to resignation and removal as the other Directors, and if he ceases from any cause to be a Director he shall cease to be chief executive, managing Director or joint managing Director or an executive Director (but without prejudice to any rights or claims which he may have against the Company by reason of such cessation).

31.3 The remuneration of any chief executive, managing Director, joint managing Director or executive Director (whether by way of salary, commission, participation in profit or otherwise) shall be decided by the Board or any committee of the Board formed for the purpose of determining Directors' fees and remuneration and may be either in addition to or in lieu of any remuneration as a Director.

31.4 The Board may entrust to and confer upon a chief executive, managing Director, joint managing Director or any executive Director any of the powers authorities and discretions vested in or exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and, in the case of a chief executive, managing Director or joint managing Director, either collaterally with or to the exclusion of its own powers, authorities and discretions and may from time to time revoke, or vary all or any of them, but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

32. **ASSOCIATE AND OTHER DIRECTORS**

32.1 The Directors may from time to time, and at any time, pursuant to this Article appoint any other persons (not being Directors) to any office or employment with such descriptive title including that of director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local, advisory director or otherwise) as the Board may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties, and subject to any contract between

him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any purposes of these Articles or of the Act, and accordingly shall not be a member of the Board of Directors or of any committee thereof, nor shall he be entitled to be present at any meeting of the Board of Directors or of any such committee, except at the request of the Board of Directors or of such committee, and if present at such request he shall not be entitled to vote thereat.

33. DIRECTORS' GRATUITIES AND PENSIONS

- 33.1 The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

34. ALTERNATE DIRECTORS

- 34.1 Any Director (other than an alternate Director) may appoint another Director or any other person approved by the Board and willing to act, to be an alternate Director and may at any time remove from office an alternate director so appointed by him.
- 34.2 An alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate Director. But it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom.
- 34.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise vacates office but is elected or

deemed to have been elected at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his election.

34.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board.

34.5 Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

35. **PROCEEDINGS OF THE BOARD**

35.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meeting as it thinks fit. All or any one or more of the Directors, or any of the members of a committee of Directors, may participate in a meeting of the Directors or the committee:-

35.1.1 by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time; or

35.1.2 by a succession of telephone calls to Directors from the chairman of the meeting following disclosure to them of all material points. Participating by such means shall constitute presence in person at a meeting.

Such meeting shall be deemed to have occurred in the case of Article 35.1.1 above at the place where most of the Directors participating are present or, if there is no such place where the chairman of the meeting is present and in the case of Article 35.1.2 where the chairman of the meeting is present. Questions arising at any meeting of the Board shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second casting vote. A Director who is also an alternate Director shall be entitled, in the absence of the Director whom he is representing, to a separate vote on behalf of such Director in addition to his own vote. A Director may, and the secretary on the requisition of a Director shall, at any time call a meeting of the Board. Notice of every meeting of the Board may be given orally or in writing and shall be given to all the Directors from time to time provided that it shall not be necessary to give such notice to any Director absent from the United

Kingdom where such Director has appointed an alternate Director and such notice is duly given to such alternate Director and further provided that such notice shall be deemed to have been given to any Director absent from the United Kingdom where bona fide and reasonable endeavours have been made to give such notice to any Director so absent.

- 35.2 The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number shall be two. A Director or other person who is present at a meeting of the Board in more than one capacity (that is to say, as both Director and an alternate Director or as an alternate for more than one Director) shall not be counted as two or more for quorum purposes unless at least one other Director or alternate Director is also present. A meeting of the Board at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
- 35.3 The Board may from time to time appoint and remove a chairman and, if it thinks fit, a deputy chairman of its meetings and determine the period for which they are respectively to hold office. The chairman or, in his absence, the deputy chairman (if any) shall preside at all meetings of the Board. If no such chairman or deputy chairman is appointed, or neither is present within five minutes after the time fixed for holding any meeting, or neither of them is willing to preside at such meeting the Directors present may choose one of their number to act as chairman of such meeting.
- 35.4 The Directors may from time to time appoint any Director or former Director who has rendered outstanding services to the Company to be President of the Company and may remove or replace him at any time. The President shall not by virtue of that office alone be a Director but if not a director he may by invitation of the directors attend meetings of the Directors for the purpose of giving advice. The President shall receive such remuneration, if any, as the Directors may from time to time determine.
- 35.5 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (not being less than the number of Directors required to form a quorum of the Board) or by all the members for the time being of a committee shall be as valid and effective as a resolution passed at a meeting of the Board or committee duly convened and held. A resolution signed by an alternate Director need not be signed by his or her appointor. The resolution may consist of one document or several documents in like form each signed by one or more Directors.

