

COMPANY NUMBER: 3517200

**Companies Act 1985
Companies Act 1989**

Company Limited by Shares

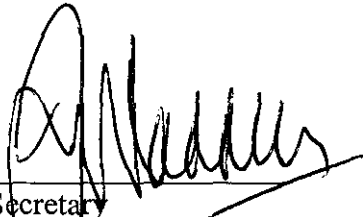
SPECIAL RESOLUTION

OF

VICKERS plc

NOTICE is hereby given that at an Annual General Meeting of the above named Company duly convened and held at Moor Lane, Derby, the following Special Resolution was duly passed on 28th June 2001:-

- 1) THAT the Articles of Association be altered as follows:
 - i) by deleting in Article 97 the words 'not be less than three' and substituting therefor the words 'Directors shall not be less than two'.


Secretary



A PUBLIC COMPANY LIMITED BY SHARES

Articles of Association

of

VICKERS plc¹

(Adopted by Special Resolution
Passed on 11 May 1998)

I. PRELIMINARY

Application

1. No regulations or articles made pursuant to or contained or set out in any schedule to any statute or any statutory instrument concerning companies shall apply to the Company and the following shall be the Articles of Association of the Company.

Interpretation

2. (a) In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the following table shall bear the meanings set opposite to them respectively in the second column thereof.

WORDS

MEANINGS

"1985 Act"

The Companies Act 1985;

"Articles"

The Articles of Association as herein contained or as from time to time altered by special resolution or, if permitted by the Statutes, by ordinary resolution;

"Base Rate"

The base rate of Lloyds Bank plc (or such other bank as the Board may elect) as it stands from time to time;

"Board"

The Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present;

¹ Name changed from Vickers Group plc on 6 July 1998.

"Cash Memorandum Account"	An account so designated by the Operator of the Relevant System;
"Company"	Vickers plc;
"connected"	In relation to a director, has the meaning given to it in Section 346 of the 1985 Act;
"Director"	A director for the time being of the Company;
"Dividend"	Dividend and/or bonus;
"Employees' Share Scheme"	<p>A scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of:</p> <ul style="list-style-type: none">(a) the bona fide employees or former employees of the Company, its holding company, its Subsidiaries or any Subsidiaries of the Company's holding company; or(b) the wives, husbands, widows, widowers or children or step-children under the age of 18 of such employees or former employees;
"Group"	The Company and its subsidiaries;
"London Stock Exchange"	London Stock Exchange Limited;
"Minimum Amount"	£3.00 or such greater sum as the Board may approve being not greater than the maximum sum which the London Stock Exchange may from time to time permit for the purpose;
"Office"	The registered office of the Company;
"Operator"	A person approved by the Treasury as Operator of a Relevant System under the Regulations;
"Overseas Branch Register"	Branch Register of members within the meaning of Section 362 of the 1985 Act;
"Paid up"	Paid up and/or credited as paid up in respect of the nominal amount of a share;
"Recognised Clearing House"	A body declared by an order of the Secretary of State for the time being in force to be a recognised clearing house for the purposes of the Financial Services Act 1986;
"Recognised Investment Exchange"	A body declared by an order of the Secretary of State for the time being in force to be a recognised investment exchange for the purposes of the Financial Services Act 1986;

"Register"	The register of members of the Company as required by Section 352(1) of the 1985 Act;
"Regulations"	The Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272) including any modification thereof or any regulations in substitution therefor made under Section 207 of the Companies Act 1989 and for the time being in force;
"Relevant System"	Any computer-based system and procedures, permitted by the Regulations and the rules of the London Stock Exchange, which enables title to units of a security to be evidenced and transferred without a written instrument and which facilitates supplementary and incidental matters and shall include, without limitation, the relevant system of which CRESTCo Limited is the operator;
"Seal"	The common seal of the Company;
"Securities Seal"	The official seal of the Company permitted to be used by Section 40 of the 1985 Act;
"Statutes"	The 1985 Act and the Regulations and every Act and every statutory instrument for the time being in force concerning companies and affecting the Company;
"Statutory Accounts"	The Company's audited group accounts prepared in compliance with Section 227 of the 1985 Act;
"subsidiary"	A subsidiary as defined by Section 736 of the 1985 Act;
"subsidiary undertaking"	A subsidiary undertaking as defined in Section 258 of the 1985 Act;
"Transfer Office"	The address at which the Register is for the time being situated;
"United Kingdom"	The United Kingdom of Great Britain and Northern Ireland;
"in writing"	Written or produced by any substitute for writing, and including printing, typewriting, telex, facsimile, lithography, photography and any other mode of representing or reproducing words in visible form or partly one and partly another.

(b) The following provisions shall apply to the construction or interpretation of these Articles or any part thereof:

- (i) Any reference to any section or provision of any of the Statutes shall if not inconsistent with the subject or context include every statutory modification, substitution, amendment, extension or re-enactment thereof for the time being in force.

- (ii) Words and expressions used in the Regulations have the same meaning when used in these Articles.
- (iii) References in these Articles to a share (or to a holding of shares) being in uncertificated form or in certificated form are references, respectively, to that share being an uncertificated unit of a security or a certificated unit of a security.
- (iv) For the purposes of these Articles, a dematerialised instruction is properly authenticated if it complies with the specifications referred to in paragraph 5(b) of Schedule 1 to the Regulations.
- (v) Any reference to a numbered Article shall be a reference to the Article of these Articles bearing the same number and includes reference to such Article as amended from time to time.
- (vi) Any reference to a numbered "Section" or "Part" shall, unless stated otherwise, be a reference to the Section or Part of the 1985 Act bearing the same number (subject to the provisions of paragraph (b)(i) above).
- (vii) Words importing the singular number include the plural and vice versa.
- (viii) Words importing the masculine gender include the feminine and neuter genders.
- (ix) Words importing persons shall include companies, corporations, firms and other incorporated bodies.
- (x) The expression "Secretary" shall mean and include the Secretary and any joint Secretary of the Company.
- (xi) Save as aforesaid, any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- (xii) A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles.
- (xiii) The headings contained in these Articles are included for purposes of reference only and shall not in any way affect or govern the sense or construction thereof or any part thereof.

II. CAPITAL

A. ISSUES AND RIGHTS

Authorised Share Capital

3. The authorised capital of the Company at the date of the adoption of these Articles is £100,000,000 divided into 400,000,000 ordinary shares of 25p each.

Purchase and redemption of the Company's shares

4. (a) Subject to the provisions of the Statutes and the rights conferred on the holders of any other shares and any necessary amendment to these Articles, any share may be issued on the terms that it is, or at the option of the Company or the holder thereof is to be liable, to be redeemed.
- (b) Subject to the provisions of the Statutes and of these Articles and with the sanction of an extraordinary resolution passed at a separate meeting of the holders of any class of convertible shares for the time being forming part of the capital of the Company ("Convertible Shares") or consent in writing of holders of not less than three-fourths of the Convertible Shares, the Company may purchase its own shares (including any redeemable shares) at any price (whether at par or below par).

Financial assistance for the acquisition of the Company's shares

5. Save to the extent prohibited by the Statutes or otherwise by law the Company shall be entitled, subject to and in accordance with the provisions of the Statutes, to give financial assistance directly or indirectly for the purpose of the acquisition or proposed acquisition of any shares in the Company or any company of which it is a subsidiary or for the purpose of reducing or discharging any liability incurred by any person for the purpose of acquiring any shares in the Company or any company of which it is a subsidiary.

Issue of shares with special rights

6. Without prejudice to any rights for the time being conferred on the holders of any shares or class of shares (which rights shall not be varied or abrogated, except with such consent or sanction as is provided by the next following Article) and subject to Article 10 any share in the Company may be allotted with such preferred, deferred or other rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise as the Company may from time to time by ordinary resolution determine (or failing such determination, as the Board may determine).

Variation of rights attaching to a class of shares

7. Subject to the provisions of the Statutes all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the capital of the Company may, subject to the terms of issue of shares of the class or classes in question, from time to time be modified, affected, varied, extended or surrendered in any manner with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the members of that class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall apply, but so that (i) the necessary quorum shall be a member or members of the class present in person or by proxy holding not less than one-third in nominal value of the issued shares of that class (or, if at any adjourned class meeting of such holders a quorum as defined above is not present, any one person present holding shares of the class in question or his proxy shall be a quorum), (ii) any holder of shares of the class present in person or by proxy may demand a poll and (iii) every such holder shall, on a poll, have one vote for every share of the class held by him.

Special rights not varied by an issue of further shares of the class

8. The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not (unless otherwise expressly provided by the rights attached to any

such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto but in no respect in priority thereto.

Disqualification from voting and other matters - unpaid calls - non-compliance with statutory requirements

9. (a) No member shall, unless the Board otherwise determines, be entitled in respect of any share held by that member to vote either personally or by proxy at any general meeting or at any separate meeting of the holders of any class of shares or to exercise any other right conferred by membership in relation to any such meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- (b) If any member, or any other person appearing to be interested in any shares of the Company, has been duly served with a notice under Section 212 of the 1985 Act (a "Section 212 Notice") and is in default at the end of the time specified in such notice by not supplying to the Company the information thereby required, then at any time thereafter the Board may in its absolute discretion by notice to the member in whose name the shares are registered (a "Direction Notice") direct:
 - (i) that in respect of the shares (whether or not fully paid) in relation to which the default occurred ("Default Shares") and with effect from the later of the date of service of the Direction Notice and the date falling 14 days after service of the Section 212 Notice (the relevant date being the "Suspension Date"), such member shall not be entitled to attend or vote either personally or by proxy at any general meeting or at any separate meeting of the holders of any class of shares or to exercise any other rights conferred by membership in relation to any such meeting until the Direction Notice shall cease to have effect pursuant to paragraph (f) of this Article; and/or
 - (ii) if the Default Shares represent, at the date of the Direction Notice, 0.25 per cent. or more of the issued shares of the relevant class of shares of the Company, that:
 - (aa) any dividend (including shares issued in lieu of a dividend) (or part thereof) or other moneys which would otherwise be payable on such shares on or at any time after the Suspension Date shall be retained by the Company until such time as the direction ceases to have effect (without any liability on the part of the Company to pay interest thereon) and that prior to such time the acceptance of an offer made by the Company under Article 157 in respect of any such dividend shall be of no effect; and/or
 - (bb) subject to the Statutes, no transfer, other than an approved transfer, of any of the Default Shares shall be registered on and from the Suspension Date until the Direction Notice shall cease to have effect, Provided that in the case of Default Shares which are in uncertificated form, the Board shall only exercise its discretion not to register a transfer in accordance with Regulation 23 of the Regulations.
- (c) The Company shall send a copy of the Direction Notice to each other person appearing to be interested in the relevant Default Shares the address of whom has been notified to the Company, but the failure or omission by the Company to do so shall not invalidate such notice.

