

THE COMPANIES ACT 1985 AND 1989
COMPANY LIMITED BY SHARES
MEMBERS' RESOLUTION IN WRITING

of

STOW SECURITIES PLC
(the "Company")



Notice is hereby given that on *25th November* 2002, all the members of the Company entitled at the date hereof to receive notice of, attend and vote at general meetings of the Company, pursuant to article 64 of the articles of association of the Company, unanimously pass the following resolution as a special resolution and agree that it shall have effect as if passed at a general meeting of the Company duly convened and held:

SPECIAL RESOLUTION

That, subject to and conditional upon all the holders of all the issued 'A' redeemable cumulative preference shares of £1 each in the capital of the Company ("A' Shares") consenting in writing to the passing and implementation of this resolution:

- 1 the Directors be generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (as defined in Section 80 of the Act) up to an aggregate nominal amount of £3,564,506 in respect of allotments of 'A' Shares pursuant to paragraph 3 of this resolution; Provided that this authority shall expire on the date falling 1 year from the date of the passing of this resolution except that the Company may before the expiry of such period 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 as if the authority conferred by this resolution had not expired and that the authority shall be in substitution for all previous authorities conferred upon the Directors pursuant to Section 80 of the Act;
- 2 the Directors be empowered, pursuant to Section 95 of the Act, to allot equity securities (as defined in Section 94 of the Act) for cash as if Section 89 of the Act did not apply to any such allotment; Provided that this power shall be limited to the allotment of 'A' Shares pursuant to paragraph 3 of this resolution and shall expire on the date falling 1 year from the date of the passing of this resolution except that the Company may before the expiry of such period 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 such offer or agreement as if the power by this resolution had not expired;
- 3 in consideration for the release and extinction of any and all liability of the Company in or towards the payment of any arrears and accruals of dividends payable in respect of all of the 'A' Shares, a dividend in the amount of £3,564,506 be and is hereby declared in respect of the 'A' Shares which dividend shall be applied in paying up in full of 3,564,506 'A' Shares to be issued credited as fully paid up to and amongst the holders of the 'A' Shares in proportion to

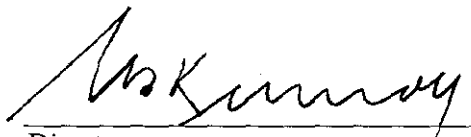
the number of 'A' Shares held by them as at the date of this resolution and immediately prior to the re-designation provided for in paragraph 4 of this resolution;

- 4 each of the issued 'A' Shares (being 28,909,733 'A' Shares) and each of the 'A' Shares to be issued pursuant to paragraph 3 of this resolution (being 3,564,506 'A' Shares), be and is hereby re-designated either a 'B' ordinary share of £1 each in the capital of the Company ("B' Shares") or a 'C' ordinary share of £1 each in the capital of the Company ("C' Shares"), as the Directors shall in their absolute discretion determine;
- 5 each of the 14,707,002 un-issued 'A' Shares be and is hereby re-designated an un-issued 'B' Share;
- 6 each of the 3,676,751 un-issued 'A' Shares be and is hereby re-designated an un-issued 'C' Share; and
- 7 the regulations contained in the document attached to this resolution and signed by the Chairman of the Company for the purposes of identification, be and is hereby adopted as the articles of association of the Company in substitution for and to the exclusion of, the existing articles of association of the Company.

Dated this 28th day of

November.

2002



Director

THE COMPANIES ACTS 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

STOW SECURITIES PLC

(Adopted by special resolution passed on 25th November 2002)

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THE COMPANIES ACTS 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

STOW SECURITIES PLC

(adopted by special resolution passed on

2002)

1. Preliminary

1.1 Other regulations excluded

The following regulations shall be the articles of association of the Company to the exclusion of any regulation or article prescribed by or pursuant to any statute concerning companies.

2. Interpretation

2.1 In these Articles:

"the Act"	means the Companies Act 1985 as amended, consolidated or re-enacted from time to time;
"Annual Budget"	means an annual budget prepared by the Board which shall include the items listed in Article 49.3;
"Articles"	means these articles of association as amended from time to time;
"Auditors"	means the auditors of the Company from time to time;
"'B' Shares"	means 'B' ordinary shares of £1 each;
"'B' Shareholder"	means a Member registered as the holder of 'B' Shares;
"Board"	means the board of Directors or the Directors present at a duly convened and quorate meeting of Directors or a duly authorised committee of the Directors as the context requires;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for business in London;
"'C' Shares"	means 'C' ordinary shares of £1 each;
"'C' Shareholder"	means a Member registered as the holder of 'C' Shares;

"Clear Days"	when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Company"	means Stow Securities PLC;
"Controlling Interest"	means shares conferring in the aggregate over 50 per cent of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote at all general meetings of the Company;
"Director"	means a director of the Company from time to time;
"entitled by transmission"	means, in relation to a share, entitled as a consequence of the death or bankruptcy of a Member or of another event giving rise to a transmission of entitlement by operation of law;
"Group"	means the Company and any company which is a Subsidiary Undertaking of the Company from time to time;
"holder"	means, in relation to a share, the Member whose name is entered in the Register as the holder of that share;
"London Stock Exchange"	means London Stock Exchange Plc;
"Member"	means a member of the Company;
"Month"	means calendar month;
"Office"	means the registered office of the Company from time to time;
"Paid Up"	means paid up and/or credited as paid up;
"Person with mental disorder"	means a person who is, or may be, suffering from mental disorder and either: he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or 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 guardian, receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

“Prescribed Rate”	means an annual rate of interest equal to 2 per cent above the base lending rate (or any equivalent or successor lending rate) published from time to time by Barclays Bank PLC in London being the base lending rate prevailing at the close of business in London on the day immediately preceding the day on which such rate falls to be determined;
“recognised person”	means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange which is designated for the purposes of section 185(4) of the Act;
“Register”	means the register of Members;
“Sale”	the acquisition of a Controlling Interest in the Company by any person;
“Seal”	means the common seal of the Company and, as appropriate, any official or securities seal that the Company has or may be permitted to have under the Statutes;
“Secretary”	means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
“Statutes”	means the Act and the Companies Act 1989 and every other statute or statutory instrument, rule, order or regulation from time to time in force concerning companies so far as they apply to the Company;
“Sterling”	means the lawful currency of the United Kingdom;
“Subsidiary Undertaking”	means a subsidiary undertaking of the Company which is required by the Statutes to be included in consolidated group accounts of the Company;
“United Kingdom”	means Great Britain and Northern Ireland.

2.2 In these Articles, unless the context otherwise requires:

2.2.1 references to persons include references to natural persons and corporations;

2.2.2 words and expressions defined in the Statutes shall bear the same meaning in these Articles (but excluding any statutory modifications of the Statutes not in force at the date of these Articles and words and expressions expressly defined in these Articles).

2.3 In these Articles:

2.3.1 the headings are included for convenience only and do not affect the construction of these Articles.

2.3.2 words denoting the singular include the plural and vice versa; and

2.3.3 words denoting one gender include each gender and all other genders.

2.4 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose and, where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.

3. Share Capital and Rights Of Shares

3.1 Authorised share capital

The authorised share capital of the Company at the date of adoption of these Articles is the sum of £60,357,992 divided into 53,797,734 'B' ordinary shares of £1 each and 6,560,258 'C' ordinary shares of £1 each. The 'B' Shares and 'C' Shares shall each constitute a separate class of share in the Company but shall rank pari passu in all respects save as hereinafter provided as regards return of capital, dividend rights, appointment of Directors and voting.

3.2 Return of Capital

On a return of capital on liquidation, capital reduction or otherwise the assets of the Company available for distribution shall be paid or applied firstly in repaying the nominal value of the 'B' Shares and 'C' Shares at par and secondly as to 80 per cent of such assets to the holders of the 'B' Shares and as to 20 per cent of such assets to the holders of the 'C' Shares.

3.3 Dividend Rights attaching to the 'B' and 'C' Shares

3.3.1 The Board at its discretion may resolve to pay a dividend to the holders of 'B' Shares and 'C' Shares.

3.3.2 To the extent that the Board does so resolve to pay a dividend in accordance with Article 3.3.1 then subject to Article 3.3.4 the 'B' Shareholders will be entitled to a dividend (the "'B' Dividend") of a cash sum (including any associated tax credit) equal to 80 per cent of the dividend which the Board has resolved to pay.

3.3.3 To the extent that the Board does so resolve to pay a dividend in accordance with Article 3.3.1 then subject to Article 3.3.4 the 'C' Shareholders will be entitled to a dividend (the "'C' Dividend") of a cash sum (including any associated tax credit) equal to 20 per cent of the dividend which the Board has so resolved to pay.

3.3.4 Notwithstanding the provisions of Articles 3.3.2 and 3.3.3 the aggregate of the 'B' Dividend and the 'C' Dividend (including any associated tax credit) in any financial year shall not exceed the net profits of the Company and its Subsidiary Undertakings for that financial year and any financial years in which neither a 'B' Dividend nor a 'C' Dividend were declared.

3.3.5 For the purpose of calculating the 'B' and 'C' Dividend, "net profits" means the net profits of the Company and its Subsidiary Undertakings available for distribution, as shown by the

audited consolidated profit and loss account of the Company and its Subsidiary Undertakings for the relevant financial year.

3.4 Rights of 'B' and 'C' Shareholders to appoint Directors

3.4.1 A majority in nominal value of the 'B' Shareholders shall be entitled to appoint up to 4 Directors who shall be designated as 'B' Directors and at least 3 of whom shall be non-executive Directors. A majority in nominal value of the 'B' Shareholders shall be entitled to require the removal or substitution of any such 'B' Director(s) appointed by them.

3.4.2 A majority in nominal value of the 'C' Shareholders shall be entitled to appoint up to 2 executive Directors who shall be designated as 'C' Directors. A majority in nominal value of the 'C' Shareholders shall be entitled to require the removal or substitution of any such 'C' Director(s) appointed by them.

3.5 Voting Rights of the 'B' and 'C' Shares

3.5.1 On a poll taken on a resolution on which holders of the 'B' Shares are entitled to vote every 'B' Share shall entitle the holder thereof to such number of votes (including a fraction of a vote expressed in not more than eight decimal points) that the aggregate number of votes conferred upon the holders of all the 'B' Shares (together) for the time being in issue shall as nearly as possible be equal to (but not less than) 80 per cent of the aggregate number of votes (which shall be deemed to be 1,000,000 votes) conferred upon the holders of all the shares in the capital of the Company which are for the time being in issue and which confer the right to vote on the resolution concerned. Every notice convening a meeting to consider a resolution on which the holders of 'B' Shares are entitled to vote shall state in a notice the number of votes (including a fraction of a vote as aforesaid) conferred upon each 'B' Share on a poll by a reference to the share capital of the Company in issue at close of business on the day immediately preceding the date of the notice.