- 35.6 All acts done bona fide by any meeting of the Board, or of a committee or sub-committee or the Board, or by any person acting as a Director or by an alternate Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment or continuance in office of any Director, alternate Director or person so acting, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or an alternate Director and had been entitled to vote.

36. **DIRECTORS' INTEREST**

- 36.1 Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office:-
- 36.1.1 may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - 36.1.2 may be or become a member or director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
 - 36.1.3 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
 - 36.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director of the Company.
- 36.2 Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than by virtue of his interests in shares or debentures or other securities of or in or otherwise through the Company) or a duty which conflicts or may conflict with the interests of the Company unless his interest or duty arises

only because one of the following applies (in which case he may vote and be counted in the quorum):-

- 36.2.1 the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him at the request of or for the benefit of, the Company or any of its subsidiaries; or
- 36.2.2 the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; or
- 36.2.3 his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting or placing or sub-placing of or his being entitled to participate by reason of a holding of shares, debentures or other securities of the Company in an offer of any shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange; or
- 36.2.4 the resolution relates to any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, creditor or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances); or
- 36.2.5 the resolution relates in any way to any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; or
- 36.2.6 the resolution concerns any contract, scheme or arrangement or proposal principally for the benefit of employees and/or directors of the Company or of any of its subsidiaries under which the Director benefits or is capable of benefiting in a similar manner to the employees and does not accord to any Director any privilege or

advantage not generally accorded to the employees to which such contract, scheme, arrangement or proposal relates; or

36.2.7 any contract for the purchase or maintenance of insurance against any liability of any director.

36.3 For the purposes of Articles 36.1 and 36.2:-

36.3.1 an interest of a person who is, for any purpose of the Act, connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise;

36.3.2 a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transactions or arrangements 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

36.3.3 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.

36.4 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

36.5 The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them Directors of such company, or voting or providing for the payment of remuneration to the Directors of such company).

36.6 Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided he is not by the proviso to Article 34.2 or for another reason precluded from

voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

36.7 If any question shall arise at any meeting of the Board or of a committee of the board as to the materiality of a Director's interest or as to the right of a Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed. Any question relating to the chairman shall be referred to the deputy chairman (or in the absence of the deputy chairman to the other Directors present) of the meeting and his (or their majority) ruling shall be final and binding except as aforesaid.

36.8 The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of the Board or of a committee of the Board.

37. **SECRETARY**

37.1 Subject to the Act, the secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any secretary appointed by the Board may be removed by it.

37.2 Anything by the Act or these Articles required or authorised to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the directors. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary.

38. **MINUTES**

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

38.1.1 all appointments of officers made by the Board;

38.1.2 the names of the Directors present at each meeting of the Board and of any committee of the Board;

38.1.3 all resolutions and proceedings at all meetings of the Company or the holders of any class of shares in the Company and of the Board and of committees of the Board.

38.2 Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or by the chairman of the meeting at which they are read, shall be sufficient evidence without any proof of the facts therein stated.

39. THE SEAL

39.1 The Board shall provide for the safe custody of the seal. The seal shall only be used by the authority of the Board or of a committee of the Board authorised in that behalf by the Board. The Board shall from time to time determine the persons and the number of such persons who may sign any instrument to which the seal is affixed and unless otherwise so determined every such instrument shall be signed by a Director and shall be countersigned by the secretary or by a second Director or by some other person appointed by the Board for the purposes provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means to be specified in such resolution or that such certificates need not be signed by any person.

