

No. 3311438

THE COMPANIES ACTS 1985 and 1989

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

AVIS EUROPE PLC

as adopted by Special Resolution passed on 25 February 1997



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## INTERPRETATION

1. (1) In these articles the following words bear the following meanings-

"Act"	the Companies Act 1985;
"Avis Group"	the Company, its subsidiary undertakings from time to time, any parent undertaking of the Company for the time being (other than a member of the D'Ieteren Group) and any subsidiary undertakings of any such parent undertaking;
"the articles"	the articles of association of the Company;
"clear days"	in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day of the event in respect of which it is given or on which it is to take effect;
"D'Ieteren"	S.A. D'Ieteren N.V., a company incorporated in Belgium;
"D'Ieteren Group"	D'Ieteren and its subsidiary undertakings from time to time, any parent undertaking of D'Ieteren from time to time, or any other company over which D'Ieteren has control (being the right to control or direct management or policies of that company whether through ownership of an equity interest, by contract or otherwise), provided always that this definition shall not include members of the Avis Group;
"executed"	executed by any mode of execution;
"Group"	the Company and its subsidiary undertakings from time to time;
"holder"	in relation to shares, the member whose name is entered in the register of members as the holder of the shares;
"Office"	the registered office of the Company;
"recognised person"	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, which is designated in the manner referred to in section 185(4) of the Act;

"Regulations"	the Uncertificated Securities Regulations 1995;
"relevant system"	a relevant system as defined in the Regulations;
"seal"	the common seal (if any) of the Company and the official seal (if any) kept by the Company by virtue of section 40 of the Act, or either of them as the case may require;
"secretary"	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"	the Act, the Regulations and every other statute or statutory instrument for the time being in force concerning companies and affecting the Company;
"the Stock Exchange"	London Stock Exchange Limited;
"subsidiary undertaking"	an undertaking which for the time being is a subsidiary undertaking of the Company, within the meaning of section 258 of the Act.

- (2) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Statutes as in force on the date of adoption of these articles by the Company. Where any such word or expression has more than one meaning in the Statutes, the meaning to be adopted is that which has the most general application in the Statutes.
- (3) A reference in these articles to any Statute or provision of a Statute includes a reference to any statutory modification or re-enactment of it for the time being in force.
- (4) In these articles, unless the context otherwise requires:
  - (a) words in the singular include the plural, and vice versa;
  - (b) words importing any gender include all genders; and
  - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- (5) In these articles:

- (a) references to writing include references to typewriting, printing, lithography, photography and all other modes of representing or reproducing words in a legible and non-transitory form;
  - (b) references to "other" and "otherwise" shall not be construed eiusdem generis where a wider construction is possible;
  - (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
  - (d) references to a committee of the directors are to a committee established in accordance with these articles, whether or not comprised wholly of directors.
- (6) The headings are inserted for convenience only and do not affect the construction of these articles.
- (7) In the event of any inconsistency between these articles and the Regulations, the Regulations shall prevail.
2. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 do not apply to the Company, except in so far as the same are repeated or contained in these articles.

### **SHARE CAPITAL**

3. The share capital of the Company is £4,681,000 divided into 468,100,000 shares of 1 penny each.
4. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or subject to and in default of such determination, as the board shall determine.
5. Subject to the provisions of the Act, any share may be issued which is, or is liable, to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these articles.
6. Subject to the provisions of the Act and these articles, the unissued shares in the Company shall be at the disposal of the directors, who may offer, allot, grant options over or otherwise dispose of them to such persons (including any director) and on such terms as the directors think fit, provided that no shares shall be issued at a discount.
7. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these articles or by law or as ordered by a court of competent jurisdiction) the Company shall not be bound by or recognise (even when having notice thereof) any interest in any share except an absolute right to the entirety of it in the holder.

### **VARIATION OF RIGHTS**

9. Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding up:

- (a) in such manner (if any) as may be provided by those rights; or
- (b) in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise. To every such separate meeting the provisions of these articles relating to general meetings shall apply, except that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting shall be one person holding shares of the class in question or his proxy. Notwithstanding any other provision of these articles, a class of shares shall not be treated as two classes by reason only of that class comprising both certificated and uncertificated shares, or as a result of any provision of these articles or of the Regulations which apply only in respect of certificated or uncertificated shares.

10. Unless otherwise expressly provided by the rights attached to any shares, those rights:-

- (a) shall be deemed to be varied or abrogated by the reduction of the capital paid up on those shares or by the creation or issue of further shares ranking in priority thereto in any respect;
- (b) shall otherwise be deemed not to be varied or abrogated by the creation or issue of further shares ranking *pari passu* with or subsequent to the first-mentioned shares; and
- (c) shall be deemed not to be varied or abrogated by the purchase by the Company of any of its own shares.

## SHARE CERTIFICATES

11. (1) Every holder of shares (other than any person to whom the Company is not required by law to issue a certificate) shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of that holding without charge) or, upon payment for every certificate after the first of such reasonable sum as the directors may determine, to several certificates each for one or more of his shares. 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 directors may determine, and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on them. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- (2) If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out of pocket expenses incurred by the Company as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.
- (3) The conversion of certificated shares into uncertificated shares and vice versa shall be made in such manner consistent with the Regulations as the directors may, in their absolute discretion, determine.
- (4) The Company shall enter on its register of members in respect of any class of shares which is a participating security for the purposes of the Regulations, how many shares each member holds in uncertificated form and certificated form, respectively.