3.5.2 On a poll taken on a resolution on which holders of 'C' Shares are entitled to vote every 'C' Share shall entitle the holder thereof to such number of votes (including a fraction of a vote expressed in not more than eight decimal points) that the aggregate number of votes conferred upon the holders of the 'C' Shares for the time being in issue shall as nearly as possible be equal to (but not less than) 20 per cent of the aggregate number of votes (which shall be deemed to be 1,000,000 votes) conferred upon the holders of all the shares in the capital of the Company which are for the time being in issue and which confer the right to vote on the resolution concerned. Every notice convening a meeting to consider a resolution on which the holders of 'C' Shares are entitled to vote shall state in a notice the number of votes (including a fraction of a vote as aforesaid) conferred upon each 'C' Share on a poll by a reference to the share capital of the Company in issue at close of business on the day immediately preceding the date of the notice.

3.5.3 For the avoidance of doubt, the aggregate number of votes conferred upon the holders of all the shares in the capital of the Company shall be deemed to be 1,000,000 votes so that the 'B' Shares together shall always be entitled to 800,000 votes between them irrespective of the amount of 'B' Shares in issue and the 'C' Shares shall be entitled to 200,000 votes irrespective of the amount of 'C' Shares in issue.

4. Power to attach Class Rights

Subject to the Statutes and without prejudice to any special rights attached to any class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached to them such special rights, conditions or restrictions as the Company may by ordinary resolution direct or failing such direction (but in the case of unclassified shares only) as the Board may determine. Where the equity share capital of the Company includes shares with different voting rights, the designation of each class of shares other than those with the most favourable voting rights will include the words "restricted voting" or "limited voting" or "non voting".

5. Authority of Board to Allot Shares

Subject to the Act and to the authority contained in the resolution of the Company in general meeting creating or authorising the same, the Board has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued share of the Company (whether forming part of the present capital or not) or right to subscribe for or convert any security into shares to such persons, at such times and generally on such terms and conditions as the Board may determine.

6. Commissions

The Company may exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Subject to the Statutes and the rules of the London Stock Exchange (if applicable), any such commission or brokerage may be satisfied in cash or by the allotment of fully or partly paid shares in the Company or the grant of an option to call for an allotment of shares or any combination of such methods as the Board may determine.

7. Trusts not recognised

Save as provided by these Articles or as ordered by a court of competent jurisdiction or otherwise required by law, no person shall be recognised (even when notice is given) by the Company as holding any share upon any trust and the Company shall not be bound by or required to recognise any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share, other than an absolute right to the whole of the share in the registered holder.

8. Redeemable Shares

Subject to the Statutes, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the shareholder.

9. Purchase of own Shares

Subject to the Statutes, the Company may purchase its own shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be permitted by the Statutes.

10. Variation of Class Rights

Subject to the Statutes, the rights attached to any class of shares may be modified, varied or abrogated (a) in such manner (if any) as may be provided by those rights or (b) in the absence of provision, either with the consent in writing of the holders of at least three fourths in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class and then only subject to the provisions of section 127 of the Act. The rights attached to any class of share are not, unless otherwise expressly provided by these Articles or in the rights attaching to the shares of that class, deemed to be modified, varied or abrogated by the creation or issue of further shares ranking equally with every other share of that class with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Statutes and these Articles.

11. Class Meetings

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as an extraordinary general meeting except that the necessary quorum (other than at an adjourned meeting) is 2 persons, present in person or by proxy, holding or representing by proxy at least one third in nominal value of the capital Paid Up on the issued shares of the class and, at an adjourned meeting, one person holding shares of the class in question present in person or by proxy and any holder of shares of the class in question present in person or by proxy and entitled to vote at the meeting may demand a poll and shall be entitled on a poll to one vote for every share of that class of which he is the holder. No Member, other than a Director, is entitled to notice of a separate class meeting or to attend unless he is a holder of shares of that class and no vote may be given except in respect of a share of that class.

12. Right to Share Certificate

- 12.1 Subject to the Statutes, a person (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) on becoming the holder of a share is entitled to receive within whichever is the earlier of (a) the time (if any) required by the listing rules of the London Stock Exchange from time to time and (b) two months after allotment (or such longer period as the terms of issue shall provide) or the lodgement of transfer, without charge, one certificate for all the shares of each class registered in his name. In the case of joint holders, the Company shall not be bound to issue more than one certificate to all the joint holders and delivery of a certificate to any one of joint holders shall be sufficient delivery to all of them. Where part of the shares comprised in a certificate are transferred, the Member transferring shall be entitled without payment to a certificate for his retained holding. Shares of different classes may not be included in the same certificate.
- 12.2 Every certificate shall be issued under the Seal or bearing an imprint or representation of the Seal or such other form of authentication as the Board may determine having regard to the terms of issue and the rules of the London Stock Exchange (if any) and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount paid up on them.

12.3 No Member shall be entitled to more than one certificate in respect of any one share held by him.

13. Replacement Certificates

13.1 Where a Member holds two or more certificates for shares of one class, the Board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate.

13.2 At the request of a Member, the Board may cancel a certificate and issue two or more in its place (representing shares in such proportions as the Member may specify) on surrender of the original certificate and on payment of such reasonable sum as the Board may determine.

14. Damaged or Lost Certificates

If any certificate is worn out, defaced, destroyed or lost, the Board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity (with or without security) and to payment of exceptional out-of-pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity and security as the Board may decide, but otherwise without charge and, where it is worn out or defaced, on delivery up of the old certificate.

15. Calls

15.1 The Board may, subject to the provisions of these Articles and to any conditions of issue, from time to time make such calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) as it thinks fit and each Member shall (subject to receiving at least 14 Clear Days' notice specifying the time and place of payment) pay the amount of every call so made upon his shares to the Company at the time and place so specified.

15.2 A call may be made payable by instalments.

15.3 A call is deemed made as soon as the resolution of the Board authorising such call is passed and an entry in the minute book of a resolution of the Board making the call is conclusive evidence of the making of the call.

15.4 A call may be revoked or postponed in whole or in part as the Board may determine.

15.5 The joint holders of a share are jointly and severally liable to pay all calls in respect of the share. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made.

16. Interest on Unpaid Calls

If any amount in respect of any call or instalment of a call is not paid on or before the day appointed for payment, the person from whom the amount of the call or instalment is due shall pay interest on such amount at the Prescribed Rate from and including that date until but excluding the date of actual payment and all costs, charges and expenses that may have been incurred by reason of such non-payment. The Board may, if it thinks fit, waive payment of such interest or costs, charges or expenses in whole or in part.

17. Amounts due on Allotment Treated as Calls

Any amount which by the terms of issue of a share is made payable upon allotment or at any fixed date whether on account of the nominal amount of the share or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment and, in case of non-payment, the provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such amount were a call duly made and notified.

18. Power to Differentiate

The Board may, if it thinks fit, on the issue of shares differentiate between the holders of such shares as to the amount of calls to be paid and the time of payment of such calls.

19. Payment in Advance

The Board may receive from any Member willing to advance the same, all or any part of the amounts uncalled and unpaid on shares held by him. The Board may pay interest on the amount paid in advance (until the same would, but for such advance, become presently payable) not exceeding, without the consent of the Company in general meeting, the Prescribed Rate as may be agreed between it and such Member.

20. Notice if Call Not Paid

If a Member fails to pay in full any call or instalment of a call on or before the day appointed for payment, the Board may serve a notice on him or on a person entitled by transmission to the share in respect of which the call was made requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and all costs, charges and expenses incurred by the Company by reason of such non-payment.

21. Shares Liable to be Forfeited

The notice shall name a further day (not being less than 14 Clear Days' from the date of service of the notice) on or before which, and the place where, the payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

22. Forfeiture

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

23. Notice after Forfeiture

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share but no forfeiture is invalidated by an omission to give notice. An entry of the fact and date of forfeiture shall be made in the register.

24. Disposal of Forfeited Share

Subject to the provisions of the Statutes, a forfeited share and all rights attaching to it shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was its holder before such forfeiture or to any other person on such terms and in such manner as the Board shall think fit. At any time before a sale, re-allotment or disposal, the forfeiture may be cancelled on such terms as the Board may think fit. The Board may, if necessary, authorise some person to execute an instrument of transfer of a forfeited share to the transferee and may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.

25. Arrears to be Paid Notwithstanding Forfeiture

A Member whose shares have been forfeited shall cease to be a Member in respect of such shares and shall surrender to the Company the certificate for the forfeited shares. He remains liable to pay and shall immediately pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest from the time of forfeiture until payment at the Prescribed Rate.

26. Evidence of Forfeiture

A statutory declaration in writing that the declarant is the Secretary or a Director and that a share has been forfeited on a date stated in the declaration is conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share and such declaration shall (subject to the execution of an instrument of transfer if necessary) constitute good title to the share. The person to whom the share is disposed of shall be registered as the holder of the share and is not bound to see to the application of the purchase money (if any) and his title to the share is not affected by any irregularity in or invalidity of the proceedings with reference to the forfeiture or disposal of the share.

27. Surrender

The Board may accept a surrender of any share liable to be forfeited under this Article and in that case references in the Articles to forfeiture shall include surrender.

28. Lien on Shares Not Fully Paid

The Company has a first and paramount lien on every share (not being a share which is fully Paid Up) registered in the name of any Member, either alone or jointly with any other person, for an amount payable in respect of the share, whether the due date for the payment has arrived or not. The lien extends to all dividends from time to time declared or other moneys payable in respect of the share but the Board may at any time declare any share to be exempt, in whole or in part, from the provisions of this Article. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

29. Enforcement of Lien By Sale

For the purposes of enforcing the lien the Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 Clear Days after a notice in

writing, stating and demanding payment of the amounts presently payable and giving notice of intention to sell in default, has been given to the holder of the share or the person entitled by transmission to the share. To give effect to a sale, the Board may authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder of or the person entitled by transmission to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and his title to the share is not affected by any irregularity in or invalidity of the proceedings connected with the sale.

30. Application of Proceeds Of Sale

The net proceeds of a sale effected by the preceding Article, after payment of the costs of the sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists. Any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and on surrender to the Company for cancellation of the certificate for the shares sold or the provision of an indemnity (with or without security) as to any lost or destroyed certificate required by the Board) be paid to the holder of or the person entitled by transmission to the shares immediately prior to the sale.

31. Permitted Transfer of Shares

31.1.1 Any Member being a body corporate may at any time transfer all (but not some only) of the shares in the capital of the Company held by it to a member of the same group (as hereinafter defined);

31.1.2 Where shares have been transferred under Article 31.1.1 (whether directly or by a series of transfers thereunder) from a body corporate ("the transferor company", which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group ("the transferee company") and subsequently the transferee company ceases to be a member of the same group as the transferor company then the transferee company shall forthwith transfer the relevant shares (as hereinafter defined) to the transferor company; and failure so to transfer such shares within 28 days of the transferee company ceasing to be a member of the same group as the transferor company shall result in a Transfer Notice (as defined in Article 32.2) being deemed immediately to be given in respect of all relevant shares and the provisions of Article 32 shall apply accordingly;

31.1.3 For the purposes of this Article:

- (i) the expression "a member of the same group" means a company which is from time to time a holding company of which the transferor company is a wholly owned subsidiary or a wholly owned subsidiary of the transferor company or of any holding company of which the transferor company is a wholly owned subsidiary; and
- (ii) the expression "relevant shares" means and includes (so far as the same remain from time to time held by the transferee company) the shares originally transferred to the transferee company and any additional shares issued or transferred to the transferee company by virtue of the holding of the relevant shares or any of them.