- (d) Any new shares of the Company issued in right of any shares subject to a Direction Notice shall also be subject to the Direction Notice, and the Board may make any right to an allotment of the new shares subject to restrictions corresponding to those which will apply to those shares by reason of the Direction Notice when such shares are issued. For this purpose, shares which the Company procures to be offered or appropriated to holders of shares in proportion to their respective holdings (or in proportion ignoring fractional entitlements and shares not offered to certain shareholders by reason of legal, regulatory or practical problems associated with offering shares outside the United Kingdom) shall be treated as shares issued in right of Default Shares.
- (e) Any holder of shares on whom a Direction Notice has been served may make representations in writing to the Directors concerning such Direction Notice. Neither the Company nor the Directors shall in any event be liable to any person as a result of the Directors having imposed restrictions or failed to determine that restrictions shall cease to apply provided that the Directors have acted in good faith.
- (f) Any Direction Notice shall have effect in relation to Default Shares in accordance with its terms but shall cease to have effect after a period specified by the Board (not exceeding seven days) following the earlier of the date:
 - (i) when the Company has received in writing all information required by it pursuant to a Section 212 Notice in respect of those Default Shares; or
 - (ii) when the Company receives notice that an approved transfer to a third party has occurred; or
 - (iii) if and to the extent that the Board so determines.
- (g) For the purposes of this Article:
 - (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under Section 212 of the 1985 Act which names such person as being so interested or if the Company (after taking into account the said notification and any other notification under the Statutes or any relevant information otherwise available to that Company) knows or has reasonable cause to believe that the person in question is, or may be, interested in the shares, and so that references to persons interested in shares and to interests in shares shall be construed in accordance with Section 212(5) of the 1985 Act;
 - (ii) a transfer is an approved transfer if (but only if):
 - (aa) the transfer results from a sale made through a Recognised Investment Exchange or any stock exchange outside the United Kingdom on which the Company's shares (or rights in respect of those shares) are normally traded; or
 - (bb) it is a transfer of shares to an offeror by way of acceptance of or in pursuance of a takeover offer (as defined for the purposes of Part XIII A of the 1985 Act) for the Company; or
 - (cc) the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership to a person who, in the opinion of the Board, is not connected with the holder thereof or with any other

person appearing to be interested in such shares prior to such transfer (being a person which itself is not the holder of any shares of the Company in respect of which a Direction Notice is then in force or a person appearing to be interested in any such shares) and the Board does not have reasonable grounds to believe that the transferor or any other person appearing to be interested in such first-mentioned shares will following such transfer have any interest in such shares;

- (iii) a reference to a person being in default in supplying to the Company the information required by a Section 212 Notice includes a reference to his having failed or refused to supply all or any part of it and also includes a reference to his having supplied information which he knows to be false in a material respect or having recklessly given information which is false in a material respect; and
- (iv) any notice by the Company pursuant to Section 212 of the 1985 Act or this Article may be given by facsimile or telex in which case it will be deemed to have been received forthwith upon transmission thereof.
- (h) None of the provisions contained in this Article shall in any way limit or restrict the rights of the Company under Sections 212 and 216 of the 1985 Act or any order made by the court under Section 216 of the 1985 Act nor shall any sanction imposed by the Board pursuant to this Article cease to have effect, otherwise than as provided in this Article, unless it is so ordered by the court.
- (i) The Company is not, by virtue of anything done for the purposes of this Article, to be affected with notice of, or put on enquiry as to, the rights of any person in relation to any shares.

B. ALLOTMENTS

Allotment of shares

- 10. (a) Pursuant to and in accordance with Section 80 of the 1985 Act the Board is authorised to exercise during each Section 80 Period all the powers of the Company to allot and to make offers or agreements to allot relevant securities up to a nominal amount equal to the Section 80 Amount and so that such authority shall be general and unconditional.
- (b) The Board is authorised to allot equity securities wholly for cash pursuant to and within the terms of the authority conferred by paragraph (a) of this Article as if Section 89(1) of the 1985 Act did not apply to such allotment:
 - (i) in connection with a rights issue, up to an aggregate nominal amount equal to the Section 80 Amount; and
 - (ii) otherwise than in connection with a rights issue and during the Section 89 Period, up to an aggregate nominal amount equal to the Section 89 Amount.
- (c) The Board may during the Section 80 Period or the Section 89 Period, make offers or agreements which would or might require the allotment of relevant securities or, as the case may be, equity securities after the expiry of the relevant period and may allot such securities pursuant to these offers or agreements.

(d) For the purposes of this Article:

- (i) "rights issue" means an offer (whether expressed to be by way of rights, or otherwise) of equity securities to holders of relevant shares and relevant employee shares in proportion (as nearly as may be) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Board may consider necessary or expedient in relation to fractional entitlements or legal or practical problems arising in respect of overseas shareholders or under the laws of, or the requirements of any regulatory body or stock exchange or other authority in, any territory;
 - (ii) "Section 80 Period" means initially the five year period from the date of adoption of these Articles to 8 May 2003 and thereafter shall mean any period (not exceeding five years) for which the authorities conferred by paragraph (a) of this Article are stated to apply or have been renewed by an ordinary or special resolution of the Company which specifies the Section 80 Amount;
 - (iii) "Section 89 Period" means initially the one year period from the date of adoption of these Articles to 8 May 1999 or, if earlier, the conclusion of the annual general meeting in 1999, and thereafter shall mean any period for which the powers conferred by paragraph (b) of this Article are stated to apply by a special resolution of the Company stating the Section 89 Amount provided that such period shall expire on a date not later than 15 months after the date of the relevant resolution or such later date as the Company by special resolution may from time to time prescribe;
 - (iv) "the Section 80 Amount" shall for the first Section 80 Period (as specified in sub-paragraph (d)(ii) of this Article) be £19,600,000 and for any other Section 80 Period shall be the amount specified as such in the relevant ordinary or special resolution of the Company;
 - (v) "the Section 89 Amount" shall for the first Section 89 Period (as specified in paragraph (d)(iii) of this Article) be £2,950,000 and for any other Section 89 Period shall be the amount specified as such in the relevant special resolution of the Company or such greater amount as the Company by special resolution may from time to time prescribe;
 - (vi) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe or exchange securities for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and
 - (vii) words and expressions defined in or for the purposes of Part IV of the 1985 Act shall bear the same meanings in this Article;
- (e) The authorities granted in respect of the first Section 80 Period and the first Section 89 Period shall be in addition to any existing authority whether contained in articles of association or granted by ordinary or special resolution of the Company and no allotment, offer or agreement to allot made pursuant to any such earlier authority shall be revoked by the adoption of these Articles.

Power to pay commission and brokerage on subscription of shares

11. In addition to all other powers of paying commissions the Company (or the Board on behalf of the Company) may exercise the powers conferred by Section 97 of the 1985 Act of paying

commissions to persons subscribing or procuring subscriptions for shares of the Company, or agreeing so to do whether absolutely or conditionally. The Company (or the Board on behalf of the Company) may also, on any issue of shares, pay such brokerage as may be lawful. Subject to the provisions of the Statutes, such commission or brokerage may be satisfied in whole or in part in cash or by the allotment and issue (if so agreed) of fully or partly-paid shares or shares created as fully or partly-paid.

Trusts in relation to shares not to be recognised

12. Except as required by law (including the Statutes), no person shall be recognised by the Company as holding any share upon any trust, and (except only as by these Articles or by law otherwise provided) the Company shall not be bound by or recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

Issue of warrants

13. The Company may, with respect to any fully paid up shares which are in certificated form only, issue under the Seal or Securities Seal (or, in the case of shares on an Overseas Branch Register, an official seal for use in the relevant territory) a warrant stating that the bearer of the warrant is entitled to the shares specified in it and may provide (by coupons or otherwise) for the payment of the future dividends on the shares included in the warrant. Notwithstanding the provisions of Article 145, no warrant shall require to be signed or countersigned and the method or system of sealing (if required) and signature (if any) of warrants shall be as for share certificates under Article 15. If a warrant or coupon is defaced, worn out 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 in investigating such evidence as the Board may determine but otherwise free of charge and (in the case of defacement or wearing out) on delivery of the old warrant or coupon and (in the case of destruction) only if the Board are satisfied beyond reasonable doubt that the original has been destroyed. If a warrant or coupon is lost it will not be renewed unless the Board are satisfied beyond reasonable doubt that the original has been destroyed. Any warrant or coupon surrendered to the Company may be destroyed at the option of the Company after the expiration of one year from the date of surrender.

C. EVIDENCE OF TITLE

Uncertificated securities

14. (a) The Company may issue shares of any class, debentures, warrants or any other class of securities in the share or loan capital of the Company (collectively hereinafter referred to in this Article as a "security" or "securities") permitted to be held and transferred through a Relevant System in uncertificated form, in which case the Company shall not issue and no person shall be entitled to receive a certificate in respect of any security at any time and for so long as the title to that security is evidenced otherwise than by a certificate and transfers may be made otherwise than by a written instrument by virtue of the Regulations. Nothing in these Articles shall require title to any securities to be evidenced by a certificate if the Statutes and the London Stock Exchange permit otherwise.
- (b) Subject to the Statutes and the rules of the London Stock Exchange, the Board without further consultation with the holders of any securities may resolve that any securities from time to time in issue or to be issued may be in uncertificated form and no

provision of these Articles will apply to any uncertificated securities of the Company to the extent they are inconsistent with the holding of such securities in uncertificated form or the transfer of title to any such securities by means of a Relevant System.

- (c) The Board shall have power to implement any arrangements as it may, in its absolute discretion, think fit in relation to the evidencing and transfer of securities held in uncertificated form (subject always to the Regulations and the facilities and requirements of the Relevant System).
- (d) Conversion of securities held in certificated form into securities held in uncertificated form, and vice versa, may be made in such manner as the Board may, in its absolute discretion, think fit (subject always to the Regulations and the facilities and requirements of the Relevant System).
- (e) The Company shall enter on the Register how many shares are held by each member in uncertificated form and in certificated form and shall maintain the Register in each case as is required by the Regulations and the Relevant System.
- (f) Notwithstanding any provision of these Articles, a class of security shall not be treated as two classes by virtue only of that class comprising both securities in certificated and uncertificated form or as a result of any provision of these Articles or the Regulations which apply only in respect of securities in certificated or uncertificated form.
- (g) To the extent that any provision in these Articles is inconsistent in any respect with the terms of the Regulations in relation to any uncertificated securities, such provision shall not apply thereto and the Regulations shall be given effect thereto in accordance with their terms.
- (h) Any provisions of these Articles relating to certificates shall not apply to securities in uncertificated form.

Form of share certificate and method of sealing

15. Every share certificate shall be issued under the Seal or the Securities Seal (or, in the case of shares registered on an Overseas Branch Register, an official seal for use in the relevant territory) or signed (whether personally or otherwise and including by facsimile signature, howsoever applied) by a Director and the Secretary or by two Directors. Each certificate shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class. Notwithstanding the provisions of Article 145, no certificate shall be required to be signed or countersigned. The method or system of affixing the Seal or the Securities Seal (or in the case of shares registered on an Overseas Branch Register the official seal used in the relevant territory) to share certificates may, if the Board so resolves, be controlled by, or the certificates be approved for sealing by, the auditors, bankers or transfer auditors of the Company, or by the appropriate department of the Company's registrars. Where permitted by the Statutes and (so long as any of the Company's shares are listed thereon) the regulations of the London Stock Exchange, any signature and any representation of a signature, and the Seal, the Securities Seal, any representation of the Seal of the Securities Seal may be made, produced or affixed to any certificate by any mechanical, electronic, laser or other means approved by the Board.

Maximum number of joint holders

16. The Company shall not be bound to register more than 4 persons as the joint holders of any share or shares and in the case of a share held jointly by several persons the Company shall

not be bound to issue more than one certificate therefor and delivery of a certificate to one of joint holders shall be sufficient delivery to all.

Period for the issue of share certificates

17. (a) Subject to the provisions of Article 16 of these Articles every person whose name is entered as a member in the Register (except a Recognised Clearing House or a nominee of a Recognised Clearing House or of a Recognised Investment Exchange, including any other person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled to one certificate for all the shares of any one class registered in his name upon the payment of such reasonable sum as the Board may determine. Any certificate or certificates to which any person is entitled hereunder shall be delivered:
- (i) in the case of issue within one month after allotment (or such longer period as the terms of issue shall provide); or
 - (ii) in the case of a transfer of fully paid shares within 14 days after lodgement of the relevant instrument of transfer; or
 - (iii) in the case of a transfer of partly-paid shares within two months after lodgement of the relevant instrument of transfer.
- (b) If and so long as all the issued shares, or all the issued shares of a particular class, in the capital of the Company are fully paid up and rank *pari passu* for all purposes, none of those shares shall bear a distinguishing number. In all other cases each share which is not fully paid up shall bear a distinguishing number.