## LIEN

12. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may waive any lien or declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to all dividends or other moneys payable in respect of it together with any interest or expenses which may have accrued.
13. The Company may sell, in such manner as the directors determine, any share on which the Company has a lien if an amount in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share, or the person entitled to it in consequence of the

death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

14. To give effect to the sale the directors may authorise some person to execute an instrument of transfer or take any other necessary steps to effect the transfer of the share sold to, or in accordance with the directions of, the purchaser. The directors may also require the holder of an uncerificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company. The transferee shall not be bound to see to the application of the purchase price and his title to the share shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
15. The net proceeds of the sale, after payment of the costs thereof, shall be applied in payment of so much of the amount for which the lien exists as is presently payable, and any residue shall (where a certificate in respect of the share sold is in issue, upon surrender to the Company for cancellation of such share certificate and subject to a like lien for any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

#### **CALLS ON SHARES**

16. Subject to the terms of allotment, the directors may make calls upon the members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of an amount due under it, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
17. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
19. If a call or an instalment of a call remains unpaid after it has become due and payable the person from whom it is due shall pay interest on the amount unpaid, from the day it became due and payable until it is paid, at the rate fixed by the terms of allotment of the shares in question or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the directors may waive payment of such interest, costs, charges and expenses, wholly or in part.



20. No member shall be entitled to receive any dividend or to be present and vote at any General Meeting either personally (save as proxy for another member) or by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member unless and until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and costs, charges and expenses (if any).
21. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid these articles shall apply as if that sum had become due and payable by virtue of a call.
22. Subject to the terms of allotment, the directors may differentiate between the holders in the amounts and times of payment of calls on their shares.
23.
  - (a) The directors may receive from any member willing to advance it all or any part of the amount unpaid on the shares held by him (beyond the sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay interest on the amount so received, or so much of it as exceeds the sum called up on the shares in respect of which it has been received, at such rate (if any) as the member and the directors agree.
  - (b) No dividend shall be payable on so much of the amount paid up on a share as exceeds the amount for the time being called up thereon.
  - (c) The directors may at any time repay the amount so advanced on giving to such member not less than three months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the share in respect of which it was advanced.

## **FORFEITURE**

24. If a call or an instalment of a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. If the notice is not complied with, any shares in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends and other amounts payable in respect of the forfeited shares and not paid before the forfeiture. An entry shall be made promptly in the register opposite the entry of the share showing that notice has been served, that the share has been forfeited and

the date of forfeiture. No forfeiture shall be invalidated by the omission or neglect to give that notice or to make those entries.

25. The directors may accept a surrender of any share liable to be forfeited.
26. Subject to the provisions of the Act, a forfeited or surrendered share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture or surrender the holder or to any other person and, at any time before such disposition, the forfeiture may be cancelled on such terms as the directors determine. Where a forfeited or surrendered share is to be transferred to any person, the directors may authorise someone to execute an instrument of transfer or to take any other steps as may be necessary to effect the transfer of the share to that person. The directors may also require the holder of an uncerficated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company.
27. A person any of whose shares have been forfeited or surrendered shall cease to be a member in respect of them and shall surrender to the Company for cancellation any certificate for the shares forfeited but shall remain liable to the Company for all amounts which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture or surrender until payment, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.
28. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these articles expressly saved, or as are by the Statutes given or imposed in the case of past members.
29. A statutory declaration by a director or the secretary that a share has been forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer or to the taking of other steps necessary to procure the transfer of such share if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the forfeiture, surrender, re-allotment or disposal of the share.

## TRANSFER OF SHARES

30. (1) The transfer of a share may be made by way of an instrument of transfer in any usual form or in any other form which the directors approve executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee or, where such a share is held in a relevant system, by way of a transfer on such system. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (2) Subject to the provisions of the Regulations, the board may determine that any class of shares shall cease to be a participating security.
31. (1) The directors may refuse to register a transfer of a share (other than a transfer properly made pursuant to a relevant system) unless the share is fully paid, the instrument of transfer is lodged, duly stamped, at the Office or at such other place as the directors may appoint, is in respect of only one class of share, is in favour of not more than four transferees jointly and (except in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share 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 PROVIDED THAT, where the directors propose to refuse to register a transfer of a share on the grounds that it is partly paid and such share is admitted to the Official List of the London Stock Exchange, the directors may not refuse to register such transfer if to do so would prevent dealings in the share from taking place on an open and proper basis.
- (2) The directors may refuse to register a transfer of any shares (whether or not made pursuant to a relevant system and whether or not fully paid):
- (a) to an entity which is not a natural or legal person;
  - (b) to a minor;
  - (c) to be held jointly by more than four persons.

The directors may also refuse to register a transfer of shares made pursuant to a relevant system in such other circumstances (if any) permitted by the Regulations and the requirements of the relevant system concerned.

32. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
33. The registration of transfers of shares or of any class of shares may (to the extent consistent with the Statutes) be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.

34. No fee shall be charged for the registration of any transfer or instrument of transfer or other document relating to or affecting the title to any share.
35. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.
36. Nothing in these articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

### **TRANSMISSION OF SHARES**

37. If a member dies the survivor or survivors where he was a joint holder, or his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest, but nothing in this article shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
38. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer or take such other steps as may be required to effect the transfer of the share to that person. All the provisions of these articles relating to the transfer of shares shall apply to such transfer as if it were a transfer signed or effected by the member and the death or bankruptcy of the member had not occurred.
39. A person becoming entitled to a share by reason of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting or at any separate meeting of the holders of any class of shares. The directors may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 60 days the directors may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

### **DISCLOSURE OF INTERESTS**

40. (1) If a member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 212 of the Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed period

from the date of the notice, the following sanctions shall apply, unless the directors otherwise determine:

- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
  - (b) where the default shares represent at least 0.25 per cent of their class:
    - (i) any dividend or other amount payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to these articles, to receive shares instead of that dividend; and
    - (ii) no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless:
      - (A) the member is not himself in default as regards supplying the information required; and
      - (B) the member proves to the satisfaction of the directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
- (2) Where the sanctions under paragraph (1) of this article apply in relation to any shares, they shall cease to have effect:
- (a) if the shares are transferred by means of an excepted transfer; or
  - (b) at the end of the period of 7 days (or such shorter period as the directors may determine) following receipt by the Company of the information required by the notice mentioned in that paragraph,
- and the directors may suspend or cancel any of the sanctions at any time in relation to any shares.
- (3) Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares, and the directors may make any right to an allotment of the new shares subject to sanctions corresponding to those which will apply to those shares on issue, provided that any sanctions applying to, or to a right to, new shares by virtue of this paragraph shall cease to have effect when the sanctions

applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled), and provided further that paragraph (1) of this article shall apply to the exclusion of this paragraph if the Company gives a separate notice under section 212 of the Act in relation to the new shares.