31.2.1 For the purposes of this Article:

- (i) “privileged relation” in relation to a member means the spouse (or widow or widower) of the Member and the Member’s lineal descendants and for the purposes aforesaid a step-child or adopted child or illegitimate child of any Member shall be deemed to be a lineal descendant of such Member;
- (ii) “family trust” means, in relation to a Member being an individual or a deceased member, a trust (whether arising under a settlement, declaration of trust, testamentary disposition or on an intestacy) which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of (a) that Member and/or a privileged relation of that member or (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities), and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees or such Member of his privileged relations.

31.2.2 A Member being an individual (not being in relation to the shares in question a holder thereof as trustee of a family trust) may at any time transfer all or any of the shares held by him:

- (i) to a privileged relation; or
- (ii) to trustees to be held upon a family trust of such Member;

31.2.3 Where shares are held by trustees upon a family trust:

- (i) such shares may on any change of trustees be transferred to the new trustees of that family trust;
- (ii) such shares may at any time be transferred to any person to whom under Article 31.2 the same could have been transferred by the settlor if he had remained the holder thereof;
- (iii) if and whenever any such shares cease to be held upon a family trust (otherwise than in consequence of a transfer authorised by Article 31.2.3(ii)) or there cease to be any beneficiaries of that family trust other than a charity or charities the trustees shall be deemed immediately to have given a Transfer Notice (as hereinafter defined) in respect of all their relevant shares and the provisions of Article 32 shall apply accordingly; and
- (iv) for the purposes of this Article 31.2 the expression “relevant shares” means and includes (so far as the same remain from time to time held by the trustees) the shares originally transferred to the trustees and any additional shares issued or transferred to the trustees by virtue of the holding of the relevant shares or any of them.

31.3 An obligation to transfer a share under the provisions of Article 31.1.2 or Article 31.2.3 (iii) shall be deemed to be an obligation to transfer the entire legal and beneficial interest in all the relevant shares but for the purposes of Article 32.2.3 the Transfer Notice shall be deemed to be

a notice from the Proposed Transferor (as defined in Article 32.2) to sell all or any of the relevant shares.

31.4 The Selling Price for the relevant shares referred to in Article 31.1.2 and Article 31.2.3 (iii) shall be ascertained in accordance with Article 32.3 assuming no selling price is specified in the Transfer Notice and no agreement as to price or use of an independent valuer is reached between the Proposed Transferor and the Directors.

31.5 A Member may at any time transfer all or any of his shares to any person with the prior written consent of all the other Members.

32. Transfer of Shares

32.1 Except for a transfer of shares which is expressly permitted under these Articles, no share shall be transferred until the following conditions of this Article are complied with.

32.2 If at any time under the provisions of these Articles a Member or any other person entitled to be registered in respect of a share or shares of the Company (hereinafter referred to as the "Proposed Transferor") shall desire to transfer or otherwise dispose of any shares in the capital of the Company registered in his name or any interest therein he shall give notice (hereinafter called a "Transfer Notice") to the Company that he desires to sell or transfer some or all of his shares. If the Proposed Transferor shall be the holder of shares of more than one class then he shall be deemed to have given a separate Transfer Notice in respect of each such class. Except as hereinafter provided a Transfer Notice once given or deemed to be given shall not be revocable without the written consent of all the Members. A Transfer Notice shall constitute the Company as the agent of the Proposed Transferor to sell the shares comprised therein (hereinafter referred to as the "Offered Shares") at the price determined and fixed under Article 32.3 (hereinafter referred to as the "Selling Price") and in accordance with the following provisions:

32.2.1 upon the Selling Price being fixed as provided in Article 32.3 the Directors shall forthwith by notice in writing inform each Member of the same class (other than the Proposed Transferor) of the number and price of the Offered Shares and invite each Member of the same class to whom such notice is given to apply in writing to the Company within 30 days (the "Notice Period") of the date of despatch of the notice (which shall be specified therein) for such maximum number of the Offered Shares (being all or any thereof) as he shall specify in such application (which such application shall be irrevocable unless otherwise agreed in writing by all the Members);

32.2.2 if and to the extent that any of the Offered Shares are not applied for by Members of the same class within the Notice Period the Directors may by notice in writing to the Proposed Transferor and each Member (given at any time within the period of 28 days after the expiry of the Notice Period) extend the offer to the other classes of shares and to the extent that the Offered Shares are still not applied for within a renewed Notice Period invite and nominate as a person or persons whom it is desirable in the interests of the Company to admit to membership any person or persons selected by a decision of the Directors. Any such person or persons selected as aforesaid shall be required to apply within a period of 7 days from the date of despatch of such notice (which shall be specified therein) for any of the Offered Shares not so applied for by the Members;

- 32.2.3 the Directors shall within 7 days after the expiration of the Notice Period referred to in Article 32.2.1 or if Article 32.2.2 applies within 7 days after the expiry of the period of 7 days referred to in Article 32.2.2 notify the Proposed Transferor of the number of Offered Shares if any for which they have found a purchaser or purchasers pursuant to Article 32.2.1 and 32.2.2 and (a) if the Proposed Transferor has notified his desire to transfer all the shares registered in his name and the Directors have found a purchaser or purchasers in respect of some only of the Offered Shares then the Proposed Transferor may, notwithstanding the provisions of Articles 31, 32.1 and 32.2, either (i) transfer the balance of the Offered Shares to any person or persons at any price not being less than the Selling Price determined and fixed under Article 32.3 in which case the provisions in relation to completion of the transfer of Offered Shares herein shall apply to the Offered Shares so taken up or (ii) have the right to withdraw the Transfer Notice by giving notice to the Company within 4 days of receipt of the notice from the Directors as aforesaid, or (b) if the Proposed Transferor has notified his desire to transfer part only of all the shares registered in his name and if the Directors have found such a purchaser or purchasers in respect of some only of the Offered Shares then the Proposed Transferor shall not have the right to withdraw the Transfer Notice and the provisions in relation to allocation and completion of transfer of the Offered Shares herein shall apply to the Offered Shares so taken up;
- 32.2.4 if the Transfer Notice has been withdrawn under Article 32.2.3(a) the Proposed Transferor shall during the 6-month period following the expiry of the period of 7 days referred to in Article 32.2.3 hereof be at liberty to transfer to any person or persons at a price not being less than the Selling Price determined and fixed under Article 32.3 all the Offered Shares PROVIDED THAT if such Offered Shares have not been transferred accordingly by the end of such period of six months the Proposed Transferor shall no longer be at liberty to transfer the Offered Shares without first complying with the provisions of Article 32;
- 32.2.5 if the said Members shall within the Notice Period referred to in Article 32.2.1 apply for all or (except where the Transfer Notice is withdrawn as aforesaid) any of the Offered Shares, the Directors shall allocate the Offered Shares (or so many of them as shall be applied for as aforesaid) to and amongst the Members so applying (and in the case of competition for the Offered Shares between such Members pro rata, as nearly as possible, according to the number of shares of the Company in respect of which they are registered or unconditionally entitled to be registered as holders); Provided, that no applicant shall be obliged to take more than the maximum number of Offered Shares specified by him as aforesaid;
- 32.2.6 if any person selected by the Directors in accordance with Article 32.2.2 as aforesaid shall apply for any Offered Shares the Directors shall (except where the Transfer Notice is withdrawn as aforesaid) allocate to him such number of Offered Shares (not exceeding any maximum, number specified by any such person in his application) as a simple majority of the Directors (excluding any Director or Directors appointed by the Proposed Transferor) shall determine;
- 32.2.7 the Directors shall forthwith give notice in writing of allocations of Offered Shares pursuant to Article 32.2.5 and Article 32.2.6 (hereinafter called an "Allocation Notice") to the Proposed Transferor and to the persons to whom Offered Shares have been allocated as required by Article 32.2.3 and subject to the exercise of its right to withdraw the Transfer Notice under Article 32.2.3(a) the Proposed Transferor shall thereupon be bound to transfer the Offered Shares allocated upon payment of the Selling Price thereof on the date specified in the

Allocation Notice. An Allocation Notice shall state the name and addresses of the purchasers and the number of shares agreed to be purchased by them respectively and the purchases shall be completed at such place and such time as shall be specified by the secretary in such Allocation Notice being not less than 2 weeks nor more than 4 weeks after the date of such Allocation Notice;

32.2.8 if in any case the Proposed Transferor having become bound as aforesaid makes default in accepting payment of the Selling Price for any Offered Share or as the case may be in transferring the same then the secretary may (and shall at the request of the purchaser of such share) receive such purchase money and may nominate some person to execute an instrument of transfer of such share in the name and on behalf of the Proposed Transferor and thereafter when such instrument has been duly stamped the secretary shall cause the name of the purchaser to be entered in the register of Members as the holder of such shares and where applicable shall hold the purchase money in trust without interest for the Proposed Transferor. The receipt of the secretary for the purchase money shall be a good discharge to the purchaser (who shall not be bound to see to the application thereof) and after his name has been entered in the register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person;

32.2.9 if the Members apply for any of the Offered Shares the Directors shall allocate the Offered Shares first to and amongst the applicants who are registered or unconditionally entitled to be registered in respect of shares of the same class as the Offered Shares (and in the case of competition pro rata, as nearly as possible, according to the number of shares of such class of which they are registered or unconditionally entitled to be registered as holders) and secondly (if any of the Offered Shares shall remain after such applicants have been satisfied in full) to and amongst the remaining applicants (and in the case of competition pro rata, as nearly as possible, according to the number of shares of the Company (other than shares of the same class as the Offered Shares) in respect of which they are registered or unconditionally entitled to be registered as holders) Provided that no applicant shall be obliged to take more than the maximum number of offered shares specified by him as aforesaid.

32.3 The Selling Price of the shares to be transferred pursuant to the provisions of Article 32.2 shall be such amount per share as is equal to the amount specified by the Proposed Transferor in the Transfer Notice provided that the Directors (excluding any Director or Directors appointed by the Proposed Transferor) shall within 7 days of such Transfer Notice have agreed at a meeting of Directors such nominated price. In the event no amount is so specified or no agreement is reached between the Proposed Transferor and the Directors within 7 days of the service upon the Company of a Transfer Notice in which such shares are comprised, the fair value shall be such sum as either the auditors of the Company for the time being or, if the Proposed Transferor and other Members so agree, some other independent firm of chartered accountants ("the Valuer") shall certify in writing to be in his opinion the fair value thereof on the basis of a sale as between a willing vendor and a willing purchaser of the entire issued share capital of the Company in the open market and disregarding the fact that the said shares constitute a minority holding of shares in the Company or that the transfer of Equity Shares is restricted by these Articles. In so certifying the Company's auditors or the Valuer shall be deemed to be acting as an expert and not as an arbitrator and the Arbitration Act 1950 (as amended) shall not apply. His certificate shall be final and binding save in the case of manifest error. The Directors shall

procure that any certificate required hereunder is obtained with due expedition and the cost of obtaining such certificate shall be borne as to one half by the Proposed Transferor and as to one half by the purchaser or purchasers of the Offered Shares.