Balance certificates

18. Where part only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

Issue of replacement certificates

19. (a) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- (b) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request upon payment of the reasonable out of pocket expenses of the Company in providing the same.
- (c) If a share certificate shall be damaged or defaced or worn out or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares must be issued to the holder upon request subject to delivery up of the old certificate or (if it shall be alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any expenses reasonably incurred by the Company of investigating such evidence in connection with the request as the Board may think fit but without any further or other charge.

- (d) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

Certificates for debentures and other securities

20. The provisions of these Articles relating to certificates shall, with all necessary modifications and adaptations, apply to certificates for debentures and debenture stock and any other securities comprising the share or loan capital of the Company as they apply to certificates for shares, except that Article 18 shall not apply to warrants to bearer or bearer certificates.

D. LIEN

Company's lien on partly-paid shares - lien extends to dividends

21. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Board may at any time (generally or in particular cases) waive any lien or declare any share to be wholly or partly exempt from the provisions of this Article. Such lien shall apply whether before or after notice to the Company of any equitable or other interest of any person other than the registered holder or holders of such share, whether the time for payment or discharge of the same shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder or his estate and any other person whether a member of the Company or not; but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Company shall not have a lien or any other charge on its own fully paid shares (whether taken expressly or otherwise); and in relation to any permitted lien or other charge the provisions of sub-section (4) of Section 148 of the 1985 Act and paragraph 13(3) to Part 1 of Schedule 9 to the 1985 Act shall be complied with in every respect.

Enforcement of lien by a sale of shares

22. (a) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the registered holder for the time being of the shares or the person entitled by reason of the death or bankruptcy of such holder to the shares.
- (b) To give effect to any such sale the Board may authorise the conversion of shares to be sold which are in certificated form into uncertificated form, and vice versa (so far as is consistent with the Regulations and the facilities and requirements of the Relevant System), and, in respect of shares in certificated form, authorise any person to execute an instrument of transfer of the shares sold or, in respect of shares in uncertificated form, the Board may make other arrangements consistent with the Regulations and the facilities and requirements of the Relevant System for their transfer to, or in accordance with, the directions of the transferee. The transferee shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in or invalidity of the procedure or manner of the sale.

Board's power to authorise a transferor to execute a sale transfer - good title of transferee in shares

23. The net proceeds of such sale, after payment of the costs thereof, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, as far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender to the Company for cancellation of the certificate for the shares sold where those shares are in certificated form) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the procedure or manner of the sale and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

E. CALLS ON SHARES

Board may make calls

24. Subject to the terms of allotment thereof, the Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares, whether in respect of nominal value or premium, and each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may, at any time before receipt by the Company of a sum due thereunder, be revoked in whole or in part and payment of a call may in whole or in part be postponed as the Board may determine. 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.

When a call is deemed to be made

25. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

Liabilities of joint holders

26. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Interest on unpaid calls

27. If a sum called in respect of any share or any money payable on a share under the terms of allotment is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at the rate per annum of three per cent. above the Base Rate or at such lesser rate as the Board may agree to accept. Such person 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 such non-payment of, such call or instalment but the Board shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part.

Sums payable on allotment or at any fixed time deemed to be on call

28. Any sum or non-cash consideration which by the terms of allotment of a share or pursuant to the Statutes is or becomes payable upon allotment or at any fixed date thereafter whether on account of the nominal amount of the share or by way of premium shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of allotment or pursuant to the Statutes the same becomes payable, and in the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Board's power to differentiate regarding calls

29. The Board may make arrangements on the issue of shares which differentiate between the holders in the amount called to be paid and in the times of payment.

Payment up of shares in advance of calls

30. The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made and payable upon the shares in respect of which it has been received, the Company may pay interest at such rate not exceeding the Base Rate (unless the Company in general meeting shall otherwise direct) as the member paying such sum and the Board agree upon.

F. TRANSFERS OF SHARES

Transfers of certificated shares

31. Subject to the provisions of Article 14 all transfers of shares in certificated form shall be effected by transfer in writing in any usual or common form or in any other form which the Board may approve, but need not be under seal Provided that every transfer by a corporation shall be under seal, unless the Board shall in its absolute discretion decide to recognise a transfer under hand by a person duly authorised to sign on behalf of the corporation.

Transfers of uncertificated shares

32. All transfers of shares in uncertificated form shall be made in accordance with and be subject to the Regulations and the facilities and requirements of the Relevant System and, subject thereto, in accordance with any arrangements made by the Board pursuant to Article 14. For the avoidance of doubt, nothing in these Articles shall require shares to be transferred by a written instrument if the Statutes provide otherwise and the Directors shall be empowered to implement such arrangements as they consider fit in accordance with and subject to the Statutes and the rules of the London Stock Exchange to evidence and regulate the transfer of title to shares in the Company and to approve (or disapprove as the case may be) the registration of such transfers.

No transfer fees payable

33. No fee shall be charged by the Company on the registration of a transfer.

No registration fees payable

34. No fee shall be charged by the Company on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, stop notice or other instrument relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

Execution of transfers

35. The instrument of transfer of a share in certificated form shall be executed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof Provided that in the case of a partly-paid share the instrument of transfer must also be executed by or on behalf of the transferee.

Board's power to refuse to register transfers in certain cases

36. (a) In addition to its powers under Article 9, the Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of shares (not being fully paid shares) to a person of whom they shall not approve and they may also decline to register any shares (not being fully paid shares) on which the Company has a lien.
- (b) The powers in paragraph (a) of this Article may only be utilised in relation to partly paid shares to the extent that they do not prevent dealings in those shares from taking place on an open and proper basis and, in respect of shares in uncertificated form, to the extent permitted by the Regulations.
- (c) If the Board declines to register a transfer of any shares, it shall, in respect of shares in certificated form, send to the transferee notice of the refusal and (except in the case of fraud or suspected fraud) return the instrument of transfer and any accompanying certificate to the person presenting the same within two months after the date on which the transfer was lodged with the Company, or, in respect of shares in uncertificated form, it shall send to the transferee notice of refusal within two months after the date on which the operator-instruction was received by the Company or by a sponsoring system participant acting on its behalf.
- (d) Subject to the Statutes and in exceptional circumstances approved by the London Stock Exchange, approval of a transfer of any shares (including fully paid shares) may be refused by the Board provided that such refusal does not disturb the operation of the market operated by the London Stock Exchange.

General conditions as to transfer

37. Subject to the provisions of Article 14 the Board may also decline to register any instrument of transfer in respect of a share or shares in certificated form, unless the instrument of transfer:
- (a) is duly stamped (if required by law) and is deposited at the Transfer Office or such other place as the Board may prescribe and is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf the authority of that person so to do); and

- (b) is in respect of one class of share only; and
- (c) is in favour of not more than four transferees jointly.

In the case of an instrument of transfer executed by a Recognised Clearing House or a nominee of a Recognised Clearing House or of a Recognised Investment Exchange or by any nominee of the London Stock Exchange the lodgement of a certificate for the shares being transferred or other evidence as aforesaid will not be required unless and to the extent that certificates have been issued in respect of the shares in question.

Temporary suspension of the registration of transfers

38. Subject to the Statutes and the requirements of the London Stock Exchange and, where appropriate, subject to the consent of the Operator of the Relevant System, the registration of transfers of shares or of any class of shares or of any other class of security in the share or loan capital of the Company may be suspended at such times and for such periods as the Board may from time to time determine Provided always that such registration shall not be suspended for more than 30 days in any year.

Company to retain transfers and power of Company to destroy transfers and related documents

39. (a) Subject to paragraph (b) of this Article all instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall (except in any case of fraud or suspected fraud) be returned to the person depositing the same.
- (b) Subject as hereinafter provided the Company shall be entitled to destroy:
- (i) all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof;
 - (ii) registered share certificates which have been cancelled or ceased to have effect at any time after the expiration of one year from the date of such cancellation or cessation;
 - (iii) all notifications of change of name or address and dividend mandates after the expiration of two years from the date of recording thereof;
 - (iv) any other document on the basis of which any entry on the Register is made at any time after the expiry of six years from the date of an entry in the Register was first made in respect of it;
 - (v) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment thereof

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

- (i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled;
- (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

The provisions of this Article shall, with all necessary modifications and adaptations, apply to all instruments of transfer, notifications of change of name or address and mandates relating to and certificates representing debentures and any other securities comprising the share or loan capital of the Company as they apply to instruments of transfer of and certificates for and other documents relating to shares.

Renunciation of allotment permitted

40. Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person (or persons jointly not exceeding four in number) before any person has been entered in the Register respect of such share and subject to such terms and conditions as the Board may think fit to impose. In this Article "allottee" includes provisional allottee and any person in whose favour an allotment has been previously renounced.

G. TRANSMISSION OF SHARES

Surviving joint holders or personal representatives alone recognised upon death of a member

41. In case of the death of a member, the survivor or survivors where the deceased was a joint holder, or the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased member from any liability in respect of any share jointly or solely held by him.

Person becoming entitled on death or bankruptcy of member may be registered

42. Subject to the provisions of these Articles and the Statutes, any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be properly required by the Board, (and in the case of shares in uncertificated form, subject to the facilities and requirements of the Relevant System) and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Board shall, in either case, have the same right to decline or suspend registration as it would have had in the case of a transfer of that share by that member before his death or bankruptcy, as the case may be.

Person electing to be registered required to notify the Company

43. If the person becoming entitled to a share shall elect to be registered himself under the provisions of the foregoing Article, he shall deliver or send to the Company a notice in

writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing to such person a transfer of such share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by such member.

Rights of persons entitled to a share by transmission

44. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall (upon supplying to the Company such evidence as the Board may reasonably require to show his title to the shares) be entitled to the same dividends and other moneys payable in respect thereof and may give a good discharge therefor and he shall be entitled to all other advantages to which he would be entitled if he were the registered holder of the share except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or to exercise any rights conferred by membership in relation to meetings of the Company Provided that the Board may at any time give notice requiring any such 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 Board may thereafter:
- (a) withhold payment of all dividends and other moneys payable in respect of the share (but any such action shall not constitute the Company a trustee in respect of any such dividends or other moneys) and suspend any other advantages to which such person would otherwise be entitled in respect of the share until the requirements of the notice have been complied with;
 - (b) sell the share at the best price reasonably obtainable in such manner as the Board thinks fit and, subject to the provisions of these Articles generally, the provisions of Article 53 shall apply to such sale.

H. FORFEITURE OF SHARES

Service of notice requiring payment of unpaid calls

45. If a member (or person entitled to a share by transmission) fails to pay the whole or any part of any call or instalment of a call before or on the day appointed for payment thereof, the Board may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him (or on the person becoming entitled to the share by death or bankruptcy or otherwise by operation of law) requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.

Contents of notice requiring payment of unpaid calls

46. The notice shall name a further day (not earlier than 14 days from the date of service thereof) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares on which the call was made or instalment is payable will be liable to be forfeited.

Forfeiture of shares

47. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been received by the Company, be forfeited by a resolution of the Board to that effect and such forfeiture shall include all dividends which shall have been declared on the forfeited share and not actually paid before the forfeiture and any dividends on such share which may have been declared and paid but which have not been claimed by the payee at the date of the resolution of the Board by which such share shall have been forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and in such case references in these Articles to forfeiture shall include surrender.

Service of notice of forfeiture

48. When any share has been forfeited notice of the forfeiture shall be served upon the person who was before the forfeiture the registered holder of that share (or the person entitled thereto by transmission as aforesaid) and an entry of such notice having been given, and of the forfeiture, with the date thereof, shall be made forthwith in the Register opposite the entry in respect of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or make such entry as aforesaid.