- (4) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a notice under section 212 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (1) of this article.
- (5) For the purposes of this article:
  - (a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a notice under section 212 of the Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
  - (b) "interested" shall be construed as it is for the purpose of section 212 of the Act;
  - (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his having failed or refused to give all or any part of it and (ii) 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;
  - (d) the "prescribed period" means:
    - (i) in a case where the default shares represent at least 0.25 per cent of their class, fourteen days; and
    - (ii) in any other case, twenty-eight days;
  - (e) an "excepted transfer" means, in relation to any shares held by a member:
    - (i) a transfer pursuant to acceptance of a take-over offer; or

- (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
  - (iii) a transfer which is shown to the satisfaction of the directors 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.
- (6) Nothing in this article shall limit the powers of the Company under section 216 of the Act or any other powers of the Company whatsoever.

#### UNTRACED MEMBERS

41. (1) The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission, if:
- (a) for a period of 12 years no cheque or warrant for amounts payable in respect of the share sent and payable in a manner authorised by these articles has been cashed and no communication has been received by the Company from the member or person concerned;
  - (b) during that period at least three dividends in respect of the share have become payable;
  - (c) the Company has, after the expiration of that period, by advertisement in a leading national daily newspaper published in the United Kingdom and in a newspaper circulating in the area of the registered address or last known address of the member or person concerned, and by notice to the Quotations Department of the Stock Exchange if shares of the class concerned are listed or dealt in on that exchange, given notice of its intention to sell such share; and
  - (d) the Company has not during the said period of 12 years and the further period of three months after the date of the advertisement or following the later publication if the two advertisements are published on different dates and prior to the sale of the share received any communication from the member or person concerned.
- (2) To give effect to the sale the Company may appoint any person to execute an instrument of transfer of the share or to take such other steps as may be necessary to effect a transfer of such share, and any such instrument shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, the share. The directors may also

require the holder of an uncerificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company. The purchaser shall not be bound to see to the application of the proceeds of sale, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale. The Company shall be indebted to the member or other person entitled to the share for an amount equal to the net proceeds of the sale, but no trust or duty to account shall arise and no interest shall be payable in respect of the proceeds of sale.

### ALTERATION OF CAPITAL

42. The Company may by ordinary resolution:
- (a) increase its share capital by the creation of new shares of such amount as the resolution prescribes;
  - (b) consolidate and divide all or any of its share capital into shares of larger nominal amount than its existing shares;
  - (c) subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;
  - (d) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others; and
  - (e) cancel 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.
43. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may on behalf of those members sell to any person (including, subject to the provisions of the Statutes, the Company) the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer or take such other steps as may be necessary to effect the transfer of the shares to or in accordance with the directions of the purchaser. The directors may also require the holder of an uncerificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.



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

### **PURCHASE OF OWN SHARES**

45. Subject to and in accordance with the provisions of the Statutes and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including without limitation redeemable shares) in any way and at any price (whether at par or above or below par).

### **GENERAL MEETINGS**

46. All general meetings other than annual general meetings shall be called extraordinary general meetings.
47. The directors may call general meetings. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or, if there is no director within the United Kingdom, any member of the Company may call a general meeting.

### **NOTICE OF GENERAL MEETINGS**

48. Subject to the provisions of the Statutes, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice, and all other extraordinary general meetings shall be called by at least fourteen clear days' notice. The notice shall specify the place, the day and the time of meeting and the general nature of the business to be transacted, and in the case of an annual general meeting shall specify the meeting as such. Subject to the provisions of these articles, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors of the Company.
49. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
50. The directors may, for the purpose of controlling the level of attendance at any place specified for the holding of a general meeting, from time to time make such arrangements (whether involving the issue of tickets, on a basis intended to afford to all members otherwise entitled to attend such meeting an equal opportunity of being admitted to the meeting, or the imposition of some random means of selection, or otherwise) as the directors shall in their absolute discretion consider to be appropriate, and may from time to time vary any such arrangements or make new arrangements in place therefor; and the entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements

as may be for the time being in force and by the notice of meeting stated to apply to that meeting. In the case of any general meeting to which such arrangements apply the directors shall, and in the case of any other general meeting the directors may, when specifying the place of the general meeting, direct that the meeting shall be held at a place specified in the notice at which the chairman of the meeting shall preside ("the Principal Place") and make arrangements for simultaneous attendance and participation at other places by members otherwise entitled to attend the general meeting but excluded therefrom under the provisions of this article or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of such other places shall be able to see and hear and be seen and heard by persons attending at the Principal Place and at such other places. Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at such other places provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these articles any such meeting shall be treated as being held and taking place at the Principal Place.

#### **PROCEEDINGS AT GENERAL MEETINGS**

51. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.
52. If a quorum is not present within half an hour after the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such day, time and place as the directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the members present in person or by proxy or, in the case of corporation, through a duly authorised representative shall be a quorum.
53. The chairman (if any) of the board of directors, or in his absence the vice-chairman, or in the absence of both of them some other director nominated by the directors, shall preside as chairman of the meeting, but if neither the chairman nor the vice-chairman nor such other director (if any) is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number present to be chairman and, if there is only one director present and willing to act, he shall be chairman.
54. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

55. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares.
56. Without prejudice to any other power of adjournment he may have under these articles or at common law, the chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition, the chairman may adjourn the meeting to another time and place without such consent if it appears to him that:
- (a) it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present; or
  - (b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or
  - (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

Any such adjournment may be for such time and to such other place as the chairman may, in his absolute discretion determine, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting. Any such member may nevertheless execute a form of proxy for the adjourned meeting which, if delivered by him to the chairman or the secretary, shall be valid even though it is given at less notice than would otherwise be required by these Articles. When a meeting is adjourned for fourteen days or more (or sine die), at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give notice of an adjournment.