- 32.4 Any Member may waive in writing (with specific reference to this Article) his right to receive a Transfer Notice from the Company under Article 32 in respect of any proposed transfer and upon so doing shall cease to have any right of pre-emption in respect of the shares the subject of such proposed transfer under this Article 32 and if all the members entitled waive their rights to such Transfer Notice the provisions of Article 32.1 shall not apply and the Directors of the Company shall (subject to Article 33) be bound to register any transfer of the shares concerned as a permitted transfer.

33. Refusal to Register a Transfer of Shares

- 33.1 The Directors shall refuse to register any proposed transfer of a share other than a transfer made pursuant to or permitted by the provisions of Article 31 or Article 32, and save as provided in Articles 33.2 and 33.3 the Directors shall register any transfer of a share so made or permitted.

33.2 The Directors may refuse to register the transfer of a share on which the Company has a lien;

33.3 The Directors may refuse to register a transfer unless:

33.3.1 it is lodged at the office or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

33.3.2 it is in respect of only one class of shares; and

33.3.3 it is in favour of not more than four transferees.

33.4 No share shall be transferred to any infant, bankrupt or person of unsound mind.

34. Application of Articles 32 and 33

The provisions of Articles 32 and 33 shall apply to any agreement for the transfer of a share or any attempt to transfer a share or to any renunciation of the allotment of any share as they would apply to any transfer of that share.

35. Fees on Registration

No fee shall be charged for the registration of a transfer or the renunciation of a renounceable letter of allotment or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

36. Suspension of Registration and Closing of Register

Subject to the provisions of section 358 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may determine but the Register shall not be closed for more than 30 days in any year.

37. Retention of Instruments of Transfer

Subject to the following Article, all instruments of transfer which are registered may be retained by the Company but any instrument of transfer which the Board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it.

38. Destruction of Documents

- 38.1 The Company may destroy (a) all instruments of transfer of shares and documents constituting the renunciation of an allotment of shares and other supporting documents which have been registered at any time after the expiration of six years from the date of registration; (b) all dividend mandates or any variation or cancellation of them or notifications of change of address or name at any time after the expiration of two years from the date of recording them; (c) all cancelled share certificates at any time after the expiration of one year from the date of cancellation; and (d) any other document on the basis of which any entry in the Register is made at any time after the expiration of six years from the date an entry was made in the Register. It shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company.
- 38.2 The provisions of this Article shall apply only to the destruction of documents in good faith and without notice of any claim to the Company (regardless of the parties to the claim) that the document might be relevant to the claim.
- 38.3 Nothing contained in this Article imposes on the Company any liability in respect of the destruction of any such document earlier than provided for in this Article or in any case where the conditions of this Article are not fulfilled.
- 38.4 References in this Article to the destruction of any document include references to its disposal in any manner.

39. On Death

If a Member dies, the survivor or survivors (where the deceased was a joint holder) and the executors or administrators of the deceased (where he was a sole or only surviving holder) shall be the only persons recognised by the Company as having any title to his interest in the shares. Nothing in these Articles releases the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

40. Election of Person Entitled by Transmission

- 40.1 Any person becoming entitled by transmission to a share may, upon such evidence as to title being provided as the Board may require, elect either to be registered himself as holder of the share or have a person nominated by him registered as holder. All the provisions of these Articles relating to the transfer of shares apply to any such notice or transfer as if the death or bankruptcy or other event giving rise to transmission had not occurred and the notice or transfer was executed by such Member.

40.2 If any person becoming entitled by transission to a share elects to be registered himself he shall give notice in writing to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person.

40.3 The Board may give notice requiring a person to make the election referred to in this Article. If that notice is not complied with within 60 days the Board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

41. Rights on Transmission

Save as otherwise provided by these Articles, a person becoming entitled to a share by transmission shall be entitled to receive, and may give a good discharge for, all benefits arising or accruing on or in respect of the share and the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the person entitled by transmission is not entitled to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a Member in respect of the share. Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease.

42. Sanctions for failure to disclose interest in shares

Where notice is served by the Company under section 212 of the Act (a "section 212 notice") on a Member, or another person appearing to be interested in shares held by that Member, and the Member or other person has failed in relation to any shares (the "default shares", which expression includes any shares issued after the date of the section 212 notice in right of those shares) to give the Company the information required within 14 days from the date of service of the section 212 notice, the following sanctions apply, unless the Board otherwise decides:

42.1 the Member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll; and

42.2 where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:

42.2.1 a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the Member is not entitled to elect, pursuant to Article 152, to receive shares instead of a dividend; and

42.2.2 no transfer of any of the default shares shall be registered unless (1) the transfer is an excepted transfer or (2) the Member is not himself in default in supplying the information required and the Member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

43. Removal of sanctions

The sanctions under Article 42 cease to apply 7 days after the earlier of receipt by the Company of:

- 43.1 notice of registration of an excepted transfer, in relation to shares transferred; and
- 43.2 all information required by the section 212 notice, in a form satisfactory to the Board, in relation to other shares;

44. Notice to person other than a Member

Where, on the basis of information obtained from a Member in respect of a share held by him, the Company issues a section 212 notice to another person, it shall at the same time send a copy of the section 212 notice to the Member, but the accidental omission to do so, or the non-receipt by the Member of the copy, does not invalidate or otherwise affect the application of Article 42.

45. Interest in shares, failure to give information and excepted transfers

45.1 For the purpose of Articles 42 to 44:

45.1.1 a person, other than the Member holding a share, is treated as appearing to be interested in that share if the Member has informed the Company that the person is or may be interested or if the Company (after taking account of information obtained from the Member or, pursuant to a section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;

45.1.2 "interested" has the same meaning as that set out in section 212 of the Act;

45.1.3 reference to a person having failed to give the Company the information required by a section 212 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

45.1.4 "excepted transfer" means, in relation to shares held by a Member (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of section 428(1) of the Act); or (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the Member and with any other person appearing to be interested in the shares.

45.2 The provisions of Articles 42 to 45 are in addition and without prejudice to the provisions of the Statutes.

46. Increase, consolidation, sub-division and cancellation

The Company may by ordinary resolution:

- 46.1 increase its share capital by a sum to be divided into shares of an amount prescribed by the resolution;
- 46.2 consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;

46.3 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;

46.4 subject to the Statutes, sub-divide all or any of its shares into shares of a smaller amount and may by the resolution determine that the shares resulting from such sub-division may have any preferred or other special rights or be subject to any restrictions, as compared with the others.

47. Reduction of capital

Subject to the Statutes and to the rights attached to existing shares, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.

48. Fractions

If, as the result of consolidation and division or sub-division of shares, Members become entitled to fractions of a share, the Board may on behalf of the Members deal with the fractions as it thinks fit. In particular, the Board may:

48.1 sell fractions of a share to a person (including, subject to the Statutes, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sum as the Board may decide, the sum may be retained for the benefit of the Company). To give effect to a sale the Board may authorise a person to execute an instrument of transfer of shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the Register as the holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or

48.2 subject to the Statutes, issue to a Member credited as fully Paid Up by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the Board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the Board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to Article 154. In relation to the capitalisation the Board may exercise all the powers conferred on it by Article 154 without an ordinary resolution of the Company.

49. Annual general meeting

49.1 An annual general meeting of the Company shall be held in each year (in addition to any other meetings which may be held in that year) and such meeting shall be specified as the annual general meeting in the notice calling it. Not more than fifteen months shall elapse between the date of one annual general meeting and the date of the next. Subject to the provisions of this

Article and of the Statutes, the annual general meeting shall be held at such time and place as the Board shall appoint.

49.2 At each annual general meeting of the Company, the Annual Budget will be presented by the Board and a resolution will be put before the Members as to whether or not to approve the Annual Budget.

49.3 The Members shall procure that the Board shall prepare or have prepared an Annual Budget which shall include the following:

49.3.1 an estimate of the working capital requirements of the Company incorporated within a cashflow statement together with an indication of the amount (if any) which it is considered prudent to retain out of the previous financial year's distributable profits to meet such working capital requirements;

49.3.2 a projected profit and loss account;

49.3.3 an operating budget (including estimated capital expenditure requirements) and balance sheet forecast;

49.3.4 a review of the projected business;

49.3.5 a summary of business objectives.

49.3.6 a summary of identified acquisitions and disposals of property and assets by the Group in the next twelve months with the estimated consideration for such transactions;

49.3.7 a summary of the proposed acquisition and disposal policy of the Group for the next twelve months in respect of unidentified transactions setting out the type and criteria for such transactions and the budget consideration.

50. Extraordinary general meeting

All general meetings other than annual general meetings are called extraordinary general meetings.

51. Convening of extraordinary general meetings

The Board may convene an extraordinary general meeting whenever it thinks fit. The Board must convene an extraordinary general meeting on receipt of a requisition in accordance with the Statutes or, in default, an extraordinary general meeting may be convened by such requisitionists, as provided by the Statutes. If at any time there are not sufficient Directors capable of acting to form a quorum of the Board any Director or any two Members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board. In the case of an extraordinary general meeting convened on a requisition or by requisitionists, no business other than that stated in the requisition or proposed by the Board shall be transacted.

52. Length and form of notice

At least 21 Clear Days' notice of every annual general meeting and of every extraordinary general meeting at which it is proposed to pass a special resolution and at least 14 Clear Days' notice of every other extraordinary general meeting shall be given, in the manner set out below,

to such Members as are, under the provisions of these Articles, or the terms of issue of shares, entitled to receive such notices from the Company and to the Auditors. Every notice of meeting shall specify whether the meeting is an annual general meeting or an extraordinary general meeting, the place, date and time of the meeting, in the case of special business, the general nature of such business, if a meeting is convened to pass a special or extraordinary resolution, the intention to propose the resolution as a special or extraordinary resolution (as the case may be) and shall state, with reasonable prominence, that a Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a Member.

53. Meeting called on short notice

A meeting, although called by shorter notice than that specified in the preceding Article, is deemed to be duly called if it is so agreed:

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

54. Omission to send notice

The accidental omission to give notice of any meeting or, in cases where it is sent out with the notice, an instrument of proxy to, or the non-receipt of either by, any person entitled to receive notice does not invalidate any resolution passed or proceedings held at that meeting.

55. Special business

All business that is transacted at an extraordinary general meeting is deemed special and all business that is transacted at an annual general meeting shall also be deemed special, with the exception of declaring a dividend, the receipt, consideration and adoption of the accounts and the reports of the Directors and the Auditors and any other documents accompanying or annexed to the balance sheet, the appointment of Directors and the Auditors and the fixing or determination of the manner of the fixing of the remuneration of the Auditors.

56. Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. A quorum shall consist of a Member or Members holding not less than one quarter in nominal value of the issued 'B' Shares (provided there are 'B' Shares in issue) and a Member or Members holding not less than one half in nominal value of the issued 'C' Shares (provided there are 'C' Shares in issue), each of which is present in person or by proxy or (being a corporation) represented in accordance with Section 375 of the Act. In the event that there are no shares of a particular class in issue then no Members of that class will be necessary to constitute a quorum. The absence of a quorum does not prevent the appointment of a chairman in accordance with these Articles, which is not treated as part of the business of the meeting.

57. Chairman

The chairman of the Board or, in his absence, the deputy chairman shall preside at every general meeting; but if there is no chairman or deputy chairman or neither is willing or able to preside or if neither is present within 15 minutes after the time fixed for the start of the meeting, the Directors present shall choose a Director or, if only one Director is present and willing to act, he shall be chairman. In default, the Members present in person or by proxy shall choose one of their number to be chairman of the meeting.

58. Quorum not present

- 58.1 If within 15 minutes (or such longer period as the chairman in his absolute discretion may decide) from the time fixed for the start of a general meeting a quorum is not present, the meeting, if convened by or on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time and place as the chairman of the meeting may decide.
- 58.2 At an adjourned meeting if a quorum is not present within 15 minutes (or such longer period as the chairman in his absolute discretion may decide) from the time fixed for the start of the meeting the adjourned meeting shall be dissolved.
- 58.3 The Company shall give not less than 7 Clear Days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

59. Adjourned meeting

- 59.1 The chairman of the meeting may, with the consent of the meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place or for an indefinite period. Without prejudice to any other power which he may have under the provisions of the Articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he decides that it has become necessary to do so in order to (1) secure the proper and orderly conduct of the meeting or (2) give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting or (3) ensure that the business of the meeting is properly dealt with.
- 59.2 Whenever a meeting is adjourned for 30 days or more or for an indefinite period, at least 7 Clear Days' notice, specifying the place, date and time of the adjourned meeting shall be given as in the case of an original meeting and the general nature of the business to be transacted.
- 59.3 Except in the circumstances set out in Articles 58.3 and 59.2, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

60. Accommodation of Members at meeting

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all Members entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities

are available to ensure that a Member who is unable to be accommodated is able to (1) participate in the business for which the meeting has been convened and (2) 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 (3) be heard and seen by all other persons present in the same way.

61. Security

The Board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a meeting including, without limitation, the searching of a person attending the meeting and the restriction of the items of personal property that may be taken into the meeting place. The Board is entitled to refuse entry to a meeting to a person who refuses to comply with these arrangements or restrictions.

62. Order of meeting

The chairman shall take such action as he thinks fit to promote the orderly conduct of general meetings. The decision of the chairman on points or order, matters of procedure or arising incidentally out of the business of the meeting shall be final and conclusive, as shall be his determination, in good faith, whether any point or matter is of such a nature.

63. Amendment of resolutions

If an amendment proposed to a resolution under consideration is ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution are not invalidated by an error in his ruling.

64. Members' resolution in writing

A resolution in writing signed by or on behalf of all the Members who would have been entitled to vote on it as if it had been passed at a general meeting at which he was present is as valid and effective as a resolution passed at a general meeting duly convened and held and may consist of several documents in the same form each duly signed by or on behalf of one or more Members. If the resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect as such.

65. Method of voting

65.1 At a general meeting, a resolution put to the vote of the meeting is decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by:

65.1.1 the chairman of the meeting; or

65.1.2 not less than 5 Members (comprising at least one Member from each class of shares) present in person or by proxy and entitled to vote at the meeting; or

65.1.3 a Member or Members (comprising at least one Member from each class of shares) present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or

65.1.4 by a Member or Members (comprising at least one Member from each class of shares) 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.

- 65.2 Unless a poll is demanded and the demand is not withdrawn a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority, and an entry to that effect in the minute book of the Company, is conclusive evidence of the fact without proof of the votes recorded in favour of or against such resolution.

66. Procedure on a poll

- 66.1 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time (not being more than 30 days from the date of the meeting or the adjourned meeting at which such poll is demanded) and place and in such manner as the chairman of the meeting directs and the result of the poll is deemed to be the resolution of the meeting at which the poll is demanded. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least 7 Clear Days' notice shall be given specifying the time and place at which the poll is to be taken.
- 66.2 If a poll is properly demanded, it shall be taken in such manner as the chairman directs. He may appoint scrutineers, who need not be Members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- 66.3 The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. In the case of a poll demanded before the declaration of the result of a show of hands, the meeting shall continue as if the demand had not been made.

67. Continuance of meeting

The demand for a poll (other than on the election of the chairman or on a question of adjournment) does not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

68. Casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting is entitled to a further or casting vote in addition to the votes to which he may be entitled as a Member.

69. Objection to and error in voting

- 69.1 Any objection raised to the qualification of any voter, or to the counting of or failure to count any vote, does not invalidate the decision of the meeting on any resolution unless it is raised at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and only invalidates the decision of the meeting on any resolution if the chairman decides that the same

is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman on such matters is final and conclusive.

70. Votes of Members

- 70.1 Subject to any special terms as to voting upon which any share may be issued, or may be held, and subject to the provisions of these Articles, on a show of hands every Member present in person and entitled to vote shall have one vote and on a poll every Member present in person or by proxy and entitled to vote shall have one vote for every share of which he is the holder.
- 70.2 If any Member is a Person with mental disorder or is otherwise incapacitated he may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the Court either personally or by proxy if such evidence as the Board may reasonably require of the authority of the person claiming to exercise the right to vote is received at the Office (or other place specified in accordance with the Articles for the deposit of instruments of proxy) within the time limits prescribed by the Articles for the deposit of instruments of proxy for use at the meeting or adjourned meeting or poll at which such person is to vote.
- 70.3 If two or more persons are jointly entitled to 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 holders of the share and seniority is determined by the order in which the names stand in the Register.

71. Restriction on voting rights

No Member is entitled to be present or to be counted in the quorum or vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the meeting or poll, unless all calls or other moneys due and payable in respect of the share have been paid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of non-payment.

72. Voting by proxy

A proxy need not be a Member and a Member may appoint one or more than one person to act as his proxy. On a poll votes may be given in person or by proxy and a Member entitled to more than one vote need not, if he votes, use all of his votes or cast all the votes he uses in the same way. Deposit of an instrument of proxy does not prevent a Member from attending and voting in person at the meeting or an adjournment or on a poll. An instrument of proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. An instrument of proxy is valid for 12 months from the date of execution.

73. Appointment of more than one proxy

If a Member appoints more than one person to act as his proxy the instrument appointing each proxy shall specify the shares held by the Member in respect of which each proxy is to vote and no Member may appoint more than one proxy (save in the alternate) to vote in respect of any one share held by that Member. When two or more valid but differing instruments of proxy are

delivered for the same share for use at the same meeting, the one which is last validly delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share.

74. Execution of proxy

The instrument appointing a proxy shall be in writing in any usual form or in such other form as the Board may approve executed by the appointor, or his attorney duly authorised in writing, or if the appointor is a corporation, under its seal or under the hand of its officer or attorney or other person duly authorised to sign. The Directors may require evidence of authority of such officer or attorney.

75. Proxy valid though authority revoked

A vote given or poll demanded by a proxy or authorised representative of a company is valid notwithstanding termination of his authority unless notice in writing of the termination is received at the Office (or other place specified in accordance with the Articles for the deposit of instruments of proxy) one hour at least before the time fixed for holding the meeting or adjourned meeting at which the vote is given or (where the poll is taken other than on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

76. Proxy can demand a poll

The instrument appointing a proxy is deemed (unless the contrary is stated in it) to confer authority to demand or join in demanding a poll and to vote on a resolution or other business which may properly come before the meeting or meetings for which it is given as the proxy thinks fit.

77. Deposit of proxy

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

- 77.1 deposited at such place as may be specified for that purpose in the notice convening the meeting or in the instrument of proxy or if no place is so specified at the Office at least 48 hours before the time appointed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote; or
- 77.2 in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, deposited as required by Article 77.1 not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- 77.3 in the case of a meeting adjourned for less than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the Secretary or to a Director.

An instrument of proxy not deposited or delivered in accordance with this Article is invalid.

78. Sending instrument of proxy

Subject to the Statutes, the Board may, at the expense of the Company, send by post or otherwise to all or none of the persons entitled to receive notice of and to vote at a meeting, instruments of proxy (with or without provision for their return prepaid) either in blank or nominating in the alternative any one or more of the Directors or the chairman of the meeting or any other person or persons. If sent the instrument shall provide for two-way voting (without prejudice to a right to abstain) on all resolutions set out in the notice of meeting.

79. Company acting by authorised representative

A company which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meeting of the Company or at any separate meeting of the holders of a class of shares and such representative shall be entitled to exercise the same powers on behalf of the company which he represents as that company could exercise if it were an individual Member. The company is, for the purposes of these Articles, deemed to be present in person at a meeting if the representative is present. All references to attending and voting in person shall be construed accordingly. A Director, the Secretary or any other person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution of authorization before permitting him to exercise his powers.

80. Power of Company to appoint Directors

Subject to the Articles and in particular to Article 3.4, the Company may, by ordinary resolution, appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board, but the total number of Directors may not exceed a maximum number fixed in accordance with the Articles.

81. Number of Directors

Unless and until otherwise determined by the Company by ordinary resolution the number of Directors is not subject to a maximum but must not be less than 2.

82. Power of the Board to appoint Directors

Subject to Article 3.4, the Board may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board, but the total number of Directors may not exceed a maximum number fixed in accordance with the Articles. A Director so appointed shall hold office only until the dissolution of the annual general meeting following next after his appointment, unless he is reappointed during the meeting. A Director so retiring shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

83. No share qualification

A Director shall not require a share qualification, but shall nevertheless be entitled to attend and speak at any general meeting of, or at any separate meeting of the holders of any class of shares in, the Company.

84. Appointment of executive directors

The Board may appoint one or more of its body to hold executive office, including the office of managing or joint or assistant managing director. Any such appointments shall be on such terms (including remuneration) and for such period as the Board may determine, subject to the Statutes.

85. Termination of executive office

The appointment of any Director to any executive office may be terminated by the Board, without prejudice to any claim he may have for damages for breach of contract.

86. Powers of executive director

The Board may delegate to a Director holding any executive office any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit. The Board may revoke or alter the terms and conditions of the delegation and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the executive Director.

87. Vacation of office by Director

The office of a Director shall be vacated if:

- 87.1 he ceases to be a Director by virtue of any provision of the Statutes, is removed from office pursuant to any provision of the Articles or he becomes prohibited by law from being a Director; or
- 87.2 he becomes bankrupt, has an interim receiving order made against him or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- 87.3 he is a Person with mental disorder and the Board resolves that his office be vacated; or
- 87.4 he resigns by notice in writing to the Company delivered to the Secretary at the Office or tendered at a Board meeting; or
- 87.5 he is removed from office by notice in writing served on him signed by or on behalf of all the other Directors which removal shall be deemed to be an act of the Company and shall have effect without prejudice to any claim he may have for damages for breach of contract.

A resolution of the Board declaring a Director to have vacated office under the terms of this Article is conclusive as to the fact and grounds of vacation stated in the resolution.