39.2 All forms of certificates for shares or debentures or representing any other form of security (other than letters of allotment or scrip certificates) shall be issued under the seal but the Board may by resolution determine either generally or in any particular case that any signatures may be affixed to such certificates by some mechanical means or that such certificates need not bear any signature.

39.3 The Company may have:-

39.3.1 an official seal kept by virtue of Section 40 of the Act; and

39.3.2 an official seal for use abroad under the provisions of the Act, where and as the Board shall determine;

and the Company may by writing under the seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as it may think.

- 39.4 Subject to the Act and to any regulations made thereunder, a document signed by a director and the secretary or by two Directors of the Company and expressed (in whatever form or words) to be executed by the Company shall have the same effect as if it were under seal and a document so executed which:-

39.4.1 is intended by the person or persons making it to be a deed and so executed;

39.4.2 makes the fact clear upon its face (in whatever form of words) has effect, upon delivery, as a deed.

40. **ACCOUNTING RECORDS, BOOKS AND REGISTERS**

- 40.1 The Directors shall cause proper accounting records to be kept and such other books and registers as are necessary to comply with the provisions of the Act.
- 40.2 The accounting records shall be kept at the office or (subject to the provisions of the Act) at such other place in Great Britain as the Board thinks fit, and shall always be open to inspection by the Directors of the Company. No member of the Company (other than a Director) shall have any right of inspecting any accounting record or book or document except as conferred by law or authorised by the Board or the Company by ordinary resolution.
- 40.3 The Board shall in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Act. The Board shall in its report state the amount (if any) which it recommends to be paid by way of dividend.
- 40.4 A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and auditors' reports shall, at least twenty one days before the general meeting before which they are to be laid, be delivered or sent by post to the registered address of every member and every debenture holder of the Company or, in the case of joint holders of any share or debenture, to one of the joint holders and to the auditors for the time being of the

Company. If all or any of the shares in or debentures of the Company are for the time being listed on the London Stock Exchange or dealt in on the Unlisted Securities Market, there shall at the same time be forwarded to The London Stock Exchange such number of copies of each of these documents as may be required by the regulations for the time being of the London Stock Exchange. This Article shall not require a copy of these documents to be sent to any person to whom copies need not be sent under the Act. The requirements of this Article shall be deemed satisfied in relation to members by sending to each member instead of the documents referred to above, where permitted by the Act, a summary financial statement derived from the Company's annual accounts and the directors' report and prepared in the form and containing the information prescribed by the Statutes and any regulations made thereunder.

41. AUDIT

- 41.1 Auditors of the Company shall be appointed and their duties, powers and rights regulated in accordance with the Act.
- 41.2 The Auditors' report to the members made pursuant to the statutory provisions as to audit shall be read before the Company in general meeting and shall be open to inspection by any member; and in accordance with the Act every member shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed thereto) and Auditors' report.

42. AUTHENTICATION OF DOCUMENTS

- 42.1 Any Director or the secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the office the officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.
- 42.2 A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Board or of any committee which is certified as such in accordance with Article 40.1 shall be conclusive evidence in favour of all persons dealing with

the Company on the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting.

43. **RECORD DATES**

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

44. **DIVIDENDS**

- 44.1 Subject to the Act, the Company may by ordinary resolution declare that out of profits available for distribution there be paid dividends to members in accordance with their respective rights and priorities; but no dividend shall exceed the amount recommended by the Board.
- 44.2 Except as otherwise provided by the rights (if any) attached to shares with preferential or other special rights as to dividends, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid; but not amount paid on a share in advance of the date upon which a call is payable shall be treated for the purposes of this Article or the next following Article as paid up on the share.
- 44.3 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Ordinary Shares during any portion or portions of the period in respect of which the dividend is paid; but, if any Ordinary Share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date, such Ordinary Share shall rank (subject to the provisions of the Act) for or be entitled to dividend accordingly.
- 44.4 Any general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct payment or satisfaction of such dividend wholly or partly by the distribution of specific assets and, in particular, of fully paid up shares or debentures of any other company. The Board shall give effect to such direction so far as they are able. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks expedient, and in particular but without limitation may issue fractional certificates and fix the

value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specific assets in trustees, upon trust for the persons entitled to the dividend, as may seem expedient to the Board and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part thereof, and otherwise as they think fit.