57. If an amendment proposed to any resolution under consideration is ruled out of order by the chairman, the proceedings on the resolution shall not be invalidated by any error in the ruling. With the consent of the chairman, an amendment may be withdrawn by its proposer before it is voted on. No amendment to a resolution duly proposed as a special or extraordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error). No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted upon (other than a mere clerical amendment to correct a patent error) unless either (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and the intention to move it has been lodged at the Office, or (b) the chairman in his absolute discretion decides that the amendment may be considered and voted on.

58. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded:
- (a) by the chairman; or
  - (b) by not less than three persons having the right to vote at the meeting who are present in person or by proxy; or
  - (c) by a member or members (or his or their proxies) representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members (or his or their proxies) holding shares conferring a right to vote on the resolution 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.
59. Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
60. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
61. A poll shall be taken as the chairman directs, and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
62. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
63. 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 either forthwith or at such time and place as the chairman directs, not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
64. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting in respect of which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

## VOTES OF MEMBERS

65. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative who is not himself a member entitled to vote, shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.
66. In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.
67. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, on a show of hands or on a poll, by any person authorised in that behalf by that court, and such person may on a poll vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, or, in the case of a poll not taken on the same day as the meeting or adjourned meeting at which it is demanded, not less than 24 hours before the time appointed for the taking of the poll, and in default the right to vote shall not be exercisable.
68. Unless the directors otherwise determine, no member shall have the right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.
69. No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
70. On a poll votes may be given either personally or by proxy or (in the case of a corporate member) by a duly authorised representative. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. A proxy need not be a member.
71. An instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor. A corporation may execute a form of proxy either under its

common seal or under the hand of a duly authorised officer or attorney. A member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date.

72. The instrument appointing a proxy and any authority under which it is executed or a copy of the authority certified notarially or in some other way approved by the directors may:
- (a) be deposited at the Office or at such other place in the United Kingdom as is specified in the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of a poll taken more than 48 hours after it was demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for taking the poll; or
  - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting to the chairman or to the secretary or to any director,

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

73. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share.
74. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination was received by the Company at the Office, or at such other place at which the instrument of proxy was duly deposited, at least one hour before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
75. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll (and for the purposes of

these articles a demand for a poll made by a person as proxy for a member or as the duly authorised representative of a corporate member shall be the same as a demand made by the member). The proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

76. The directors may at the expense of the Company send instruments of proxy to the members by post or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the directors or any other person. If, for the purpose of any meeting, invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission to send such an instrument or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

77. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any separate meeting of the holders of any class of shares. Except as otherwise provided in these articles, the person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company, and the corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

#### **DIRECTORS**

78. Unless otherwise determined by the Company by ordinary resolution the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.
79. A director shall not require a share qualification.

#### **DIRECTORS' REMUNERATION AND EXPENSES**

80. (1) Until otherwise determined by the Company by ordinary resolution the directors shall be entitled to receive such fees for their services in the office of director as the directors may determine (not exceeding in the aggregate an annual sum of £500,000 or such larger amount as the Company may by ordinary resolution decide), such sum (unless otherwise directed by the resolution by which it is voted) to be divided between the directors as they agree, or, failing agreement, equally, except that in such event any director holding office for less than the whole of the relevant

period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he has held office. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any director whether pursuant to any other provision of these articles or otherwise.

- (2) The directors may also be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the directors or of committees of the directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as directors.
- (3) Any director who serves on any committee or who devotes special attention to the business of the Company, or who performs services which the directors consider go beyond the ordinary duties of a director may be paid such special remuneration (whether by way of bonus, commission, participation in profits or otherwise) as the directors may determine.

#### **ALTERNATE DIRECTORS**

- 81. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director appointed by him.
- 82. An alternate director shall (unless he is absent from the United Kingdom) be entitled to receive notices of meetings of the directors and of committees of the directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not present, and generally to perform all the functions of his appointor as a director in his absence, but shall not (unless the Company by ordinary resolution otherwise determines) be entitled to any fees for his services as an alternate director.
- 83. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- 84. An appointment or removal of an alternate director shall be by notice to the Company executed by the director making or revoking the appointment or in any other manner approved by the directors.
- 85. Save as otherwise provided in these articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults, and he shall not be deemed to be the agent of the director appointing him.



## **POWERS OF DIRECTORS**

86. The business of the Company shall be managed by the directors who, subject to the provisions of the Statutes, the memorandum and these articles and to any directions given by special resolution, may exercise all the powers of the Company. No alteration of the memorandum or these articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles and a meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

## **DIRECTORS' BORROWING POWERS**

87. (1) The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed or secured by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group) shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the aggregate of:

- (a) the amount paid up (or credited as or deemed to be paid up) on the share capital of the Company; and
- (b) the total of the reserves of the Group (apart from any goodwill reserve), including any share premium account, capital redemption reserve and credit balance on the profit and loss account, but deducting sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings and any debit balance on the profit and loss account, but not deducting any debit balance on any goodwill reserve,

all as shown in the then latest audited consolidated balance sheet and profit and loss account of the Group, but adjusted in accordance with paragraph (2) of this article.