Forfeited shares to become the property of the Company

49. Upon being forfeited a share shall become the property of the Company and during the period of three years immediately following the day prior to the date of forfeiture of such share may be sold, re-allotted (subject to the provisions of these Articles) or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Board shall think fit including the remission of the whole or any part of the interest made payable by the next succeeding Article, and at any time before such a sale, re-allotment or disposition the forfeiture may be annulled or cancelled on such terms and conditions as the Board thinks fit. The Board may, if necessary, authorise some person to transfer such a forfeited share to any other person as aforesaid or the Board may make other arrangements consistent with the Regulations and the facilities and requirements of the Relevant System for their transfer. If within the period of three years immediately following the day prior to the date of forfeiture of any share such share has not been sold, re-allotted or otherwise disposed of, the Board shall before the expiration of the period of three years from the date of forfeiture of the share cancel such share and shall diminish the amount of the authorised and issued share capital by the nominal amount of the share so cancelled and shall comply with all relevant provisions of Sections 146 to 148 inclusive of the 1985 Act.

Former holder of forfeited shares remains liable for unpaid calls

50. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall surrender to the Company the certificate for the shares forfeited where they are in certificated form but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest thereon at the rate per annum of three per cent. above the Base Rate, or at such lower rate as the Board may determine, from the date of forfeiture until payment, and to satisfy all claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture without any deduction or allowance for the value of the shares at the time of forfeiture. The Board may waive payment of any such interest either wholly or in part.

Extinction of certain claims upon forfeiture

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

Statutory declaration as evidence of forfeiture

52. A statutory declaration in writing that the declarant is a Director or Secretary of the Company, and that a share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, (subject to the execution of an instrument of transfer if necessary of any share which is in certificated form, together with the certificate for the share delivered to a purchaser or allottee thereof, or the making of such other arrangements, consistent with the facilities and requirements of the Relevant System, in relation to any share which is in uncertificated form), shall constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and 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 or invalidity in the proceedings in relation to the forfeiture, sale, re-allotment or disposal of the share.

I. UNTRACED SHAREHOLDERS

Company's power to sell shares

53. The Company shall be entitled to sell in such manner as the Board thinks fit at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:
- (a) for a period of 12 years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share at his address on the Register or the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission Provided that in any such period of 12 years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and
 - (b) the Company has at the expiration of the said period of 12 years by advertisement in both a national newspaper circulating in the United Kingdom and in a newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located given notice of its intention to sell such share; and
 - (c) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
 - (d) the Company has first given notice in writing to the London Stock Exchange of its intention to sell such shares,

provided further that, if during the period beginning at the start of the 12 years referred to above and ending on the date when all the requirements of paragraphs (a) to (d) above have been satisfied, further shares have been issued in respect of any right attaching to those held at the beginning of such period or of any previously so issued during such period and all the requirements of sub-paragraphs (b) to (d) above have been satisfied in regard to further shares, the Company may also sell such further shares.

To give effect to any sale to be made pursuant to the provisions of this Article or of Article 44 the Company may appoint any person to execute as transferor an instrument of transfer of such share and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share. The Board may authorise the conversion of shares to be sold which are in certificated form into uncertificated form, and vice versa (so far as is consistent with the Regulations and the facilities and requirements of the Relevant System), and in respect of shares in uncertificated form, the Board may make other arrangements consistent with the Regulations and the facilities and requirements of the Relevant System for their transfer, to, or in accordance with, the directions of, the transferee. The transferee shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in or invalidity of the procedure or manner of the sale. The Company shall account to the member or other person entitled to such share for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee for such member or other person in respect thereof. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may from time to time think fit and any profits made thereby and interest or other income earned thereon shall belong to the Company which shall have no obligation to account therefor to the holder of, or other person entitled to, such shares.

J. STOCK

Conversion of shares into stock

54. The Company may by ordinary resolution convert any Paid up shares into stock, and reconvert any stock into Paid up shares of any denomination.

Conditions as to transfer of stock - minimum amount transferable

55. Holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as would have applied to the shares from which the stock arose, or as near thereto as circumstances admit; but the Board may from time to time, if it thinks fit, fix the minimum amount of stock transferable, provided that such amount shall not exceed the nominal amount of the shares from which the stock arose.

Rights and privileges of stockholders

56. The stockholders shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings and in all other respects as if they held the shares from which the stock arose, but no such right, privilege or advantage (except participation in dividends and profits of the Company and in assets on a winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right, privilege or advantage.

Interpretation of "stock" and "stockholder"

57. All such of the provisions of these Articles as are applicable to Paid up shares shall apply to stock, and the words "share" and "member" therein shall include "stock" and "stockholder".

K. INCREASE OF CAPITAL

Power to increase capital

58. The Company may by ordinary resolution increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe and in accordance with Section 121 of the 1985 Act.

New shares are subject to the provisions of these Articles

59. All new shares allotted shall be subject to the provisions of these Articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise, and unless otherwise provided in accordance with these Articles the new shares shall be ordinary shares.

L. ALTERATIONS OF CAPITAL

Consolidation, sub-division, cancellation and reduction

60. The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the Memorandum of Association, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to shares upon the allotment thereof;
- (c) cancel any shares which, at the date of the passing of the resolution, have not been subscribed, or agreed to be subscribed by any person, and diminish the amount of its' share capital by the amount of the shares so cancelled;

and may by special resolution:

- (d) reduce its share capital and any capital redemption reserve and any share premium account in any manner authorised by the Statutes.

Treatment of fractional entitlements arising on consolidation

61. (a) Whenever on any consolidation of shares members shall be entitled to any fractions of shares, the Board may sell the shares representing such fractions for the best price reasonably obtainable and, except as provided below, shall distribute the net proceeds of sale thereof amongst the members entitled to such fractions in due proportions. Whenever on any consolidation of shares the value of a fractional entitlement to a share shall be less than the Minimum Amount in respect of one or more members and

an ordinary resolution of the Company shall have been passed consenting thereto the proceeds of sale (after the deduction of the proper expenses of such sale) of each and every such fractional entitlement amounting to less than the Minimum Amount shall belong to and be vested in the Company. For the purpose of giving effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

- (b) Upon any consolidation of fully paid shares into shares of larger nominal value the Board may settle any difficulty which may arise with regard thereto as it thinks fit and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or other joint holders) may make such arrangements for the allocation, acceptance or sale of the consolidated share or any fractions thereof and for the distribution to the member entitled thereto of any moneys received in respect thereof as may be thought fit and for the purpose of giving effect thereto may appoint some person to transfer the consolidated share or any fractions thereof and to receive the purchase price thereof and any transfer executed in pursuance thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity.
- (c) Notwithstanding the provisions of sub-paragraphs (a) and (b) above, for the purpose of giving effect to the sale of fractions of shares arising on consolidation or the sale of the consolidated share or fractions thereof arising on consolidation of fully paid shares into shares of larger nominal value, the Board may convert such shares which are in certificated form into uncertificated form and vice versa and, in respect of shares in certificated form, authorise some person to execute an instrument of transfer of the shares or, in respect of shares in uncertificated form, make other arrangements consistent with the facilities and requirements of the Relevant System for their transfer to, or in accordance with the directions of, the purchaser.

III. GENERAL MEETINGS

A. MEETINGS AND NOTICES

Annual general meetings

- 62. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notice calling it. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall determine. All general meetings, other than annual general meetings, shall be called extraordinary general meetings.

Extraordinary general meetings

- 63. The Board may call an extraordinary general meeting whenever it thinks fit and at such time and place as it shall determine, and extraordinary general meetings shall be convened by the Board on such requisition, or in default may be convened by such requisitions, as provided by the Statutes.

Length of notice

64. (a) In the case of an annual general meeting or of a meeting to consider a special resolution 21 clear days notice at the least and in any other case 14 clear days notice at the least specifying the place, the day and the hour of meeting, and the general nature of the business to be transacted shall be given in the manner hereinafter mentioned to all members (other than those who under the provisions of these Articles or the conditions attaching to the shares held by them are not entitled to receive the notice) and to the auditors for the time being of the Company. The period of notice in each case shall be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held. In the case of a meeting convened to consider a special resolution or an extraordinary resolution the notice shall specify the intention to propose the resolution as a special or an extraordinary resolution as the case may be.
- (b) For the purposes of giving notice of any general meeting to members who hold shares in uncertificated form, the Board may determine that the members in respect of such shares entitled to receive such notices are those entered on the Register at the close of business on a day determined by the Board, such day not being more than 21 days (or such other period as required by Article 65 in the case of special notice) before the day that the notice of general meeting is despatched to members.
- (c) A notice of general meeting may specify a time, being not more than 48 hours before the time fixed for the meeting, by which a person who holds shares in uncertificated form must be entered onto the Register to enable him to have the right to attend and vote at the meeting. Any changes to entries on the Register after such specified time shall be disregarded in determining the rights of any person to attend or vote at the general meeting.

Special notice

65. Where by any provisions contained in the Statutes special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than 28 days (or such shorter period as the Statutes permit) before the meeting at which it is to be moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Statutes.

Short notice

66. A general meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in Article 64, be deemed to have been duly called if it is so agreed:
- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

Notice to state right of member to appoint a proxy

67. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or

more proxies to attend and on a poll vote instead of him and that a proxy need not also be a member.

Notice to be given of members' resolutions upon requisition

68. It shall be the duty of the Company, subject to the provisions of the Statutes, on the requisition in writing of such number of members as is specified in the Statutes and (unless the Company otherwise resolves) at the expense of the requisitionists:
- (a) to give to members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
 - (b) to circulate to members entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Accidental omission or non-receipt of notice

69. The accidental omission to give notice to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the proceedings at any general meeting.

If, after the giving of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board decides that it is impracticable or unreasonable for a reason beyond its control to hold the meeting at the declared place and/or time, it may change the place and/or postpone the time at which the meeting is to be held. If such a decision is made, the Board may then change the place and/or postpone the time again if it decides that it is reasonable to do so. In either case:

- (a) no new notice of the meeting need be given, but the Board shall, if practicable, advertise the date, time and place of the meeting in at least two newspapers having a national circulation and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time; and
- (b) notwithstanding Article 91, an instrument of proxy in relation to the meeting may be deposited at any time not less than 48 hours before any new time appointed for holding the meeting.

B. PROCEEDINGS AT GENERAL MEETINGS

Quorum and overflow meetings

70. (a) No business shall be transacted at any general meeting unless a quorum of members is present when the meeting proceeds to business. Save as in these Articles otherwise provided, two persons present, each of whom is a member or a proxy for a member or a representative, appointed in accordance with the Statutes or Article 95, of a corporation which is a member, shall be a quorum for all purposes.
- (b) (i) In the case of any general meeting the Board or the chairman of the meeting may, notwithstanding the specification in the notice of the place of the general meeting (the "Principal Place"), make arrangements for simultaneous attendance and participation (including by way of video-link) at other places

by members and proxies entitled to attend the general meeting but excluded from the Principal Place.

- (ii) Such arrangements for simultaneous attendance at the meeting may include arrangements regarding the level of attendance as aforesaid at the other places provided that they shall operate so that any members and proxies excluded from attendance at the Principal Place are able to attend at one of the other places. For the purpose of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the Principal Place.
 - (iii) The Board or the chairman of the meeting may, for the purpose of facilitating the organisation and administration of any general meeting to which such arrangements apply, from time to time make arrangements, whether involving the issue of tickets (on a basis intended to afford to all members and proxies entitled to attend the meeting an equal opportunity of being admitted to the Principal Place) or the imposition of some random means of selection or otherwise as it shall in its absolute discretion consider to be appropriate, and may from time to time vary any such arrangements or make new arrangements in their place, for the exclusion of members and proxies entitled to attend the general meeting from the Principal Place and the entitlement of any member or proxy to attend a general meeting at the Principal Place shall be subject to such arrangements as may be for the time being in force whether stated in the notice of the meeting to apply to that meeting or notified to the members concerned subsequent to the provision of the notice of the meeting.
- (c) The Board or the chairman of the meeting may make any arrangement or impose any restriction or take any action they or he considers appropriate for the safety or proper and orderly conduct of the general meeting or meeting of the holders of any class of shares or securities and for the promotion of the business of such meeting and such arrangement may include, without limitation, searching a person and his property and restricting the items to be taken into the meeting place. The Board, or the chairman of the meeting, may refuse entry to (or arrange the removal from) a meeting to or of a person who refuses to comply in whole or in part with such arrangements or restrictions or actions. The decision of the Board or the chairman of the meeting, made in good faith, on matters of procedure or arising incidentally from the business of the meeting shall be final as shall the Board or the chairman's determination, made in good faith, as to whether any matter is of such a nature.