- 44.5 Subject to the provisions of the Act and of these Articles the Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the distributable profits of the Company and the position of the Company. The Board may also pay the fixed dividend payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates whenever such profits in the opinion of the Board justify that course. In particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes the Board may pay interim dividends on shares in the capital of the Company which confer deferred or non-preferential rights as well as in respect of shares which confer preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear. Provided the Board acts in good faith the Board shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
- 44.6 The Board may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares in the Company and may apply the monies so deducted in satisfaction of such amounts payable by such member to the Company.
- 44.7 All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.
- 44.8 The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such

certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

- 44.9 No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise expressly provided by the rights attached to the share. All dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company absolutely.
- 44.10 Any dividend or other moneys payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the person entitled thereto, and in case of joint holders to any one of such joint holders, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such other person as the holder or joint holders may in writing direct, and shall be sent at the risk of the member or other person entitled thereto, and payment of the cheque or warrant shall be a good discharge to the Company. Where an authority in that behalf shall have been received by the Company in such form as the Company shall consider sufficient the Company may pay the amount distributable to such member or person to his bankers or other agents and payment in accordance with such authority shall constitute a good discharge therefor and the Company shall have no responsibility for any sums lost or delayed in the course of any transfer or when it has acted on any relevant directions.
- 44.11 If several persons are entered in the register as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.
- 44.12 The Board may, if authorised by an ordinary resolution of the Company, offer the members or any class of them (other than those not entitled to the relevant dividend or dividends) the right to elect to receive additional ordinary shares, credited as fully paid, in lieu of cash in respect of any dividend or any part of any dividend specified by the ordinary resolution. The following provisions shall apply:-
- 44.12.1 An ordinary resolution may specify a particular dividend or dividends, or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the Annual General Meeting next following the date of the meeting at which the ordinary resolution is passed.

- 44.12.2 The entitlement of each member to new ordinary shares shall be such that the relevant value of each new ordinary share shall be as nearly as possible equal to (but not greater than) the cash amount that the shareholder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on The London Stock Exchange as derived from the Daily Official List (or any successor list), on the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution, but shall never be less than the par value of the new ordinary share. 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.
- 44.12.3 The Board, after determining the basis of allotment, may notify the relevant shareholders in writing of the right of election offered to them and shall send with or following such notification forms of election and specify the procedure to be followed and place at which, and the latest time by which, duly completed forms of election must be lodged in order to be effective. The basis of allotment shall be such that no shareholder may receive a fraction of a share.
- 44.12.4 The Board may exclude from any offer any holders of ordinary shares where the Board believe that the making of the offer of 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.
- 44.12.5 The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on shares in respect of which an election has been duly made ("the elected shares") and instead additional ordinary shares shall be allotted to the holders of the elected shares on the basis of allotment calculated as aforesaid. For such purpose the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including share premium account, any capital redemption reserve and the profit and loss account) or otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued ordinary shares for

allotment and distribution to and amongst the holders of the elected shares on that basis.

44.12.6 The additional ordinary shares when allotted shall rank pari passu in all respects with fully-paid ordinary shares then in issue except that they will not be entitled to participate in the relevant dividend (including the share election in lieu of dividend).

44.12.7 In relation to any particular proposed dividend the directors may in their absolute discretion withdraw the offer previously made to ordinary shareholders to elect to receive additional ordinary shares in lieu of cash dividend (or part thereof) at any time prior to the allotment of the additional ordinary shares.

45. RESERVES

45.1 The Board may, before recommending any dividend (whether preferential or otherwise), set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied. Pending such application such reserves may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

46. CAPITALISATION OF PROFITS

46.1 The Company may, upon the recommendation of the Board, by ordinary resolution resolve that it is desirable to capitalise all or any part of the profits of the Company to which this Article applies and accordingly that the Board be authorised and directed to appropriate the profits so resolved to be capitalised to the members on the record date specified in the relevant resolution or determined as therein provided who would have been entitled thereto if distributed by way of dividend and in the same proportions.