- (2) The adjustments referred to in paragraph (1) of this article shall be:
- (a) such adjustments as may be appropriate in respect of any variation in the amount of the paid up share capital of the Company or any

reserves of the Group subsequent to the relevant balance sheet date; and so that for the purpose of making such adjustments, if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);

- (b) such adjustments as may be appropriate in respect of any dividends or other distributions declared, recommended, paid or made by the Company or its subsidiary undertakings (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or its subsidiary undertakings (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
  - (c) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiary undertakings since the date of the latest audited balance sheet of the Company;
  - (d) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary undertaking, making such amendments as would be appropriate if such transaction had been carried into effect.
- (3) For the purposes of this article, but without prejudice to the generality of the terms "borrowing" and "borrowed":
- (a) amounts borrowed for the purpose of repaying the whole or any part of any amounts previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for that purpose within four months of the borrowing shall not, pending such application, be taken into account as money borrowed;
  - (b) the principal amount (including any premium payable on final repayment) of any debentures issued in whole or in part for a consideration other than cash shall be taken into account as money borrowed by the member of the Group issuing them;
  - (c) money borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group shall be taken into account

subject to the exclusion of a proportion of it equal to the proportion of the issued equity share capital of the partly-owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company;

- (d) the amount outstanding in respect of acceptances by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of any member of the Group (not being acceptances in relation to the purchase of goods in the ordinary course of business) shall be taken into account as money borrowed;
  - (e) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be money borrowed; and
  - (f) where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of the borrowing in full if it fell to be repaid by reason of an event of default on the date as at which the calculation is being made is less than the amount that would otherwise be taken into account in respect of that borrowing, the amount of that borrowing to be taken into account shall be the smaller amount.
- (4) In calculating the aggregate amount of borrowings for the purpose of this article, money borrowed by any member of the Group which is denominated or repayable in a currency other than sterling shall be treated as converted into sterling:
- (a) at the rate of exchange used for the conversion of that currency in the latest audited balance sheet of that member; or
  - (b) if no rate was so used, at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made.
- (5) No debt incurred or security given in respect of money borrowed or to be taken into account as money borrowed in excess of the above limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.
- (6) A certificate or report by the auditors of the Company as to the amount of the money borrowed or secured or to the effect that the limit imposed by

this article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this article. For the purposes of their computation, the auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless, for the purposes of this article the directors may act in reliance on a bona fide estimate of the amount of money borrowed or secured at any time and, if in consequence such limit is inadvertently exceeded, an amount of money borrowed equal to the excess may be disregarded until the expiration of 60 days after the date on which (by reason of a determination of the auditors or otherwise) the directors become aware that such a situation has or may have arisen.

- (7) In this article references to a consolidated balance sheet and profit and loss account of the Group are to be taken:
- (a) in a case where the Company had no subsidiary undertakings at the relevant time, as references to the balance sheet and profit and loss account of the Company;
  - (b) in a case where the Company had subsidiary undertakings at the relevant time but there are no consolidated accounts of the Group, as references to the respective balance sheets and profit and loss accounts of the companies comprising the Group; and
  - (c) in a case where the Company had subsidiary undertakings at the relevant time, one or more of which has, in accordance with the Act, been excluded from consolidation as references to the consolidated balance sheet and profit and loss account of the Company and those of its subsidiary undertakings included in the consolidation.
- (8) If any uncalled capital of the Company is included in or charged by any mortgage or other security, the directors may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys, and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of directors, and shall be assignable if expressed so to be.

#### **DELEGATION OF DIRECTORS' POWERS**

88. (1) Save as set out in paragraph (3) of this article, the directors may delegate any of their powers:
- (a) to any managing director, any director holding any other executive office or any other director;

- (b) to any committee consisting of one or more directors and (if thought fit) one or more other persons, but a majority of the members of the committee shall be directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are directors; and
    - (c) to any local board or agency for managing any of the affairs of the Company either in the United Kingdom or elsewhere.
  - (2) Any such delegation (which may include authority to sub-delegate all or any of the powers delegated) may be subject to any conditions or regulations the directors impose and either collaterally with or to the exclusion of their own powers and may be revoked or varied, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby. The power to delegate under this article, being without limitation other than as set out in paragraph (3), includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any director; and the scope of the power to delegate under sub-paragraph (a), (b) or (c) of paragraph (1) of this article shall not be restricted by reference to or inference from any other of those sub-paragraphs. Subject as aforesaid, the proceedings of any committee, local board or agency with two or more members shall be governed by such of these articles as regulate the proceedings of directors so far as they are capable of applying and are not superseded by any regulations made by the directors in connection therewith.
  - (3) The following powers of the directors may not be delegated except to a committee consisting exclusively of one or more directors, namely the powers to issue shares, to decline to register transfers, to determine directors' remuneration, to appoint and remove directors from an executive office within the scope of article 103, to appoint directors under article 97 and to recommend and declare dividends.
89. Subject to paragraph (3) of article 88, the directors may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the directors, to be the agent of the Company for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent. The directors may revoke or vary any such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested in him.

## **APPOINTMENT AND RETIREMENT OF DIRECTORS**

90. At the annual general meeting in every year one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third, together with any director aged seventy or older, shall retire from office provided that no director appointed by D'Ieteren pursuant to Articles 99.2 or 99.3 shall be subject to retirement by rotation or be taken into account in determining the number of directors to retire; but, if there

are only two directors subject to retirement by rotation, one of them shall retire and if there is only one director who is subject to retirement by rotation, he shall retire.

91. Subject to the provisions of the Act and to the following provisions of these articles, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors who are subject to retirement by rotation pursuant to this article shall be all of the directors, other than those who have attained the age of seventy.
92. The directors to retire on each occasion (as to both number and identity) shall be determined by the composition of the directors at the start of business on the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time but before the close of the meeting.
93. If the Company, at the meeting at which a director retires pursuant to article 90, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.
94. No person other than a director retiring pursuant to article 90 shall be appointed or reappointed a director at any general meeting unless:
  - (a) he is recommended by the directors; or
  - (b) not less than fourteen nor more than thirty-five days before the date appointed for holding the meeting, notice executed by a member (not being the person to be proposed) qualified to vote on the appointment or reappointment has been given to the Company at its Office of the intention to propose that person for appointment or reappointment, stating the particulars which would, if he were appointed or reappointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed or reappointed.
95. At a general meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
96. Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional

director, and may also determine the rotation in which any additional directors are to retire.

97. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed as the maximum number of directors. A director so appointed shall retire at the next following annual general meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting.
98. Subject as aforesaid, a director who retires at an annual general meeting may be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.
- 99.1 The number of directors appointed by D'Ieteren pursuant to Article 99.2 ("D'Ieteren Directors"), together with any other director whose appointment is proposed by D'Ieteren and who is an officer or employee of any member of the D'Ieteren Group and/or is not free from any business or other relationship which could materially interfere with the exercise of his independent judgement, shall not exceed one-third of the total number of directors from time to time.
- 99.2 Subject to Article 99.1 and for so long as D'Ieteren owns beneficially, directly or indirectly, in excess of 22½ per cent of the issued ordinary share capital of the Company which carries in excess of 22½ per cent of the voting rights attaching to shares in the Company (the "Relevant Holding"), D'Ieteren shall be entitled from time to time to appoint three persons as directors and remove from office any person so appointed and appoint another person in his place. For so long as D'Ieteren owns beneficially, directly or indirectly, in excess of the Relevant Holding, D'Ieteren shall be entitled from time to time to appoint one D'Ieteren Director as Deputy Chairman and to remove from such office any person so appointed and appoint another D'Ieteren Director in his place.
- 99.3 If D'Ieteren ceases to own beneficially, directly or indirectly, in excess of the Relevant Holding but continues to own beneficially, directly or indirectly, shares in the issued ordinary share capital of the Company which carry voting rights, D'Ieteren shall be entitled from time to time to appoint:
- (i) one person as a director where such shares comprise at least 7½ per cent but less than 15 per cent of the issued ordinary share capital of the Company; and
  - (ii) two persons as directors where such shares comprise at least 15 per cent but less than 22½ per cent of the issued ordinary share capital of the Company;

and D'Ieteren shall be entitled to remove from office any such person so appointed and to appoint another person in his place.

- 99.4 Any appointment or removal of a director by D'Ieteren under paragraphs 99.2 and 99.3 shall be by notice in writing delivered to the Company and signed on behalf of D'Ieteren and in the case of removal of any director or Deputy Chairman, the notice served by D'Ieteren shall constitute an offer by the relevant appointee to the board of directors to resign forthwith or, if a date for his removal is specified in such notice, on that date.
- 99.5 For the purposes of this Article voting rights shall mean the rights to vote attaching to shares in the Company which are generally exercisable at meetings of the shareholders of the Company.

### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

100. Without prejudice to the provisions of the Act, the Company may, by ordinary resolution, remove a director before the expiration of his period of office (but such removal shall be without prejudice to any claim to damages for breach of any contract of service between the director and the Company) and, subject to these articles, may, by ordinary resolution, appoint another person instead of him. A person so appointed 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.
101. The office of a director shall be vacated if:
- (a) he ceases to be a director by virtue of any provision of the Statutes or he becomes prohibited by law from being a director; or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) he is, or may be, suffering from mental disorder and either:
    - (i) 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
    - (ii) 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 any person to exercise powers with respect to his property or affairs,
  - (d) he resigns his office by notice in writing to the Company; or
  - (e) in the case of a director who holds any executive office, his appointment as such is terminated or expires and the directors resolve that his office be vacated; or



- (f) he is absent for more than six consecutive months without permission of the directors from meetings of the directors held during that period, and his alternate director (if any) shall not during that period have attended any such meetings in his stead, and the directors resolve that his office be vacated; or
  - (g) he is requested in writing by all the other directors to resign.
102. Save as provided by article 90, no person shall be disqualified from being appointed or reappointed as a director and no director shall be required to vacate that office by reason of his attaining the age of seventy or any other age; nor shall it be necessary by reason of his age to give special notice under the Act of any resolution appointing, reappointing or approving the appointment of a director. Where a general meeting is convened at which a director will be proposed for appointment or reappointment who, to the knowledge of the directors, will be seventy or more at the date of the meeting, the directors shall give notice of his age in the notice covering the meeting or in any document sent with it; but the accidental omission to do so shall not invalidate any proceedings at the meeting or any appointment or reappointment of the director concerned.

#### **DIRECTORS' APPOINTMENTS AND INTERESTS**

103. The directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and, subject to the provisions of the Statutes, any such appointment may be made for such term, at such remuneration and on such other conditions as the directors think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or partly in one way and partly in another, or otherwise) as the directors may determine. The directors may entrust to and confer upon any director appointed to any such executive office any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
104. (1) Save as otherwise provided by law and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (b) may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a director, provided that

nothing herein shall authorise a director or his firm to act as auditors of the Company;

- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate, whether or not promoted by the Company and whether or not the Company is otherwise interested in it;

and shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such other office or employment or from any such transaction or arrangement or from any interest in any such other body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

- (2) For the purposes of this article:

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

#### **DIRECTORS' GRATUITIES AND PENSIONS**

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

#### **PROCEEDINGS OF DIRECTORS**

- 106. (1) Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- (2) A director may, and the secretary at the request of a director shall, call a meeting of the directors. Subject to paragraph (3) of this article, it shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom.