Adjournment or dissolution for lack of quorum

71. If within half an hour from the time appointed for any general meeting or separate meeting of holders of any class of shares for the time being forming part of the capital of the Company a quorum is not present 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 it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such time and place as the Board may determine, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

Chairman

72. The chairman (if any) of the Board, or in his absence the deputy chairman (if any) or the vice chairman (if any) shall preside as chairman at every general meeting, but if there is no such chairman or deputy chairman or vice chairman, or if at any meeting neither the chairman nor the deputy chairman or any vice chairman is present within 5 minutes after the time appointed

for holding the meeting, or if none of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman, if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the members present and entitled to vote shall choose one of themselves to be chairman of the meeting. The appointment of a chairman shall not be treated as part of the business of a meeting.

Adjournment for other reasons

73. Notwithstanding his inherent power to adjourn the meeting for such reason as he may think fit, the chairman of the meeting may:

- (a) if he considers there to be insufficient space for those present or entitled to be present to be accommodated or there is some other reason why they cannot adequately hear or participate in the proceedings; or
- (b) if in his reasonable opinion it has become, or is likely to become, impracticable to conduct, or to continue to conduct, the business of such meeting (in an orderly manner) because of the conduct of those attending the meeting; or
- (c) in any other case, with the consent of any 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, and if it appears to the chairman of the meeting that it has, or is likely to, become impracticable to conduct, or to continue to conduct, the business of the meeting (in an orderly manner) because of the number attending or wishing to attend such meeting or, in the reasonable opinion of the chairman, because of their conduct, he may adjourn the meeting from time to time and from place to place or sine die in each case without the need for such consent. No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Whenever under the provisions of these Articles a meeting is adjourned for 14 days or more, seven clear days' notice at the least specifying the place, the date and the hour of the adjourned meeting and the general nature of the business to be transacted, shall be given as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Board.

Amendments to Resolutions

74. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than a mere clerical amendment to correct a manifest error) may in any event be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution, no amendment thereto (other than a mere clerical amendment to correct a manifest error) may be considered or voted upon unless notice of such amendment is given to the Company at least 48 hours prior to the meeting or (in the absence of any such notice) the chairman in his absolute discretion rules that the amendment is fit for consideration at the meeting.

Manner in which resolution decided - demand for a poll - chairman's declaration on a result of a show of hands

75. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll is demanded by:
- (a) the chairman of the meeting; or
 - (b) at least five members present in person or by proxy and entitled to vote at the meeting; or
 - (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been Paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Proxy empowered to demand a poll

76. 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 the last preceding Article a demand by a person as proxy for or duly authorised corporate representative of, a member shall be the same as a demand by that member) and to vote on a poll or the election of a chairman of the meeting.

Errors in counting votes

77. If any votes shall be counted which ought not to have been counted, or might have been rejected, or if any votes were not counted which ought to have been counted the error shall not vitiate the result of the voting unless it be pointed out at that same meeting, but not at any adjournment thereof, and not in either case unless it shall in the opinion of the chairman of the meeting be of sufficient magnitude or significance to vitiate the result of the voting.

Manner of and place for taking a poll

78. Except as permitted in Article 80, if a poll is duly demanded it shall be taken in such manner (including the use of ballot or voting papers) and at such place and at such time as the chairman of the meeting may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may, in the event of a poll, appoint scrutineers (who need not be members) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. The result of the poll shall be deemed to be the relevant resolution of the meeting at which the poll was demanded.

Chairman's casting vote

79. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member or on behalf of any other member.

When a poll has to be taken and notice of a poll

80. A poll, if validly demanded, on the election of a chairman of the meeting or on any question of adjournment shall be taken forthwith. A poll validly demanded on any other question shall be taken either forthwith or at such later time and place as the chairman of the meeting directs not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded. 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.

Continuance of other business

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

Demand for a poll may be withdrawn

82. A 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. If a demand for a poll is so withdrawn:
- (a) before the result of a show of hands is declared, the meeting shall continue as if the demand had not been made; or
 - (b) after a result of a show of hands is declared, the chairman of the meeting or other member or members so entitled may himself or themselves demand a poll.

C. VOTES

Voting rights

83. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles or their terms of issue, 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 at any meeting of the Company and entitled to vote shall have one vote and on a poll every member present either personally or (being a corporation) by duly authorised representative or by proxy and entitled to vote shall have one vote for every ordinary share held by him.

Voting by joint holders

84. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.

Member of unsound mind may vote by committee or other appointed representative

85. A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver, or curator bonis appointed by such court, and such committee, receiver, curator bonis or other person may on a poll vote by proxy Provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which such person claims to vote and in default the right to vote shall not be exercisable.

Objections to the qualification of a voter

86. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

Proxy may vote on a poll

87. On a poll, votes may be given either personally or by corporate representative or by proxy.

Member need not cast his votes all in same way

88. On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

Execution of a form of Proxy

89. The instrument appointing a proxy shall be in writing under the hand of the appointor or his agent duly authorised in writing, or, if the appointor is a corporation, either under its common seal or under the hand of an officer or agent so authorised. The Board may, but shall not be bound to, require evidence of the authority of any such officer or agent. Instruments of proxy need not be witnessed.

Proxy need not be a member

90. Any person (whether a member of the Company or not) may be appointed to act as a proxy. A member may appoint more than one proxy to attend and, on a poll, vote on the same occasion. If more than one proxy is so appointed, the instrument appointing each such proxy shall specify the shares held by the member in respect of which each such proxy is to vote, and no member may appoint more than one proxy to vote in respect of any one share held by that member.

Deposit of instrument of proxy duration of validity of instrument of proxy

91. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, shall be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in the instrument of proxy issued by the Company in relation

to that meeting not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from the date named in it as the date of its execution.

Form of proxy instrument

92. An instrument of proxy shall:

- (a) be in writing in any usual or common form or in any other form as the Board may approve;
- (b) be signed by the appointor or his attorney;
- (c) be deemed to include the power to vote on any amendment of a resolution put to the meeting for which it has given as the proxy thinks fit;
- (d) when it relates to more than one meeting (including any adjournment thereof) having once been delivered in accordance with these Articles for the purpose of any meeting, not require again to be delivered for the purposes of any subsequent meeting to which it relates and the instrument of proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; and
- (e) provide for two-way voting on all resolutions to be proposed at a meeting other than resolutions relating to the procedure of the meeting and may either be in blank or nominate in the alternative any one or more of the Directors or any other person.

Board may send out instruments of proxy to all members

93. The Board shall (while any shares of the Company are listed on the London Stock Exchange) and otherwise may at the expense of the Company send, by post or otherwise, to the members entitled to be sent notice of a meeting and to vote thereat, instruments of proxy (with or without stamped envelopes or other pre-paid or similar postal facilities for their return) for use at any general meeting or at any meeting of any class of members of the Company, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting, invitations to appoint a proxy are issued at the expense of the Company, such invitations shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy. The accidental omission to send such an instrument, or to 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 of that meeting.

Validity of vote given by proxy

94. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or insanity of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the

Company at the Office 24 hours prior to the commencement of the meeting or adjourned meeting to which the instrument of proxy relates.

A corporate member may appoint a representative

95. Any corporation which is a member of the Company may, under its seal or under the hand of a duly authorised officer, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company personally present at such meeting. The Secretary, any Director or the Board may (but is not bound to do so) require further evidence of the authority of the representative to act.

Directors entitled to attend and speak at general meetings

96. (a) Each Director (or failing him, his alternate, if any) shall be entitled to attend and speak at any general meeting of the Company or at any separate meeting of the holders of any class of shares in the capital of the Company.
- (b) The Chairman may (in his absolute discretion) invite any person to attend and speak at any general meeting of the Company whom the Chairman considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

IV. DIRECTORS

A. NUMBER, APPOINTMENT AND REMUNERATION

Number of Directors

97. Unless and until otherwise determined by the Company by ordinary resolution and subject to the Statutes, the Directors shall not be less than two and not more than 20 in number.

Increase or reduction in permitted number of Directors

98. Without prejudice to Article 100, the Company may from time to time by ordinary resolution increase or reduce the number of Directors in office, and may also determine in what rotation such increased or reduced number is to go out of office, and may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

Share qualification of Directors

99. Neither a Director nor an alternate Director shall be required to hold any shares as a qualification to being a Director or alternate Director.

Appointment of Director to fill a casual vacancy - retirement at next following annual general meeting

100. The Board shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed any maximum number fixed in accordance with these Articles. Subject to the provisions of these Articles, any Director so appointed

shall hold office only until the next following annual general meeting, and shall then be eligible for re-appointment. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Appointment of Directors to executive office

101. The Board may from time to time appoint any one or more of their body to any executive office for such period and on such terms as to remuneration (or otherwise) as it thinks fit and subject to the provisions of any contract between him and the Company may revoke such executive appointment or vary the terms thereof.

Remuneration of Directors

102. The Directors (other than any Director or Directors holding executive office pursuant to Article 101) shall be entitled to remuneration by way of fees for their services as Directors or as president in an aggregate amount not exceeding £200,000 per annum or such other higher amount as may be determined by ordinary resolution of the Company such remuneration to be divided amongst the Directors as they may by resolution determine, or in default of agreement, equally. Such remuneration shall be deemed to accrue on a day to day basis. Any remuneration payable to any Director pursuant to this Article may if the Director concerned so requires and if the Board so agrees consist in whole or in part of payments by way of pension contributions or premiums therefor, whether pursuant to a pension scheme or otherwise.

Remuneration for special and/or additional services

103. Any Director appointed to any executive office or who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services any of which in the opinion of the Board are outside the scope of the ordinary duties of a Director or who goes or resides abroad on the business of the Company may be paid such extra remuneration (whether by way of salary, commission or percentage of profits or otherwise) in addition to that payable to him under the provisions of Article 101 or Article 102 as the Board may determine.

Expenses

104. In addition to such remuneration as aforesaid, any Director may be paid such reasonable travelling, hotel and other expenses as he may properly incur in connection with the discharge of his duties, including but not limited to attending or returning from meetings of the Board or committees of the Board or general meetings or which he may otherwise properly incur in connection with the discharge of his duties.

B. RETIREMENT BY ROTATION

One-third of the Directors to retire annually

105. Subject to the provisions of these Articles, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office at the annual general meeting in every year.

Directors who are to retire by rotation

106. Subject to the provisions of the Statutes and of these Articles, the Directors to retire in every year shall be those who have been longest in office since their last appointment, but as between persons who became or were last re-appointed Directors on the same day, those to

retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-appointment. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting. No Director shall be required to retire or be relieved from retiring or be retired by reason of any change in the number or identity of the Directors after the date of the notice but before the close of the meeting.

Retiring Director to hold office until dissolution of meeting except in certain circumstances

107. A Director retiring at a meeting shall retain office until the dissolution of that meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without break.

C. VACATION OF, AND REMOVAL FROM, OFFICE

When a retiring Director is deemed re-appointed

108. The Company at the meeting at which a Director retires under any provision of these Articles may by ordinary resolution fill up the vacated office by appointing the retiring Director or (subject to the provisions of the Statutes and of these Articles) some other person thereto, and in default the retiring Director, if willing to act, shall be deemed to have been re-appointed, except in any of the following cases:
- (i) where at such meeting it is expressly resolved not to fill up such office or a resolution for the re-election of such Director is put to the meeting and lost; or
 - (ii) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
 - (iii) where the default is due to the moving of a resolution in contravention of the next following Article; or
 - (iv) where such Director has attained any retiring age applicable to him as Director.