88. No retirement on account of age

No person is incapable of being appointed a Director by reason of his having reached the age of 70 or any other age. Special notice is not required in connection with the appointment or approval of the appointment of such person. No Director is required to vacate his office because he has reached the age of 70 or any other age and section 293 of the Act does not apply to the Company.

89. Retirement by rotation

At each annual general meeting one third of the Directors who are subject to retirement by rotation or if their number is not 3 or a multiple of 3 then the number nearest to but not exceeding one third shall retire from office. If the number of Directors subject to retirement by rotation is fewer than 3, one of such Directors shall retire.

90. Directors subject to retirement

Subject to the Statutes and the Articles, the Directors to retire by rotation at the annual general meeting in every year shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for reappointment and those Directors who have been longest in office since their last appointment or reappointment. As between 2 or more Directors who have been in office an equal length of time, the Directors to retire shall, in the absence of agreement, be selected from among them by lot. The Directors to retire on each occasion shall be determined on the basis of the composition of the Board at the start of business on the date of the notice convening the annual general meeting, disregarding a change in the number or identity of the Directors after that time but before the close of the meeting.

91. Position of retiring Director

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

92. Deemed reappointment

The Company, at the meeting at which a Director retires by rotation, may fill the vacated office and, if it does not do so, the retiring Director is, if willing, deemed reappointed, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the reappointment of such Director is put to the meeting and lost.

93. Eligibility of new Directors

No person other than a Director retiring at the meeting is eligible for appointment or reappointment as a Director at any general meeting unless he is recommended by the Board for election, or, not less than 7 nor more than 42 days before the day appointed for the meeting, notice in writing addressed to the Secretary at the Office has been given by a Member qualified to be present and vote at the meeting of his intention to propose such person for appointment or reappointment and notice in writing, signed by the person to be proposed, of his willingness to be appointed or reappointed.

94. Voting on resolution for appointment

Every resolution of a general meeting for the appointment or reappointment of a Director shall relate to one named person and a single resolution for the appointment or reappointment of 2 or more persons as Directors is void, unless an ordinary resolution that the resolution is proposed in this way has first been agreed to by the meeting without any vote being given against it.

95. Removal by ordinary resolution

In addition to any power of the Company under the Statutes to remove a Director, the Company may by ordinary resolution remove any Director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract) and may, subject to the Articles, by ordinary resolution appoint another Director, who is willing to act, in his place. A person appointed in place of a Director so removed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director.

96. Directors' fees

There shall be available to be paid out of the funds of the Company to the Directors as fees in each year an aggregate sum not exceeding £75,000 as the Board may determine, such sum to be divided among such Directors in such proportions as the Board may decide or, in default of agreement, equally. Any Director holding the office of director for part of a year shall, unless otherwise agreed, be entitled only to a proportionate part of such fee. The Company may by ordinary resolution increase the amount of the fees payable under this Article. A fee payable pursuant to the provisions of this Article is distinct from any salary, remuneration or other amount payable to him pursuant to other provisions of the Articles and accrues from day to day.

97. Expenses

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in the performance of their duties as Directors, including their expenses of travelling to and from meetings of the Board or committees of the Board or general meetings or separate meetings of the holders of a class of shares and any expenses incurred by them in obtaining independent professional advice.

98. Remuneration of executive Directors

The remuneration of a Director appointed to hold employment or executive office in accordance with the Articles may be a fixed sum of money or in whole or in part by participation in profits or otherwise as the Board may determine and may be in addition to or instead of a fee payable to him for his services as Director pursuant to the Articles.

99. Additional remuneration

The Board may grant reasonable additional remuneration and expenses to any Director who, at the request of the Board, goes or resides abroad or renders any special or extra services to the Company, which may be paid by way of a lump sum, participation in profits or otherwise as the Board may determine.

100. Directors' pensions and other benefits

100.1 The Board may establish, maintain, participate in or contribute to or procure the establishment or maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of or who have at any time been Directors of the Company or of any company which is

or was a member of the Group or any of their predecessors in business (and for any member of his family, including a spouse or former spouse or a person who is or was dependent on him). Any Director or former Director shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments. The Board may arrange for this to be done by the Company either alone or in conjunction with any other person.

- 100.2 Subject to the Statutes, the Board may establish and maintain any employees' share scheme, share option or share incentive scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer, allotment or issue to trustees of shares in the Company or its holding company to be held for the benefit of employees (including Directors) of the Company and lend money to such trustees or employees to enable them to purchase such shares.

101. Permitted interests

Subject to the Statutes and to Article 102, a Director, notwithstanding his office:

- 101.1 may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director and on such terms as to remuneration and otherwise as the Board may arrange. Any Director may act by himself or through his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services;
- 101.2 may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit and either as vendor, purchaser or otherwise;
- 101.3 may be a director or other officer of or employed by or a party to a contract, transaction, arrangement or proposal with or be otherwise interested in a company promoted by the Company or in which the Company is otherwise interested;
- 101.4 unless otherwise agreed, is not liable to account to the Company for any remuneration, profit or other benefit received by him by virtue of such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.

102. Declaration of Director's interest

Without prejudice to the requirements of the Statutes, a Director who is in any way, directly or indirectly, interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first taken into consideration, if he knows his interest then exists, or, in any other case, at the next meeting of the Board after he knows that he is or has become interested. For the purposes of this Article, a general notice given to the Board by a Director to the effect that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, arrangement, transaction or proposal in which a specified person or class of persons is interested is a sufficient declaration of interest in relation to that contract, transaction, arrangement or proposal. An interest of

which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.

103. Limitations on voting of interested Director

Except as provided in this Article, a Director may not vote in respect of any contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is, to his knowledge, materially interested, directly or indirectly, otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. This prohibition does not apply to any resolution concerning any of the following matters namely:

103.1 the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its Subsidiary Undertakings;

103.2 the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its Subsidiary Undertakings for which he himself has assumed responsibility, in whole or in part, under a guarantee or indemnity or by the giving of security;

103.3 a contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its Subsidiary Undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;

103.4 a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise ("relevant company"), if he is not, directly or indirectly, the holder of or beneficially interested in one per cent. or more of a class of equity share capital of the relevant company or of the voting rights available to members of the relevant company or if he can cause one per cent or more of those voting rights to be cast at his direction (and for the purposes of this Article, shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, shares comprised in a trust and in which the Director's interest is in reversion or is in remainder, if and so long as another person is entitled to receive the income from the trust, and shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder are disregarded);

103.5 a contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or personal pension plan or employees' share scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes or which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the scheme or fund relates;

103.6 a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its Subsidiary Undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom it relates;

103.7 a contract, arrangement, transaction or proposal concerning the maintenance or purchase of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

104. Restrictions on voting

A Director may not vote or be counted in the quorum on a resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of 2 or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such cases each of the Directors concerned (if not otherwise debarred from voting under the Articles) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

105. Materiality of director's interest

If any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote or be counted in a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or being counted in a quorum, the question shall be decided by a resolution of the remaining Directors or committee members present at the meeting and in the case of an equality of votes the chairman (unless he is the Director the materiality of whose interest or entitlement to vote is in issue) shall have a second or casting vote which shall be conclusive and binding.

106. Director's interest extends to connected persons

For the purpose of Articles 101 to 106, the interest of a person who is for the purposes of the Statutes connected within the meaning of section 346 of the Act) with a Director is treated as the interest of the Director and, in relation to an alternate director, the interest of the Director appointing him shall be treated as the interest of the alternate director in addition to any interest which the alternate director or otherwise has. Articles 101 to 106 apply to an alternate director as if he were a Director otherwise appointed.

107. Powers of the Board

107.1 Subject to the Statutes, the memorandum of association of the Company and the Articles and to directions given by the Company in general meeting, 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 or of the Articles and no direction made by the Company in general meeting invalidates any prior act of the Board which would have been valid if the alteration or direction had not been made. The general powers given by this Article shall not be limited by any special authority or power given to the Directors by any other Article.

107.2 Limitation on the Board's Powers of Management

The Members shall exercise all voting rights available to them in relation to the Company so as to procure (insofar as they are able by the exercise of such rights) that neither the Company nor

any Subsidiary Undertaking shall (unless it is specifically provided for below) without the prior written consent of the holders of a 75% majority by nominal value of the shares in the Company:

- 107.2.1 borrow any sum (except from the Company's bankers in the ordinary and proper course of business up to a maximum aggregate sum at any time which shall not exceed 80 per cent of the Group's property assets.) For the purposes of this Article 107.2.1, the Group's property assets shall bear the meaning set out in Article 107.2.2 (b);
- 107.2.2 sell, transfer, lease, assign, or otherwise dispose of a material part of the undertaking, property and assets of the Company or of any Subsidiary Undertaking (or any interest therein) of the Company, or contract so to do and where the amount of money due to the Company (in aggregate) is more than 25 per cent of the Group's net assets or would result in a loss to the Company of more than 25 per cent of shareholders' funds or buy, lease or otherwise acquire any undertaking property or assets or contract so to do where the amount of consideration payable by the Company (in aggregate) is more than 25% of the Group's net assets PROVIDED that any transaction(s) which has either been approved in the Annual Budget in accordance with Article 49.2 or does not deviate by more than 10 per cent from such Annual Budget as referred to in Article 107.2.7 shall not require approval of shareholders under this Article 107.2.2.
- For the purposes of this Article 107.2.2 "net assets" shall mean, at the option of the Company, either:
- (a) the aggregate of the Company's share capital and reserves (excluding minority interests);
or
 - (b) the book value of the Group's properties before deduction of mortgages or borrowings;
or
 - (c) the published valuation of such properties (excluding those properties classified as current assets in the latest published annual report and accounts).
- 107.2.3 issue any unissued shares for the time being in the capital of the Company or create or issue any new shares;
- 107.2.4 consolidate, sub-divide or convert any of the Company's share capital or in any way alter the rights attaching thereto;
- 107.2.5 issue any debentures or other securities convertible into shares, or any share warrants or any options in respect of shares or any debentures, loan stock or loan notes of any kind, save as otherwise expressly provided for in these Articles;
- 107.2.6 enter into any contract or transaction (other than as herein referred to) except in the ordinary and proper course of business on arm's length terms;
- 107.2.7 enter into any transaction which is not in accordance with the Annual Budget or constitutes a deviation of more than 10 per cent from the Annual Budget.

108. Delegation to committees

The Board may delegate any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more Directors and (if it thinks fit) one or more other persons, but only if a majority of the members of the committee are Directors or alternate directors. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the delegation or discharge the committee in whole or in part and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the committee. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Board and that power, authority or discretion has been delegated by the Board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

109. Local management

The Board may establish local or divisional boards or agencies for managing the affairs of the Company in a specified locality and may appoint any persons to be members of a local or divisional board or agency and may fix their remuneration and may delegate to any local or divisional board or agency any of the powers, authorities and discretions exercisable by the Board for such time and on such terms and conditions as it thinks fit. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the appointment or delegation and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional board or agency and may authorise the members of any local or divisional board or agency (or any of them) to fill any vacancy and to act notwithstanding any vacancy. Subject to any terms and conditions imposed by the Board, the proceedings of a local or divisional board or agency with 2 or more members are governed by those Articles that regulate the proceedings of the Board, so far as applicable.