- (3) If a director notifies the Company in writing of an address in the United Kingdom at which notice of meetings of the directors is to be given to him when he is absent from the United Kingdom he shall, if so absent, be entitled to have notice given to him at that address; but the Company shall not be obliged by virtue of this paragraph to give any director a longer period of notice than he would have been entitled to had he been present in the United Kingdom at that address.
- (4) Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote; and an alternate director who is appointed by two or more directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence.
107. No business shall be transacted at any meeting of the directors unless a quorum is present. The quorum may be fixed by the directors and unless so fixed at any other number shall be two. An alternate director who is not himself a director shall, if his appointor is not present, be counted in the quorum. For the purposes of determining whether the quorum for the transaction of the business of the directors exists:
- (a) in the case of a resolution agreed by directors in telephonic communication, all such directors shall be counted in the quorum;
- (b) in the case of a meeting of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum.
108. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting. If there are no directors or director able and willing to act, then any two members may summon a general meeting for the purpose of appointing directors.
109. The directors may elect from their number, and remove, a chairman and a vice-chairman of the board of directors. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the directors, but if there is no chairman or vice-chairman, or if at the meeting neither the chairman nor the vice-chairman is present within five minutes after the time appointed for the meeting, or if neither of them is willing to act as chairman, the directors present may choose one of their number to be chairman of the meeting.
110. All acts done by a meeting of the directors, or of a committee of the directors, or by a person acting as a director, shall notwithstanding that it may afterwards be discovered that there was a defect in the appointment of any director or that any

of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

111. A resolution in writing executed by all the directors entitled to receive notice of a meeting of the directors or of a committee of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) of that committee, duly convened and held, and may consist of several documents in the like form each executed by one or more directors, but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not also be executed by the alternate director in that capacity.
112. (1) Save as otherwise provided by these articles, a director shall not vote at a meeting of the directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company), unless his interest arises only because the case falls within one or more of the following sub-paragraphs:
- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiary undertakings;
  - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (c) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company or of its subsidiary undertakings for subscription, purchase or exchange;
  - (d) the resolution relates in any way to a retirement, death or disability benefits scheme or any other arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings, including but without being limited to an employees' share scheme, which does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates;
  - (e) the resolution relates to a transaction or arrangement with any other company in which he is interested, directly or indirectly, provided

that he is not the holder of or beneficially interested in one per cent or more of the equity share capital of that company (or of any other company through which his interest is derived) and not entitled to exercise one per cent or more of the voting rights available to members of the relevant company (and for the purpose of calculating the said percentage there shall be disregarded any shares held by the director as a bare or custodian trustee and in which he has no beneficial interest, and any shares comprised in any authorised unit trust scheme in which the director is interested only as a unit holder);

- (f) the resolution relates to the purchase or maintenance for any director or directors of insurance against any liability.
  - (2) For the purposes of paragraph (1) of this article, an interest of any person who is for any purpose of the Statutes (excluding any statutory modification thereof not in force when these articles became binding on the Company) connected (within the meaning of Section 346 of the Act) with a director shall be taken to be the interest of that director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
  - (3) Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not by virtue of paragraph (1)(e) of this article, or otherwise under that paragraph, or for any other reason, precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
113. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
114. The Company may by special resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these articles prohibiting a director from voting at a meeting of the directors or of a committee of the directors, and may ratify any transaction not duly authorised by reason of a contravention of any such provision.
115. If a question arises at a meeting of the directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting), and his ruling in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and conclusive, except in a case where

the nature and extent of the interest of the director concerned has not been fairly disclosed.

### **MINUTES**

116. The directors shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of officers made by the directors; and
  - (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of the directors, including the names of the directors present at each such meeting.

Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

### **SECRETARY**

117. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and on such other conditions as they think fit; and any secretary so appointed may be removed by them. The directors may also appoint an assistant or deputy secretary and any such assistant or deputy secretary shall for the purpose of these articles be deemed to be and may fulfil the duty of the secretary subject to any limitations prescribed by the directors.

### **THE SEAL**

118. The seal shall be used only by the authority of a resolution of the directors or of a committee of the directors. The directors may determine whether any instrument to which the seal is affixed shall be signed and, if it is to be signed, who shall sign it. Unless otherwise determined by the directors:
- (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any debentures or other securities, need not be signed and any signature may be applied to any such certificate by any mechanical or other means or may be printed on it; and
  - (b) every other instrument to which the seal is affixed shall be signed by one director and by the secretary or another director.
119. Subject to the provisions of the Act, the Company may have an official seal for use in any place abroad.

### **DIVIDENDS**

120. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
121. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. If the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
122. Except as otherwise provided by these articles or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, 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. For the purpose of this article, an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share. The directors may deduct from any dividend or other monies payable to any member in respect of a share any monies presently payable by him to the Company in respect of that share.
123. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates (or ignore fractions) and fix the value for distribution of any assets, and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members, and may vest any assets in trustees.
124. Any dividend or other money payable in respect of a share held through a relevant system may, where such system provides for such payment, be paid through such system and in all other cases may be paid by cheque or warrant sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque or warrant shall be made payable to the order of the person or persons entitled or to such other person as

the person or persons entitled may in writing direct and payment of the cheque or warrant shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other money payable in respect of the share.

125. All unclaimed dividends or other moneys payable on or in respect of a share may be invested or otherwise made use of by the directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. No dividend or other money payable in respect of a share shall bear interest against the Company, unless otherwise provided by the rights attached to the share.
126. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.
127. (1) The directors may with the prior sanction of an ordinary resolution implement and maintain, in accordance with the terms of such resolution but otherwise as the directors may from time to time determine, a share dividend scheme for the benefit of the holders of ordinary shares of the Company whereby such holders may be given one or more of the following options:
  - (a) instead of receiving the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any ordinary shares held by them, to invest such cash either in subscribing for unissued ordinary shares of the Company payable in full or by instalments or in paying up in full or by instalments any unpaid or partly paid ordinary shares already held by them on the terms of any such scheme; or
  - (b) instead of receiving the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any ordinary shares held by them, to elect to receive new ordinary shares of the Company credited as fully paid on the terms of any such scheme; or
  - (c) to forego their entitlement to any dividend (or any part thereof) declared or payable on all or any ordinary shares held by them and to receive instead fully paid ordinary shares allotted and issued by way of capitalisation of reserves and on the terms and conditions of any such scheme; or
  - (d) such other option in respect of the whole or any part of any dividend on all or any ordinary shares held by them as the directors may determine.