Each re-appointment to be voted on separately

109. At a general meeting a motion for the appointment of 2 or more persons as Directors of the Company 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.

Notice required of an intention to propose a new Director

110. No person other than a Director retiring at the meeting shall, unless recommended by the Board for appointment, be eligible for appointment to the office of Director at any general meeting unless, not less than 7 nor more than 42 days before the day appointed for the meeting, there shall have been given to the Company at the Office notice in writing by a member (not being the person proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment, and also notice in writing and signed by the person to be proposed of his willingness to be appointed such notice of willingness to be appointed not having been withdrawn.

Age limit

111. Unless and until otherwise determined by the Company by ordinary resolution, either generally or in any particular case, no Director of the Company shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70 years and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being re-appointed or appointed, as the case may be, as a Director of the Company notwithstanding that at the time of such re-appointment or appointment he has attained the age of 70 years and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a Director of a person who shall have attained the age of 70 years and it shall not be necessary to give to the Members of the Company notice of the age of any Director or person proposed to be re-appointed or appointed as such.

Vacation of office

112. The office of a Director shall be vacated in any of the following events, namely:
- (a) if he shall become prohibited by law from acting as a Director or he ceases to be a Director by virtue of these Articles; or
 - (b) if (not being an executive Director, holding office as such for a fixed term) he shall resign by notice in writing under his hand lodged at the Office or if he shall tender his resignation and the Board shall resolve to accept the same; or
 - (c) if he shall have a receiving order made against him or shall compound or make any arrangement with his creditors generally or if a petition for a bankruptcy order or an application for a voluntary arrangement is made in respect of him, or any similar action, application or proceeding is taken against him, or he applies to the court for an interim order under Section 253 of the Insolvency Act 1986, or he is unable to pay his debts within the meaning of Section 268 of the Insolvency Act 1986; or
 - (d)
 - (i) if 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 1960 or, in any other jurisdiction, in pursuance of an application or otherwise under similar legislation; and
 - (ii) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
 - (e) if he shall be absent from meetings of the Board for a continuous period of 6 months without leave and his alternate Director (if any) shall not during such period have attended in his stead, and the Board shall resolve that his office be vacated.

Removal from office by notice from fellow Directors

113. Notwithstanding any of the provisions of Article 112, the office of a Director shall also be vacated if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service

between him and the Company. For the purposes of this Article: (i) an alternate Director appointed by him acting in his capacity as such shall be excluded; and (ii) a Director and any alternate Director appointed by him and acting in his capacity as such shall constitute a single Director for this purpose, so that the signature of either shall be sufficient.

Removal of Director by ordinary resolution

114. The Company may, by ordinary resolution of which special notice has been given in accordance with Section 379 of the 1985 Act, remove any Director before the expiration of his period of office, and may (subject to the provisions of the Statutes and of these Articles), by an ordinary resolution, appoint another person in his stead. The 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 a Director. Nothing in this Article shall be taken as depriving any Director removed hereunder of compensation or damages payable to him in respect of the termination of his appointment as a Director or of any executive appointment ipso facto terminating with his appointment as a Director.

D. ALTERNATE DIRECTORS

A Director may appoint an alternate - powers of alternate - approval of alternate by two-thirds majority - revocation of appointment of alternate - remuneration of alternate

115. (a) Any Director (other than an alternate Director) may at any time, by writing under his hand, appoint any other Director or appoint any other person (whether a member of the Company or not) to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served, including by facsimile or telex, upon him) be entitled to notice of meetings of the Directors (including meetings of any Committee of Directors of which the Director appointing him is a member), and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to have and exercise all the powers, rights, duties and authorities (other than the power to appoint an alternate) of the Director appointing him Provided always that no such appointment of any person not being a Director shall be operative unless or until the approval of the Directors by a majority consisting of two-thirds of all the Directors shall have been given.
- (b) The Directors may at any time, by a unanimous vote of all the Directors except the alternate Director who is the subject of the vote, revoke the appointment of an alternate Director. A Director may at any time revoke the appointment of an alternate appointed by him, and appoint another person in his place (subject always to the proviso to paragraph (a) of this Article), and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine Provided that if any Director retires whether by rotation or otherwise but is re-appointed by the meeting at which such retirement took effect or is deemed to have been re-appointed by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-appointment as if he had not so retired.
- (c) Any appointment or revocation under this Article shall be effected by notice in writing under the hand of the Director making the same, and any such notice if sent to or left at the Office shall be sufficient evidence of such revocation.

- (d) Every such alternative shall be an officer of the Company and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of the Director appointing him.
- (e) The remuneration of any such alternate shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion (if any) of the last mentioned remuneration as shall be agreed between such alternate and the Director appointing him. The Company shall not be required to pay any fees directly to the alternate.

E. INTERESTS OF DIRECTORS

Other office or place of profit under the Company - power of a Director to act in a professional capacity

116. A Director may hold any other office or place of profit under the Company in conjunction with his office of Director on such terms as to tenure of office, remuneration or otherwise as the Board may determine, and he or any firm in which he is interested may act in a professional capacity for the Company and he or such firm shall be entitled to remuneration (by way of salary, commission, fee, participation in profits, pension, superannuation or otherwise) for such services as if he were not a Director and such remuneration shall be charged as part of the Company's ordinary working expenses Provided that nothing herein contained shall authorise a Director or any such firm to act as auditor to the Company or any company controlled by the Company. In this Article, "firm" includes "company".

Contracts with the Company - disclosure of interest

117. (a) The provisions of Part X of the 1985 Act or any statutory re-enactment thereof or modifications thereto applicable to the Company shall be complied with in every respect.
- (b) Subject as aforesaid, no Director or intending Director shall be disqualified by his office from contracting with the Company, or any other company in which the Company may be interested either with regard to his tenure of any such other office or place of profit as is referred to in Article 118 or as vendor, purchaser or otherwise. Further, subject, if and as required by Section 320 of the 1985 Act, to the approval of the Company in general meeting, and save as provided in Sections 330 and 341 of the 1985 Act, no such contract nor any other contract, transaction or arrangement (whether or not constituting a contract) entered into by or on behalf of the Company, or any other company in which the Company may be interested, in which any Director is in any way directly or indirectly interested (whether through persons connected with him as defined in Section 346(2) of the 1985 Act, or otherwise) shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract, transaction or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established Provided that the nature of his interest (if not declared in accordance with the provisions of Article 119(c)) has been or is declared by him:
- (i) at the meeting of the Board at which the question of entering into that contract, transaction or arrangement is first taken into consideration; or
 - (ii) if the Director was not at the date of that meeting interested in the proposed contract, transaction or arrangement, at the next meeting of the Board after he became so interested; or

- (iii) if that contract, transaction or arrangement or proposed contract, transaction or arrangement is entered into or to be entered into not by the Company but by a company in which the Company is interested as to one per cent or more of the equity share capital of that company, at the next meeting of the Board after the Director became aware of his interest or the Company's interest in such contract, transaction or arrangement.

Restriction on voting - quorum - matters upon which a Director may vote

118. (a) Save as herein provided, a Director shall not at any meeting of the Board vote in respect of any contract, transaction or arrangement (whether or not constituting a contract) or any proposal whatsoever in which he has any material interest (whether direct or indirect or through persons connected with him as defined in Section 346(2) of the 1985 Act), otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present upon a motion in respect of any such contract, transaction, arrangement or proposal. Subject to his complying with the provisions of these Articles with respect to disclosure of any interest other than is mentioned below, these prohibitions shall not apply to:
- (i) any contract, transaction, arrangement or proposal by a Director to underwrite or sub-underwrite shares or debentures or other securities of the Company or of any of its subsidiaries or subsidiary undertakings; or
 - (ii) any contract, transaction, arrangement or proposal for giving any Director any security, guarantee or indemnity:
 - (aa) in respect of money lent by him to, or obligations incurred by him or by any other person at the request of or for the benefit of, the Company or any of its subsidiaries or subsidiary undertakings; or
 - (bb) in respect of any debt or obligation of the Company, or any of its subsidiaries or any of its subsidiary undertakings for which that Director himself has assumed personal liability in whole or in part under a guarantee or indemnity, or by providing or agreeing to provide security; or
 - (iii) any contract, transaction, arrangement or proposal concerning any other company in which that Director is interested directly or indirectly, whether through a connected person or otherwise and whether as an officer or shareholder or otherwise provided that he is not the holder of or beneficially interested in one per cent. or more of the issued equity share capital of such company or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for this purpose to be a material interest in all the circumstances) Provided that there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder and Provided further that there shall be disregarded any interests (including the Director's own interests) of which he is not aware; or

- (iv) any proposal concerning the adoption, modification, operation, suspension or cancellation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme under which the Director may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue; or
 - (v) any proposal concerning insurance cover maintained or to be purchased for the Directors in accordance with the provisions of Article 183; or
 - (vi) any arrangement for the benefit of employees of the Company or of any of its subsidiaries or subsidiary undertakings (including, but not limited to, an employees' share scheme) under which the Director benefits in a similar manner to such employees and does not afford to any Director as such any privilege or advantage not generally afforded to the employees to whom such arrangement relates.
- (b) For the purposes of this Article:
- (i) an interest of any person who is connected with a Director shall be taken to be the interest of that Director; and
 - (ii) in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate in addition to any interest which the alternate has otherwise.

Offices and employment - ruling on materiality - power of members to amend provisions of this Article - notice by a Director of his interest

119. (a) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting by reason of being the holder of or beneficially interested in one per cent or more of any class of the equity share capital of any company in which the Company is interested or of any third company through which his interest is derived or of the voting rights available to members of the relevant company) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (b) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall, in the case of any Director other than the chairman of the meeting, be referred to the chairman of the meeting and, in the case of the chairman of the meeting, to the remainder of the Board and the chairman's ruling (or the Board's ruling in the case of the chairman) in relation to any Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.
- (c) A general notice in writing given to the Board by any Director to the effect that:
- (i) he is a member of a specified company or firm and is to be regarded as interested in any contract, transaction, arrangement or any proposal which may, after the date of the notice, be made with that company or firm; or

- (ii) he is to be regarded as interested in any contract, transaction, arrangement or any proposal which may, after the date of the notice be made with a specified person who is connected with him; or
- (iii) he is to be regarded as having an interest of a nature and extent specified in the notice in any contract, transaction, arrangement or any proposal in which a specified person or class of persons is interested,

shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Board after it is given) be deemed to be a sufficient declaration of interest in relation to any such contract, transaction, arrangement or any proposal.

- (d) Any 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 for the purposes of these Articles.

F. POWERS, DUTIES AND PROCEEDINGS OF DIRECTORS

Board to manage the business of the Company

120. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised in general meeting, subject nevertheless to the provisions of the Statutes and of these Articles, and to such directions whether or not inconsistent with these Articles as may be prescribed by the Company by special resolution but no such direction and no alteration of these Articles shall invalidate any prior act of the Board which would have been valid if that direction or alteration had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

Powers of Directors holding executive office

121. The Board may entrust to and confer upon any Director appointed to the office of executive Director, or other executive office, any of the powers exercisable by them as a Board, other than the power to make calls or forfeit shares, upon such terms and conditions and with any 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 or vary all or any of such powers.

Appointment of attorneys, agents and registrar

122. (a) The Board may from time to time and at any time by power of attorney or otherwise appoint, whether in the United Kingdom or elsewhere, any corporation, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or agent of the Board or the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as they may think fit and any such power of attorney or appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney or agent as the Board may think fit and may also authorise any such attorney or agent to sub-delegate all or any of the powers, authorities or discretions vested in him. The Board may remove any person appointed under this Article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this Article shall be effective in relation to the

powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board. The Company may exercise powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Board.