110. Power of attorney

The Board may by power of attorney or otherwise appoint any company, firm or person to be the agent or attorney of the Company and may delegate to that company, firm or person any of the powers, authorities and discretions exercisable by the Board for such purposes and for such time and on such terms and conditions as it thinks fit. The Board may grant the power to sub-delegate, may revoke or alter the terms and conditions of the appointment or delegation and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the attorney or agent.

111. Exercise of voting powers

Subject to Article 112, the Board may exercise or cause to be exercised the voting powers conferred by shares in the capital of another company held or owned by the Company, or a power of appointment to be exercised by the Company, in any manner it thinks fit (including the exercise of such power in favour of the appointment of a Director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company).

112. Borrowing powers

Subject to Article 107.2, the Board may exercise all the powers of the Company to borrow money.

113. Powers to mortgage

The Board may exercise all the powers of the Company to mortgage or charge all or part of the Company's undertaking, property and assets, both present and future, including uncalled capital and, subject to the Statutes, may issue or sell any bonds, loan notes, debentures and other securities for such purposes and on such terms as it thinks fit and whether outright or as collateral security for a debt, liability or obligation of the Company or a third party.

114. Board meetings

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

115. Quorum

The quorum necessary for the transaction of business may be decided by the Board and until decided otherwise is 2 persons present in person or by alternate director, one of which shall be a 'B' Director and one of which shall be a 'C' Director. In the event that there is no 'B' Director or no 'C' Director on the Board then any 2 Directors present in person or by alternate director shall constitute a quorum.

116. Notice of Board meetings

A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board. It shall be necessary to give notice of a meeting of the Board to all the Directors and notice is deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him at his last known address or another address given by him to the Company for that purpose. A Director may waive the requirement that notice be given to him of a Board meeting either prospectively or retrospectively. It shall not be necessary to give notice of a meeting of the Board to any Director absent from the United Kingdom save in any case where such absent Director leaves an address or facsimile number (either inside or outside the United Kingdom) in which case a telegram sent to that address or a message sent to that facsimile number shall be deemed to constitute notice to the Director at the time when it is dispatched or sent. Neither the accidental failure to give notice of a meeting of the Board to any Director nor the non-receipt in any case of such notice if given shall invalidate the meeting or any resolution passed or business transacted at the meeting.

117. Voting

Questions arising at any meeting of the Board shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

118. Chairman of the Board

The Board may elect a chairman or deputy chairman, who shall preside at its meetings, but if no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor

deputy chairman is present within 5 minutes after the time fixed for the start of the meeting, the Board shall choose one of its number to be chairman of such meeting. The Board may decide the period for which he is or they are to hold office and may at any time remove him or them from office. A chairman or deputy chairman may hold executive office or employment with the Company.

119. Proceedings of a committee

119.1 Proceedings of a committee of the Board shall be conducted in accordance with any regulations that may from time to time be imposed upon it by the Board. Subject to those regulations and this Article, proceedings of a committee shall be governed by the provisions of these Articles regulating the proceedings of the Board, so far as applicable.

119.2 Where the Board resolves to delegate any of its powers, authorities and discretions to a committee of one or more unnamed Directors, notice of a meeting of that committee need only be given to the Director or Directors who form the committee.

120. Validity of proceedings of Board or committee

All acts done in good faith by any meeting of the Board or of a committee of the Board or by any person acting as a Director, alternate director or committee are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or person acting or that they or any of them were disqualified from holding office or had ceased to hold office or were not entitled to vote, as valid as if every such person had been duly appointed and was qualified to be and had continued to be a Director, alternate director or member of a committee and entitled to vote.

121. Minutes of proceedings

The Board shall cause minutes to be made of all appointments of officers and committees made by the Board and of any remuneration fixed by the Board and the names of the Directors present at all meetings of the Board and committees of the Board, the Company or the holders of a class of shares or debentures and all orders, resolutions and proceedings of such meetings and any such minutes of any meeting, if purporting to be signed by the chairman of the meeting, or by the chairman of the next succeeding meeting shall be conclusive evidence without any further proof of the matters stated in them.

122. Participation by telephone

A Director or his alternate director may participate in a meeting of the Board or of any committee of the Board through the medium of conference telephone or similar form of communication equipment notwithstanding that the Directors or committee members present may not all be meeting in one particular place if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

123. Board resolution in writing

A resolution in writing signed by or on behalf of all the Directors entitled to receive notice of a Board meeting and not being less than a quorum or by all members of a committee of the Board is as valid and effective as a resolution passed at a Board meeting (or committee, as the case may be) and may consist of several documents in the same form each duly signed by or on behalf of one or more of the Directors (or members of the committee) and any such resolution in writing need not be signed by an alternate director if it is signed by the Director appointing him and a resolution signed by an alternate director need not be signed by the Director appointing him.

124. Number of Directors less than minimum

If the number of Directors is reduced below the minimum number fixed by these Articles or decided by the Company by ordinary resolution, the continuing Directors or Director may act only for the purpose of appointing an additional Director or Directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no Director or Directors is or are able or willing to act, 2 Members may convene a general meeting for the purpose of appointing Directors. An additional Director appointed in this way holds office (subject to the Articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

125. Appointment

A Director (other than an alternate director) may, by notice delivered to the Secretary at the Office, or in any other manner approved by the Board, appoint another Director or any other person approved by the Board and willing to act to be his alternate director. No appointment of an alternate director who is not already a Director is effective until his consent to act as a Director in the form prescribed by the Statutes is received at the Office. An alternate director need not be a Member and is not counted in reckoning the number of Directors for the purpose of Article 81.

126. Participation in Board meetings

An alternate director is (subject to his giving to the Company an address at which notice may be served upon him) entitled to notice of meetings of the Board and all committees of the Board of which the Director appointing him is a member and to attend and vote as a Director at any such meeting at which the Director appointing him is absent and to exercise all the powers, rights, duties and authorities of the Director appointing him. A Director acting as alternate director has a separate vote at meetings of the Board and committees of the Board for each Director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

127. Remuneration and expenses

The fee payable to an alternate director shall be payable out of the fee payable to the Director appointing him and shall consist of such portion (if any) of the fee as shall be agreed between the alternate director and the Director appointing him. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him had he been a Director.

128. Revocation of appointment

A Director may, by notice delivered to the Secretary at the Office, revoke the appointment of his alternate director. If a Director dies or ceases to hold the office of Director, the appointment of his alternate director ceases automatically. If a Director retires at any meeting (whether by rotation or otherwise) but is reappointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his reappointment as if he had not so retired. The appointment of an alternate director ceases on the happening of an event which, if he were a Director otherwise appointed, would cause him to vacate office.

129. Responsibility

An alternate director is not deemed to be the agent of the Director appointing him but is responsible for his own acts and defaults and is deemed to be an officer of the Company.

130. Appointment of associate director

The Board may appoint any person, not being a Director, to be an associate director of the Company or to an office or employment having a designation or title including the word "director" or may attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title.

131. Effect of appointment

The appointment of a person to be an associate director or the inclusion of the word "director" in the designation or title of an office or employment shall not, save as otherwise agreed between him and the Company, affect the terms and conditions of his employment and shall not imply that the person has power to act as a Director or is entitled to receive notice of or attend or vote at meetings of the Directors and he is not deemed to be a Director for any of the purposes of these Articles.

132. Powers, duties and remuneration

The powers, duties and remuneration of an associate director or of any person having a designation or title including the word "director" shall be determined by the Board and the Board shall have the right to enter into any contract on behalf of the Company or transact any business of any description without the knowledge or approval of such persons, except that no act shall be done that would impose any personal liability on any or all of such persons except with his or their knowledge and consent.

133. Application of seals

A seal may be used only by the authority of a resolution of the Board or a committee of the Board. The Board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share certificate, on which the seal may be printed) either generally or in relation to a particular instrument or type of instrument. The Board may also decide, either generally or in a particular case, that a signature may be dispensed with or applied by mechanical means.

134. Signing of sealed documents

Unless otherwise decided by the Board, certificates for shares or debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed and every other instrument to which a seal is affixed shall be signed by 2 Directors or one Director and the Secretary.

135. Seal for use abroad

The Board may exercise all the powers of the Company conferred by the Statutes with regard to having an official seal for use abroad.

136. Appointment and removal of Secretary

Subject to the Statutes, the Board shall appoint and may remove a Secretary or joint secretaries and may appoint and remove one or more assistant or deputy secretaries on such terms and conditions as it thinks fit.

137. Authority of other person to act as Secretary

Anything by the Statutes or these Articles required or authorised to be done by or to the Secretary may, if the office is vacant or there is no Secretary capable of acting, be done by or to any joint assistant or deputy secretary or, if there is no joint, assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Board. Any provision of the Statutes or of the Articles requiring or authorising a thing to be done by or to a Director and the Secretary is not satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

138. Authentication of documents

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or holders of a class of shares or the Board or any committee of the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts.

139. Register of Directors' interests

The register of Directors' interests shall be kept in accordance with the Statutes and shall be open to the inspection of any Member or of any other person between the hours of 10am and noon on each day during which the same is bound to be open for inspection pursuant to the Statutes. The said register shall be produced at the commencement of each Annual General Meeting and shall remain open and accessible during the continuance of the Meeting to any person attending such Meeting.

140. Other registers

The register of Directors and Secretaries, the register of charges, the Register, the register of interests in shares, any overseas branch register and all other associated registers and indices shall be kept in accordance with the Statutes and the fee to be paid by a person other than a

creditor or Member for each inspection of any register is the maximum sum prescribed by the Statutes or, failing which, decided by the Board.

141. Record dates

Notwithstanding any other provision of the Articles, but subject to the Statutes and any preferential or other special rights attached to shares, the Company or the Board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

142. Entitlement to dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts Paid Up on the shares in respect of which the dividend is declared and paid. Dividends shall be apportioned and paid proportionately to the amounts Paid Up on the shares during any portion or portions of the period in respect of which the dividend is paid. If any share is issued on terms that it shall rank for dividend as from a particular date then it shall rank for dividend as from that date. No amount Paid Up on a share in advance of a call may be treated as Paid Up for the purpose of this Article.

143. Declaration of dividends

Subject to the Statutes and the Articles, the Company may by ordinary resolution declare a dividend to be paid to the Members according to their respective rights and interests. No dividend shall exceed the amount recommended by the Board.

144. Interim dividends

Subject to the Statutes, the Board may declare and pay to the Members such interim dividends (including a dividend payable at a fixed rate) as appear to the Board to be justified by the profits of the Company available for distribution. If the share capital of the Company is divided into different classes, the Board may pay interim dividends in respect of shares which rank after shares conferring preferred rights, unless at the time of payment a preferential dividend is in arrear. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss that they may suffer by reason of the lawful payment of an interim dividend on any shares ranking after those with preferred rights.