- (2) The directors may in their discretion suspend or terminate any such scheme which is in operation.
- (3) For the purposes of any such scheme the directors may resolve to capitalise out of any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) a sum equal to the aggregate nominal amount of any ordinary shares to be allotted under any such scheme and to appropriate such sum to the members who would have been entitled to it if it were distributed by way of dividend and apply it on their behalf in paying up in full unissued shares of the Company of a nominal amount equal to that sum and allot the shares credited as fully paid to those members, or as they may direct, provided that any profits which are not available for distribution may only be applied in paying up unissued shares to be allotted to members credited as fully paid. The provisions of article 128 shall (except to the extent that they are inconsistent with this article) apply to any such allotment and issue.
- (4) No fraction of any shares shall be allotted. The directors may make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company.
- (5) The directors may on any occasion determine that participation in such scheme shall not be extended to any ordinary shareholders with registered addresses in any territory where in the absence of a registration statement or other special formalities, participation in the scheme or the circulation of an offer to participate would or might be unlawful, and in such event, the provisions aforesaid shall be read and construed subject to such determination.

### **CAPITALISATION OF PROFITS**

128. The directors may with the authority of an ordinary resolution of the Company:
- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company (including any share premium account or capital redemption reserve);
  - (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount

equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- (d) make such provision by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
- (f) generally do all acts and things required to give effect to such resolution as aforesaid.

## **RECORD DATES**

129. Notwithstanding any other provision of these articles, but without prejudice to the rights attached to any shares, the Company or the directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made. Where such a record date is fixed, references in these articles to a holder of shares or member to whom a dividend is to be paid or a distribution, allotment or issue is to be made shall be construed accordingly.

## **ACCOUNTS**

130. No member (other than a director) shall have any right of inspecting any accounting record or other document of the Company, unless he is authorised to do so by statute, by order of the court, by the directors or by ordinary resolution of the Company.
131. (1) Except as provided in paragraph (2) of this article, a printed copy of the directors' and auditors' reports accompanied by printed copies of the balance sheet and every document required by the Act to be annexed to the balance sheet shall, not less than twenty-one clear days before the annual general meeting before which they are to be laid, be delivered or sent by

post to every member and holder of debentures of the Company, and to the auditors; but this article shall not require a copy of those documents to be sent to any member or holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If all or any of the shares in or debentures of the Company are listed or dealt in or on the Stock Exchange, there shall at the same time be forwarded to the Stock Exchange such number of copies of each of those documents as may be required by the Stock Exchange.

- (2) The Company may, in accordance with the Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in paragraph (1) of this article; and where it does so, the statement shall be delivered or sent by post to the member not less than twenty-one clear days before the annual general meeting before which those documents are to be laid.

### NOTICES

132. Any notice to be given to or by any person pursuant to these articles shall be in writing, except that a notice calling a meeting of the directors need not be in writing.
133. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
134. A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
135. (1) Any notice to be given to a member may be given by reference to the register of members as it stands at any time within the period of fifteen days before the notice is given; and no change in the register after that time shall invalidate the giving of the notice.
- (2) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title; but this paragraph does not apply to a notice given under section 212 of the Act.

136. Where, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notice sent by post, notice of the meeting shall be sufficiently given if given by advertisement in two leading national daily newspapers published in the United Kingdom. The Company shall send a copy of the notice to members by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
137. Any notice to be given by the Company to the members or any of them, and not provided for by or pursuant to these articles or pursuant to the provisions of the Statutes, shall be sufficiently given if given by advertisement in at least one leading national daily newspaper published in the United Kingdom.
138. A notice sent by post shall be deemed to have been given on the day following that on which the envelope containing the notice was posted unless it was sent by second class post or there is only one class of post in which case it shall be deemed to have been given on the day next but one after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that notice was given. A notice given by advertisement shall be deemed to have been served at noon on the day on which the advertisement appears.
139. A notice may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it in any manner authorised by these articles for the giving of notice to a member addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

#### **DESTRUCTION OF DOCUMENTS**

140. (1) The Company may destroy:
- (a) any instrument of transfer, after six years from the date on which it is registered;
  - (b) any dividend mandate or notification of change of name or address, after two years from the date on which it is recorded; and
  - (c) any share certificate, after one year from the date on which it is cancelled.
- (2) Any document referred to in paragraph (1) of this article may be destroyed earlier than the relevant date authorised by that paragraph, provided that a permanent record of the document is made which is not destroyed before that date.

- (3) It shall be conclusively presumed in favour of the Company that every entry in the register of members purporting to have been made on the basis of a document destroyed in accordance with this article was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled, and that every other document so destroyed was valid and effective in accordance with the particulars in the records of the Company provided that:
- (a) this article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
  - (b) nothing in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document otherwise than in accordance with this article which would not attach to the Company in the absence of this article; and
  - (c) references in this article to the destruction of any document include references to the disposal of it in any manner.

### **WINDING UP**

141. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110 of the Insolvency Act 1986. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.
142. A special resolution sanctioning a transfer or sale to another company duly passed pursuant to section 111 of the Insolvency Act 1986 may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights, and any such determination shall be binding on all the members subject to the right of dissent and consequential rights conferred by the said section.

### **INDEMNITY**

143. Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled:

- (a) every director or other officer of the Company shall be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer of the Company or any of its subsidiary undertakings and in which judgment is given in his favour or in which he is acquitted, or incurred in connection with any application in which relief is granted to him by the court from liability in respect of any such act or omission or from liability to pay any amount in respect of shares acquired by a nominee of the Company; and
- (b) the directors may purchase and maintain insurance at the expense of the Company for the benefit of any director or other officer of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as a director or other officer.