- (b) The Board may appoint any company, person or firm to act as registrar of the Company's shares or debentures on such terms as the Board thinks fit, provided that if these are in issue any uncertificated shares such terms shall be consistent with the Regulations.

Overseas Branch Registers

- 123. The Company may exercise the powers conferred upon the Company by the Statutes with regard to the keeping of an Overseas Branch Register in any territory where the Company transacts business and the Board may (subject to the provisions of the Statutes) make and vary such regulations as it thinks fit respecting the keeping of such register.

Limit on borrowings

- 124. (a) The Directors may exercise all the powers of the Company to borrow or raise any sum or sums of money upon such terms as to interest; or otherwise as they may deem fit and for the purpose of securing the same and interest, or for any other purpose, create, issue, make and give respectively any perpetual or redeemable debentures or debenture stock, or any mortgage or charge on the undertaking of the whole or any part of the property, present or future, or the uncalled capital, of the Company, and any debenture, debenture stock, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- (b) The Board shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiaries and subsidiary undertakings so as to secure (as regards subsidiaries and subsidiary undertakings, so far as by such exercise they can secure) that, save with the previous sanction by an ordinary resolution of the Company, no moneys shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all moneys borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group) then exceeds or would as a result of the borrowing exceed thereafter, an amount equal to the Cash Resources plus twice the aggregate of:
 - (i) the amount paid up on the share capital of the Company; and
 - (ii) the total of the capital and revenue reserves of the Group, including any share premium account, capital redemption reserve and credit balance on the profit and loss account and all amounts attributable to the interests of minority and other shareholders in subsidiaries and subsidiary undertakings, but excluding sums set aside for taxation and deducting any debit balance on the profit and loss account; and
 - (iii) an amount equal to the total goodwill arising on acquisitions made after the date of the adoption of these Articles as is amortised after such date under the provisions of Financial Reporting Standard 10 or equivalent provisions under a future United Kingdom Accounting Standard

all as shown in the latest group accounts of the Company, but adjusted as may be necessary in accordance with paragraph (e) of this Article in respect of any variation in the Paid up share capital or reserves of the Company since the date of that balance sheet.

- (c) For the purposes of this Article, but without prejudice to the generality of the terms "borrowing" and "borrowed", moneys borrowed for the purpose of repaying the whole or any part of any moneys previously borrowed and then outstanding (including any premium payable on final repayment) and applied for that purpose within 6 months of the borrowing shall not, pending such application, be taken into account as moneys borrowed.
- (d) for the purposes of this Article the expression the "Cash Resources" means at any material time the aggregate amount of:-
 - (i) cash in hand and deposits with any bank or other person (not being a member of the Group), whether on current account or otherwise, which are repayable to the relevant members of the Group within 12 months or on or within 12 months of any demand (with or without any penalty, in the case of early termination of the deposit); and
 - (ii) the value of any bonds, certificates of deposit, commercial paper or other instruments which mature or are repayable within 12 months or which, in the opinion of the Directors (or any person designated by the Directors for this purpose), are capable of being sold for cash within such period;

and which, in each case, are beneficially owned by any member of the Group; Provided that:

- (aa) in the case of cash, deposits, bonds, certificates of deposit, commercial paper or other instruments which is or are beneficially owned by a subsidiary of the Company which is not wholly-owned by the Company, a proportion of the amount or value thereof equal to the proportion of the issued equity share capital of such subsidiary which is not attributable to the Company shall be excluded;
 - (bb) for this purpose, the value of any bond, certificate of deposit, commercial paper or other instrument shall be deemed to be such amount as the Directors (or any person designated by the Directors for this purpose) shall reasonably consider to be the amount which could be realised on its immediate sale on arm's length terms for cash; and
 - (iii) 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 moneys borrowed by the member of the Group issuing them.
- (e) For the purposes of this Article, adjustments shall be made to reflect any variation in the amount of such Paid up capital and capital and revenue reserves as specified in paragraph (b) which has occurred since the date of such group accounts (and for this purpose share capital allotted shall be treated as having been issued and any share capital already called up or payable at any future date within the following 12 months shall be treated as already Paid up). If the Company proposes to issue any shares for cash and the issue of such shares has been underwritten, then such shares shall be deemed to have been issued and the subscription moneys (including any premium)

payable in respect thereof within the following 12 months shall be deemed to have been Paid up.

- (f) When the aggregate amount of borrowings required to be taken into account for the purposes of this Article on any particular day is being ascertained, any of such moneys denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London PROVIDED that any of such moneys shall be converted at the rate of exchange prevailing in London 6 months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business).
- (g) Subject always to the provisions of the Statutes, no debt incurred or security given in respect of moneys borrowed or to be taken into account as moneys 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 has been exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether the borrowing limit has been observed.
- (h) For the purposes of this Article, "Group" shall be construed to refer to the Company, its subsidiaries and subsidiary undertakings and the reference to figures appearing in the "group accounts" shall be those figures as appearing in the Company's group accounts prepared in accordance with the Companies Act 1985 as amended and substituted by the Companies Act 1989.
- (i) A certificate or report by the auditors for the time being of the Company as to the amount of the limit on borrowings or the amount of any borrowings 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.

Power of Board to delegate the power to make calls

125. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate to the person in whose favour such mortgage or security is executed, or to any 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.

Signing of cheques and similar instruments

126. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

Company not to make loans, quasi-loans or enter into credit transactions with Directors or shadow directors or connected persons

127. Save as permitted by the Statutes, the Board shall not:

- (i) make a loan or a quasi-loan or enter into a credit transaction as a creditor for a Director (including a shadow director) of the Company or any person connected with a Director; or
- (ii) enter into any guarantee or provide security in connection with a loan or quasi-loan or credit transaction made by any person for such a Director or any person connected with a Director; or
- (iii) take part in any arrangement whereby another person enters into such a transaction in return for a benefit from the Company or any subsidiary of the Company; or
- (iv) arrange for the assignment to it of any rights, obligations or liabilities of any such loan or quasi-loan to a Director or person so connected with a Director.

For the purposes of this Article the expressions "quasi-loan", "credit transaction", "person connected with a Director" and "shadow director" shall have the meanings ascribed to them in Sections 331(3), 331(7), 346(2) and 741(2) respectively of the 1985 Act.

Director's places of profit in other companies

128. Any Director may continue to be or become a director (executive or non-executive), managing director, manager or other officer of, or employee or member of, or holder of any place of profit under, any other company which the Company may control or in which it may be interested, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or employee or member of, or holder of any place of profit under, any such other company. The Board may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by members of the Board as directors of such other company, in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing members of the Board or any of them to be directors, managing directors, managers or other officers or employees of, or holders of any places of profit under, such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers or employees of such company), and subject to Articles 117 and 118 any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or be about to be, appointed a director, managing director, manager or other officer or employee or member of, or the holder of any place of profit under, such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

Pension and superannuation funds - Employees' Share Schemes - charitable subscriptions

129. (a) The Board may:
- (i) establish and maintain or procure the establishment and maintenance of or otherwise contribute to any non-contributory or contributory pension or superannuation funds or arrangements share option or share incentive schemes profit-sharing schemes or trusts for the benefit of any Relevant Persons (as hereinafter defined):
 - (ii) give or procure the giving of donations, gratuities, pensions, allowances, disability benefits or emoluments to (or to any person in respect of) any Relevant Persons;

- (iii) establish and subsidise or subscribe to any institution, association, club or fund calculated to be for the benefit of or to advance the interests and well-being of the Company or any other Allied Company (as hereinafter defined) or any Relevant Persons;
 - (iv) make payments for or towards the insurance of any Relevant Person(s);
 - (v) subscribe or guarantee money for any charitable, benevolent or political purposes for any exhibition or for any public, general or other object which in the opinion of the Board is useful; or
 - (vi) do any of the aforementioned matters either alone or in conjunction with any Allied Company.
- (b) For the purpose of this Article 129:
- (i) "Allied Company" shall mean any company which is a subsidiary of the Company or any company which is associated with or controlled by the Company or any of its subsidiaries being a company where the Group beneficially owned at the relevant date at least 40 per cent of the equity share capital; and
 - (ii) "Relevant Person(s)" shall mean any person(s) who is/are or was/were at any time in the employment or service of the Company or an Allied Company and shall include any Director or other officer of the Company or an Allied Company who holds or held at any time any salaried employment or office with the Company or Allied Company or spouse or former spouse, relative or any dependants of any such person(s).
- (c) Any Director being a Relevant Person shall be entitled to participate in and retain for his own benefit any donation, gratuity, pension, allowance, disability benefit or emolument paid pursuant to this Article 129 subject always to the requirements of the Statutes. The receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

Power to make provision for employees

130. The Board is hereby authorised to sanction (by resolution of the Board) the exercise of any power conferred upon the Company by Section 719 of the 1985 Act.

Meetings of the Board - determination of questions - chairman's casting vote - convening of meetings

131. The Board may meet for the despatch of its business, adjourn and otherwise regulate meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting 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 the Director he is representing in addition to his own vote. Any Director may, and the Secretary on the requisition of any Director shall, at any time summon a meeting of the Board. It shall not be necessary to give notice of a meeting of the Board to any Director for the time being absent from the United Kingdom, but where such Director has appointed an alternate, due notice of such meeting shall be given to such alternate either personally or by sending the same by facsimile, telex or through the post addressed to him at the address in the United Kingdom given by him to the Company. Any

Director may prospectively or retrospectively waive the right to receive notice of any meeting of the Board or of any meeting of a committee of the Board.

Quorum

132. (a) Any person attending a meeting of the Board, or in communication by telephone with such a meeting, who is acting as an alternate director for one or more Directors shall be counted as one for each of the Directors for whom he is so acting and, if he is a Director, shall also be counted as a Director. The Directors may fix the quorum for meetings of the Board and unless so fixed the quorum shall be two individuals, whether both present at the meeting or in communication by telephone with each other.
- (b) For the purpose of determining whether a quorum exists, fixed by or in accordance with 132(a) as that necessary for the transaction of the business of the Board, the following shall be counted in the quorum:
- (i) in the case of a meeting of the Board, in addition to the Directors and alternate directors (if any) physically present at the meeting, any Director or alternate director in communication by telephone, audio-visual link or other satisfactory method of telecommunications with such meeting shall be counted in the quorum and shall be entitled to vote;
 - (ii) in the case of a written resolution agreed by the the Directors (or their alternates) by exchange of facsimile transmission or other satisfactory method of communication who would (if attending a meeting) comprise a quorum, any such resolution shall be valid and effective as is passed at a meeting of the Board duly convened and held.
- (c) In the case of a meeting at which one or more Directors are in communication by telephone, audio-visual link or other satisfactory method of telecommunications with one another, such meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

Restricted power of Directors to act if number falls below prescribed minimum

133. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number of Directors fixed by or in accordance with these Articles, or fixed as the quorum necessary for the transaction of the business of the Board, the continuing Directors or Director may act for the purpose of filling up vacancies in their body or of summoning general meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

Chairman of the Board

134. The Directors (if they think fit) may from time to time elect and remove a chairman of their meetings and, if desired elect a senior vice chairman and/or a vice chairman of their meetings and determine the period for which they are respectively to hold office. The chairman or in his absence the senior vice chairman or vice chairman shall preside at all meetings of the Board, but if there be no chairman or senior vice chairman or vice chairman or if at any meeting neither the chairman nor the senior vice chairman or vice chairman be present and

willing to act within 15 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

Validity of written resolution of Directors

135. A resolution in writing signed by all the Directors for the time being in the United Kingdom, if constituting the whole or a majority of the Board, shall be as effective as a resolution passed at a meeting of the Board duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors concerned. The signature of a person for the time being appointed as alternate for any Director who has not signed shall be deemed for the purposes of this Article to be the signature of the Director who appointed him. Provided that at the date of such signature by any alternate Director, the Director who had appointed him is not in the United Kingdom. A resolution executed by an alternate need not also be executed by his appointor and, if it is executed by a Director who has appointed an alternate, it need not also be executed by the alternate in that capacity. For the purposes of this Article, any signature may be affixed to a facsimile copy of the resolution and any signed resolution shall be valid if the Company receives the original or a copy by facsimile.