145. Payment of dividends in kind

The Board may, with the prior authority of an ordinary resolution of the Company, direct that dividends may be satisfied in whole or in part by the distribution of specific assets including Paid Up shares, debentures or other securities of any other company. The Board may make all such valuations, adjustments and arrangements and issue all certificates or documents of title as may seem to it to be expedient with a view to facilitating the distribution and may vest assets in trustees on trust for the persons entitled to the dividend as may seem to the Board to be expedient.

146. Method of payment

The Company may pay any dividend, interest or other amount payable in respect of any share by cheque, dividend warrant or money order or by a bank or other funds transfer system or by such other method as the holder or joint holders of the share in respect of which the payment is made (or the person or persons entitled by transmission to the share) may in writing direct. Any joint holder or other person jointly entitled to a share may give an effective receipt for a dividend, interest or other amount paid in respect of the share. The Company may send a cheque, warrant or order by post (1) in the case of a sole holder, to his registered address or (2) in the case of joint holders, to the registered address of the person whose name stands first in the register or (3) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with Article 161 or (4) in any case, to a person and address that the person or persons entitled to the payment may in writing direct. Payment of the cheque, warrant or order is a good discharge to the Company. Every cheque, warrant or order is sent at the risk of the person entitled to the payment and shall be made payable to the order of the person or persons entitled. If the payment is made by a bank or other funds transfer or by another method at the direction of the holder or holders or other person or persons entitled, the Company is not responsible for amounts lost or delayed in the course of the transfer or in carrying out these directions.

147. Cessation of payment of dividend

If a cheque, warrant or order in respect of a dividend, or other amount payable in respect of a share, is returned undelivered or left uncashed or transfer made by a bank or other funds transfer systems is not accepted on:

147.1 2 consecutive occasions; or

147.2 one occasion and the Board, on making reasonable enquiries, has failed to establish any new address or account of the person concerned,

then the Board may determine that the Company shall cease sending or transferring a dividend, or other amount payable in respect of that share, to the person concerned until he notifies the Company of an address or account to be used for that purpose.

148. Dividends do not bear interest

No unpaid dividend, or other amount payable in respect of a share, bears interest as against the Company unless otherwise provided by the rights attached to the share.

149. Deduction from dividend

The Board may deduct from any dividend or other amounts payable to a person in respect of a share, either alone or jointly with any other person, all amounts due from him, either alone or jointly with any other person, to the Company on account of calls or otherwise in respect of a share.

150. Unclaimed dividends

All unclaimed dividends, interest or other amounts payable by the Company in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company

until claimed and the payment of any unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account or the investment of it does not constitute the Company a trustee in respect of it. Any dividend which has remained unclaimed for a period of 12 years from the date it became due for payment is forfeited and ceases to remain owing by the Company.

151. Dividend may be withheld

Without prejudice to Articles 42 to 45, the Board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the Board may reasonably require.

152. Provision of reserves

The Board may, before recommending any dividend, set aside out of the profits of the Company (including any premiums received upon the issue of debentures or other securities or rights of the Company) such amounts as it thinks proper as a reserve fund or funds which shall at the discretion of the Board be applicable for any purpose for which the profits of the Company may lawfully be applied. The Board may employ the amounts in the business of the Company or invest the same in such securities (other than the shares of the Company or its holding company) as it may select. The Board may also from time to time carry forward such amounts as it may deem expedient not to distribute.

153. Capitalisation of profits and reserves

Subject to the Statutes and Article 3, the Board may, with the authority of an ordinary resolution of the Company:

- 153.1 resolve to capitalise an amount standing to the credit of reserves or to the credit of the profit and loss account and whether or not available for distribution and appropriate the sum resolved to be capitalised to the Members (or the holders of any class of shares in the Company) in proportion to the nominal amount of shares of the relevant class (whether or not fully paid) held by them respectively and to apply that sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum and allot such shares or debentures, credited as fully Paid Up, to and amongst such Members in those proportions or partly in one way and partly in the other. Any sums standing to the credit of a share premium account and a capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members credited as Paid Up;
- 153.2 make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and, in particular, where shares or debentures become distributable in fractions, the Board may deal with the fractions as it thinks fit, including by the issue of certificates in respect of fractional entitlements, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the Members (except that if the amount due to a Member is less than £3, or such other sum as the Board may decide, the sum may be retained for the benefit of the Company);

153.3 authorise a person to enter, on behalf of all the Members concerned, an agreement with the Company providing for either the allotment to the Members, credited as Paid Up, of shares or debentures to which they may be entitled on the capitalisation or the payment by the Company on behalf of the Members, by applying their respective proportions of the reserves resolved to be capitalised, of the amounts remaining unpaid on their existing shares. An agreement entered into under this Article is effective and binding on all affected Members; and

153.4 generally do all acts and things required to give effect to the resolution.

154. Inspection of accounts

154.1 The Board shall ensure that proper accounts and accounting records are kept in accordance with the Statutes. The books of account and accounting records shall be kept at the Office or, subject to the Statutes, at such other place or places as the Board thinks fit and shall be open to the inspection of any Director or other officer during business hours.

154.2 No Member (not being a Director or other officer) has any right of inspecting any account or book or document of the Company, except as conferred by the Statutes or authorised by the Board or by an ordinary resolution of the Company.

155. Preparation of accounts

The Board shall, in accordance with the Statutes, 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 referred to in the Statutes.

156. Accounts sent to the Members

156.1 Subject to the Statutes, either:

156.1.1 a printed copy of every Directors' report and Auditors' report accompanied by the Company's annual accounts and every document required by law to be attached to them; or

156.1.2 where permitted by the Statutes, a summary financial statement derived from the Company's annual accounts prepared in accordance with the Statutes

shall not less than 21 Clear Days before the date of the meeting be delivered or sent to every Member (whether or not entitled to receive notices of general meetings) and to every holder of debentures of the Company (whether or not entitled to receive notices of general meetings) and to every other person who is entitled to receive notices of general meetings from the Company under the provisions of the Statutes or of these Articles. This Article does not require a copy of such documents to be sent or delivered to any Member or holder of debentures of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures; but any Member or debenture holder to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

The accidental omission to deliver or send a copy of any document required to be delivered or sent to any person pursuant to this Article or the non-receipt of any document by any person entitled to receive it does not invalidate any such document or the proceedings at any general meeting.

157. Power of sale

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

- 157.1.1 during a period of 12 years prior to the date of the publication of the advertisements referred to in Article 157.1.2 (or, if published on different dates, the earlier date) at least 3 dividends (whether interim or final) in respect of the share in question have been paid and all warrants, orders and cheques in respect of the share sent in the manner authorised by these Articles have been returned undelivered or remained uncashed and no communication has been received by the Company from the Member or person entitled by transmission; and
- 157.1.2 the Company, on expiry of the period of 12 years, has inserted advertisements in a national daily newspaper and in a newspaper circulating in the area of the registered address of the Member, or other person entitled by transmission, appearing in the Register or the last known address given by the Member or other person, giving notice of its intention to sell the share; and
- 157.1.3 during the period of 3 months following the publication of the advertisements (or, if published on different dates, the later of the 2 advertisements) and prior to the date of sale the Company has not received any communication from the Member or person entitled by transmission; and

157.2 If, during the period of 12 years or a further period ending on the date when all the requirements of Article 157.1 have been satisfied, an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods and all the requirements of Article 157.1 are satisfied in respect of the additional share, the Company is entitled to sell the additional share.

157.3 To give effect to any such sale, the Board may appoint any person to execute as transferor an instrument of transfer of the share and such instrument of transfer shall be as effective as if it had been executed by the holder of or person entitled by transmission to such share. The transferee is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity or invalidity in the proceedings relating to the sale.

158. Application of proceeds of sale

The net proceeds of sale shall belong to the Company which shall be obliged to account to the Member or other person entitled by transmission for an amount equal to such proceeds and shall enter the name of such Member or other person in the books of the Company as a creditor for such amount. No trust is created and no interest is payable in respect of the debt and the Company is not required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested as the Directors think fit.

159. Notices in writing

A notice to be given to or by the Articles shall be in writing except that a notice convening a meeting of the Board or a committee of the Board need not be in writing.

160. Service of notices

A notice or other document may be given to a Member by the Company personally or by letter. Any letter shall be sent by post stamped first class and addressed to such Member at the address in the Register or shall be left at that address (or at another address notified for the purpose) in an envelope addressed to that Member.

161. Notice to joint holders

In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the Register and notice given in this way is sufficient notice to all the joint holders.

162. Address outside the United Kingdom

If any Member (or, in the case of joint holders, the person first named in the Register) has a registered address not within the United Kingdom but (at least 14 days before the notice or other document is given) has given to the Company an address within the United Kingdom at which notices or other documents may be given to him, he is entitled to have notices given to him at that address, but otherwise no such Member is entitled to receive any notice or document from the Company.

163. Deemed notice

A Member present in person or by proxy at a general meeting or a meeting of the holders of a class of shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.

164. Evidence of service

Any notice or other document addressed to a Member at his registered address or address for service in the United Kingdom is deemed to be received, if personally delivered, at the time of delivery or, if sent by first class post, on the Business Day after the letter is posted or, if sent by second class post, on the second Business Day after the letter is posted. In proving service it is sufficient to prove that the letter was properly addressed and, if sent by post, stamped and posted. A notice or document left at a registered address for service in the United Kingdom is deemed to be received on the day it is left.

165. Notice binding on transferees etc.

A person who becomes entitled by transmission to a share, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 212 of the Act) which, before his name is entered in the Register, has been properly served on a person from whom he derives his title.

166. Notice in case of entitlement by transmission

Where a person is entitled by transmission to a share, the Company may give a notice or other document to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt Member (or by similar designation) at an address in the United Kingdom supplied for that purpose by the person

claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this Article is sufficient notice to all other persons interested in the share.

167. Notice by advertisement

If by reason of the suspension or curtailment of postal services in the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post the Board may, if it thinks fit and as an alternative to any other method of service permitted by the Articles, resolve to convene a general meeting by a notice advertised in at least one national newspaper and such notice shall be deemed to have been duly received 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 5 days prior to the meeting the posting of notices again becomes practicable.

168. Winding up

168.1 Notwithstanding any other provision in these Articles, the Members shall vote upon a resolution to wind up the Company at the annual general meeting to be held in the calendar year 2003.

168.2 If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution and any sanction required by law, divide among the Members in kind the whole or any part of the assets of the Company and whether or not the assets consist of property of one kind or of different kinds and may for this purpose set such value as he deems fair on any class or classes of property and may determine on the basis of that valuation and in accordance with the then existing rights of Members how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the same authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator shall think fit but so that no Member shall be compelled to accept any asset in respect of which there is a liability or potential liability.

169. Indemnity

169.1 Subject to the Statutes and without prejudice to any indemnity to which he may otherwise be entitled, every Director, Secretary or manager of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers, authorities and discretions, including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability in respect of negligence, default, breach of duty or breach of trust, in relation to the affairs of the Company.

169.2 Subject to the Statutes, the Board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or former employee, of the Company or a Subsidiary Undertaking or in which the Company has an interest, direct or indirect, or who is or was a trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or former employee is or has been interested indemnifying him against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.