46.2 Subject to any direction given by the Company, the Board shall appropriate the profits resolved to be capitalised by any such resolution, and apply such profits on behalf of the members entitled thereto either:-

46.2.1 in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively; or

46.2.2 in paying up in full unissued shares, debentures or obligations of the Company, of a nominal amount equal to such profits, for allotment and distribution, credited as fully paid, to and amongst such members in the proportions referred to above;

or partly in one way and partly in the other; provided that no unrealised profit shall be applied in paying up amounts unpaid on any issued shares and the only purpose to which sums standing to capital redemption reserve or share premium account shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed to members credited as fully paid.

46.3 The Board shall have power after the passing of any such resolution:-

46.3.1 to make such provision (by the issue of fractional certificates or by payment in cash or otherwise) as it thinks fit for the case of shares, debentures or obligations becoming distributable in fractions such power to include the right for the Company to retain small amounts the cost of distribution of which would be disproportionate to the amounts involved;

46.3.2 to authorise any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing (as the case may require) either for 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; or for the allotment to such members respectively, credited as fully paid, of any further shares, debentures or obligations to which they may be entitled upon such capitalisation; and any agreement made under such authority shall be effective and binding on all such members.

46.4 The Company in general meeting may resolve that any shares allotted pursuant to this Article to holders 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 shares rank for dividends.

46.5 The profits of the Company to which this Article applies shall be any profits of the Company not required for paying the fixed dividends on any preference shares or other shares issued on special conditions and shall also be deemed to include:-

46.5.1 any profits arising from appreciation in capital assets (whether realised by sale or ascertained by valuation); and

46.5.2 any amounts for the time being standing to any reserve or reserves or to the capital redemption reserve or to share premium or other special account.

47. **NOTICES**

47.1 Any notice or document may be given or served by the Company on any member either personally or by sending it by post in a prepaid letter addressed to such member at his address as appearing in the register or by facsimile transmission to any facsimile number notified by such member to the Company. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

47.2 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Any notice given by facsimile transmission shall be deemed to have been served in the absence of an indication of failure of transmission when transmitted. A notice shall be deemed to be given at the expiration of twenty-four hours after the envelope containing it was posted.

47.3 Any member whose address in the register is not within the United Kingdom, who gives to the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address; but, otherwise, no member other than a member whose address in the register is within the United Kingdom shall be entitled to receive any notice from the Company.

- 47.4 Every person who by operation of law, transfer or other means whatsoever becomes entitled to a share shall be bound by any notice in respect of such share which, before his name is entered in the register of members, has been duly given to the person from whom he derives his title provided that such person shall not be bound by any notice given by the Company under Section 212 of the Act or under Article 16.
- 47.5 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting or a meeting of the holders of any class of shares by notices sent through the post a general meeting may be convened by a notice advertised on the same date in at least two national daily newspapers with appropriate circulations (at least one of which shall be published in London) and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least forty-eight hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 47.6 Any member present, either personally or by proxy, at any general meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.
- 47.7 Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member is then dead, bankrupt, of unsound mind or (being a corporation) in liquidation, and whether or not the Company has notice of the death, bankruptcy, insanity or liquidation of such member, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder unless his name has at the time of the service of the notice or document been removed from the register of members as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

48. **UNTRACED MEMBERS**

- 48.1 The Company shall be entitled to sell at the best price reasonably obtainable the shares or stock of a member or the shares or stock to which a person is entitled by transmission on death or bankruptcy if and provided that:-

- 48.1.1 during a period of twelve years all dividends, warrants and cheques in respect of the shares in question sent in the manner authorised by these Articles have remained uncashed and during such period at least three dividends in respect of the shares in question have been paid by the Company;
 - 48.1.2 on or after expiry of the period of twelve years mentioned in Article 46.2.1 the Company shall have inserted advertisements in one national daily newspaper and one newspaper circulating in the area in which the registered or last known address of the member is located giving notice of its intention to sell the said shares;
 - 48.1.3 the said advertisements, if not published on the same day, shall be published within thirty days of each other;
 - 48.1.4 during the period of twelve years mentioned in Article 46.2.1 and a further period of three months following the date of publication of the advertisements mentioned in Article 46.2.1 (or, if published on different dates, the later or latest thereof) and prior to the exercise of the power of sale the Company shall not have received any communication that would enable the Company to trace such member or person by transmission; and
 - 48.1.5 the Company shall have given notice to the Quotations Department of the London Stock Exchange in accordance with its requirements of its intention to make such sale.
- 48.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares or stock. Such instrument of transfer shall be as effective as if it had been executed by the holder of or person entitled by transmission to any such shares or stock. The title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto.
- 48.3 The net proceeds of sale shall belong to the Company which shall:-
- 48.3.1 be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds; and

48.3.2 (until the Company has so accounted) enter the name of such former member or other person in the books of the Company as a creditor for such amount.

48.4 No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may think fit. If during the period of twelve years referred to in this Article 46 or during any period ending on the date when all the requirements of Articles 46.1 to 46.3 have been satisfied any additional shares or stock have been issued in right of those held at the beginning of, or previously similarly issued during, those periods and all the requirements of Articles 46.1 to 46.3 to have been satisfied in regard to such additional shares, the Company shall also be entitled to sell the additional shares.

48.5 A person entitled to any share or stock in consequence of the death, mental disorder or bankruptcy of a member, on supplying to the Company such evidence as the Board may reasonably require to show his title to that share and an address within the United Kingdom for the service of notices, shall be entitled to have served on or delivered to him at such address any notice or document to which the member but for his death, mental disorder or bankruptcy would have been entitled, and such service or delivery shall be deemed a sufficient service or delivery of such notice or document for all purposes on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the last registered address of any member pursuant to these Articles shall (notwithstanding that such member be then dead or bankrupt or in liquidation or that a receiver has been appointed for him under the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984) be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first named joint holder.

49. **DESTRUCTION OF DOCUMENTS**

49.1 The Company shall be entitled to destroy all instruments of transfer of shares of the Company which shall have been registered and all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfer and applications for allotment in respect of which an entry in the register shall have been made at any time after the expiration of six years from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be) and all registered certificates for shares of

the Company (being certificates for shares in the name of a transferor and in respect whereof the Company has registered a transfer) and all mandates and other written directions as to the payment of dividends (being mandates or directions which have been cancelled) and all notifications of change of name or address at any time after the expiration of one year from the date of cancellation or the recording thereof (as the case may be).

49.2 It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned was in accordance with the recorded particulars thereof in the books or records of the Company provided always that:-

49.2.1 the foregoing provisions shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

49.2.2 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 other circumstances which would not attach to the Company in the absence of this Article;

49.2.3 references herein to the destruction of any document include references to its disposal in any manner;

49.2.4 any document referred to in Article 49.1 above may be destroyed at a date earlier than that authorised by this Article provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Board shall take adequate precautions for guarding against falsification and for facilitating its production.

50. **WINDING UP**

50.1 The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.

50.2 If the Company is wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act:-

50.2.1 divide among the members in specie the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or properties of different kinds, and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 582 of the Act;

50.2.2 vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine and the liquidation of the Company may be closed and the Company dissolved.

No member shall be compelled to accept any assets on which there is a liability.

50.3 A special resolution sanctioning a transfer or sale to another company duly passed pursuant to Section 582 of the Act may, in the like manner, authorise the distribution of any shares or other consideration receivable by the liquidator amongst the members otherwise than in accordance with their existing rights, and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

51. **INDEMNITY**

51.1 Subject to the provisions of the Act every Director or other officer and Auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in Section 310 of the Act), which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, 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.

- 51.2 The Company may purchase and maintain for any director, other officer, employee or auditor of the Company insurance against any liability which by virtue of any law would attach to him in respect of any negligence, default, breach of duty or breach of trust he may be guilty of in relation to the Company.