Powers of a quorum of the Board

136. A meeting of the Board for the time being at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Board.

Delegation of powers to a Director

137. The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restriction as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

Committees and local boards

138. The Board may make any arrangement it thinks fit for the management and transactions of the affairs of the Company, either in the United Kingdom or elsewhere, including the establishing of any committees or local boards for that purpose and may appoint any persons to be members of such committees or local boards and may fix their remuneration and may delegate with power to sub-delegate, to any committee or local board, any of the powers, authorities and discretions vested in the Board except the power to make calls, forfeit shares or borrow money, and may authorise the members of any committee or local board, to fill any vacancies therein, and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

Proceedings of a committee of the Board

139. The meetings and proceedings of any committee/or local board appointed pursuant to the provisions of Article 138 of these Articles consisting of two or more members of the Board shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations made by the Board under Article 138 of these Articles.

Validity of acts of the Board or of a committee of the Board

140. All acts done bona fide by any meeting of the Board, or of a committee of the Board or a local board, or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any person acting as aforesaid, or that they or 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.

Minutes

141. (a) The Board shall cause minutes to be made:
- (i) of all appointments of officers made by the Board; and
 - (ii) of the names of the Directors (and any alternate directors) present at each meeting of the Board and of any local board or committee of the Board; and
 - (iii) of all resolutions and proceedings at all meetings of the Company, of the holders of any class of shares in the Company, of the Board and of any local boards and committees of the Board.

Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings.

- (b) Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them otherwise than in a legible form including the use of computer storage facilities so long as the recording is capable of being reproduced in a legible form. In any case in which bound books are not used, the Board shall take adequate precautions for guarding against falsification and for facilitating its discovery.

Statutory Registers

142. The Company shall keep and make available for inspection as required by the Statutes copies or memoranda of the service contracts of Directors (including shadow directors as defined in Section 741(2) of the 1985 Act), a register of Directors' interests in shares or debentures of the Company and all other registers which the Company is required by the Statutes to keep and to make available for inspection and such contracts, memoranda and registers shall be kept at the Office (or, as permitted by the Statutes, at any other place or places specified by the Directors, notice of which has been given to the Registrar of Companies) in the form required or permitted by the Statutes and each such document or register shall be open to the inspection of any member or holder of debentures of the Company or of any person acting on behalf of the Department of Trade and Industry between the hours of 10 a.m. and noon on each day during which the same is bound to be open for inspection pursuant to the Statutes. The said documents and registers shall (if required by the Statutes) also be produced at the commencement of each annual general meeting and shall remain open and accessible during the continuance of the meeting to any person entitled to attend the meeting.

Appointment of and acts of the Secretary

143. (a) The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board, but without prejudice to any claim which such Secretary may have against the Company.
- (b) No person shall be appointed to the office of Secretary after the date of the adoption of these Articles unless he is duly qualified in accordance with the provisions of Section 286 of the 1985 Act.
- (c) The Board may, at any time and from time to time, appoint one or more persons to be deputy and/or assistant secretary and anything required or authorised to be done by or to the Secretary may be done by or to any deputy and/or assistant secretary so appointed; and any deputy and/or assistant secretary may be removed by the Board.

Custody and use of the Seal

144. (a) The Board shall provide for the safe custody of any Seal, Securities Seal and other official seal and, subject to Articles 13 and 15, no such seal shall be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by the Board in that behalf. The Board may determine whether or not any instrument to which the Seal or Securities Seal or any other official seal is affixed shall be signed; but, if it is to be signed, at least one Director and such other person as the Board may appoint for the purpose shall sign every instrument to which such seal shall be so affixed and in favour of any purchaser or person bona fide dealing with the Company such signatures, or a certified copy of the Board resolution resolving that such instrument to which such seal has been affixed need not be so signed, shall be conclusive evidence of the fact that such seal has been properly affixed. Subject as aforesaid, the Board may from time to time make such regulations as it sees fit (subject to the provisions of Article 13 in relation to warrants, Article 15 in relation to share certificates and Article 20 in relation to certificates of debenture stock or loan capital or any other securities comprising the share or loan capital of the Company) determining the persons and the number of such persons in whose presence the Seal, Securities Seal or other official seal shall be used, and until otherwise so determined such seal shall be affixed in the presence of one Director and the Secretary or of two Directors.
- (b) To the extent permitted by law, a document which is signed by a Director and the Secretary, or by two Directors, and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were under seal and a document so executed which:
- (i) is intended by the person or persons making it to be a deed; and
 - (ii) makes that fact clear on the face of such document (in whatever form of words)

shall have effect, upon delivery, as a deed; and it shall be presumed, unless a contrary intention is proved, to be delivered upon its being so executed.

Securities Seal and official seal for use overseas

145. The Company may have a Securities Seal and one or more official seals for use overseas under the provisions of the Statutes, where and as the Board shall determine. The Company

may by writing under the Seal appoint any agent or committee to be the duly authorised agent of the Company for the purpose of affixing and using abroad any such official seal and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

Authentication of documents by Directors, the Secretary or any other person appointed by the Board

146. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board or any committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Board or any committee of the Board which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minute or extract is a true and accurate record of proceedings at a duly constituted meeting.

V. DIVIDENDS AND DISTRIBUTIONS

Distribution of profits

147. The Company may by ordinary resolution declare dividends (including foreign income dividends) and such dividends shall be paid to the members in accordance with their respective rights Provided that:
- (i) no such dividend shall exceed the amount recommended by the Board;
 - (ii) no dividend or other distribution (as defined in Section 263(2) of the 1985 Act) shall be made save out of profits available for the purpose (as defined in Section 263(3) of the 1985 Act);
 - (iii) a dividend or other distribution (as so defined) shall only be declared or made if at that time the Company's net assets (as defined in Section 264(2) of the 1985 Act) are not less than the aggregate of the Company's called up share capital and its undistributable reserves (as defined in Section 264(3) of the 1985 Act);
 - (iv) in respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other moneys by means of the Relevant System (subject always to the facilities and requirements of that Relevant System); and
 - (v) generally no dividend or other distribution (as so defined) shall be declared or made otherwise than in accordance with the provisions of the Statutes as they from time to time apply to the Company.

Dividends only payable on paid up and called-up capital

148. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts Paid up on the shares in respect whereof the dividend is paid, but no amount Paid up on a share in advance of call shall be treated for the purposes of this Article as Paid up on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms that it shall rank for dividends as if paid up (in whole or in part) as from a particular date, such share shall rank for dividends accordingly.

Deduction from dividends of unpaid calls

149. The Board may deduct from any dividends or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

Interim dividends

150. Subject to the provisions contained in Articles 147 and 148 and to the provisions of the Statutes, the Board may:
- (a) from time to time resolve to pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company;
 - (b) pay half yearly or at other suitable intervals to be settled by the Board any dividend expressed to be payable at a fixed rate if it is of the opinion that the profits of the Company justify the payment;
 - (c) if at any time the share capital of the Company is divided into different classes, declare and pay interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividends; 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;

and Provided that the Board acts bona fide the Directors shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares in the capital of the Company having deferred or non-preferred rights.

Record dates for dividend payments and capitalisation distributions

151. Any resolution resolving to pay a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, or at a particular time in the case of shares in uncertificated form, (insofar as permitted by the Relevant System and the Regulations) (or such other time as the Directors may determine), notwithstanding that it may be a date or time prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to capitalisation issues to be effected pursuant to Article 160.

Company may retain unclaimed dividends

152. The payment by the Board of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All unclaimed dividends or other moneys payable on or in respect of a share may be invested or otherwise made use of by the Board for the benefit of the Company until claimed; but so that any such dividend unclaimed after a period of 12 years from the date such dividend became payable shall be forfeited and shall revert to the Company. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company unless otherwise provided in the rights of the share.

Dividend warrants

153. (a) Any dividend or other moneys payable on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, and in the case of joint holders to the registered address of the joint holder who is first named on the Register, or to such person and such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and crossed "a/c Payee" or of such other person as the holder or joint holders may in writing direct.
- (b) In respect of shares in uncertificated form, every such payment made by any method referred to in this Article 153 shall be made in such manner as may be consistent with the facilities and requirements of the Relevant System. Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the Relevant System to credit the Cash Memorandum Account of the holder or joint holders, or of such person as the holder or joint holders may in writing direct. Any such dividend or other money may also be paid by any other usual or common banking method (including, without limitation, direct credit, bank transfer and electronic funds transfer) and to or through such person or such persons as the holder or the first named of joint holders on the Register may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions.
- (c) Payment of the cheque or warrant, if purporting to be duly endorsed, or where unendorsed appearing to have been duly paid by the banker on whom it is drawn, or the collection of funds from or transfer of funds by a bank in accordance with such direct credit, bank transfer or electronic funds transfer, or, in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the Relevant System, shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Company not obliged to send dividend warrants to untraceable shareholders

154. (a) Without prejudice to the Company's rights under Articles 149 and 152, if on two consecutive occasions (or following only one occasion, when reasonable enquiries have failed to establish a new address for the registered shareholder) cheques or warrants in payment of dividends or other moneys payable on or in respect of any share have been sent through the post in accordance with the provisions of these Articles but have been returned undelivered or left uncashed during the periods for which the same are valid, the Company need not thereafter despatch further cheques or warrants in payment of dividends or other moneys payable on or in respect of the share in question until the holder or the first named of joint holders on the Register or other person entitled thereto shall have communicated with the Company and supplied to the Company, by notice in writing signed by such holder or other person, an address for the purpose.
- (b) The Board may exercise the powers of the Company conferred by the preceding sub-paragraph of this Article in respect of any dividend or other such payment falling due to be paid one month after notice has been served on the relevant member by recorded delivery post of the Company's intention to exercise such powers.
- (c) All moneys represented by warrants or cheques not despatched by the Company under the provisions of sub-paragraph (a) of this Article shall be deemed to be unclaimed dividends or moneys and the provisions of Article 152 shall apply thereto.

Any joint holder may give receipt for a dividend

155. If several persons are registered as joint holders of a share or are entitled thereto in consequence of the death, bankruptcy or mental disorder of the registered holder or by operation of law or any other event, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

Payment of dividend in specie

156. A general meeting declaring a dividend may, upon the recommendation of the Board, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Board shall give effect to such resolution; and where any difficulty arises in regard to the distribution it may settle the same as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any members upon the footing of the values so fixed, in order to adjust the rights of members, and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Board, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part thereof, and otherwise as it thinks fit.

Scrip dividends

157. The Board may, with the sanction of an ordinary resolution of the Company, and subject to there being available sufficient unissued ordinary shares taking into account other relevant circumstances, offer to the holders of ordinary shares the right to elect to receive an allotment of additional ordinary shares, credited as fully paid, in whole or in part, instead of cash in respect of any dividend which is specified in the applicable resolution or such part of such dividend as the Board may determine. The following provisions shall have effect:

- (a) any such ordinary resolution may specify a particular dividend or may specify all or any dividends falling to be declared or paid during a specified period, being a period expiring not later than five years after the date of the meeting at which the resolution is passed;
- (b) the basis of allotment shall be determined by the Board so that, as nearly as may be considered convenient, the value (calculated by reference to the average quotation) of the additional ordinary shares (including any fractional entitlement) to be allotted instead of any cash amount of dividend shall not be less than and may (with the sanction of a special resolution) exceed such cash amount. For such purpose the "average quotation" of an ordinary share shall be the average of the middle market quotations (less the relevant dividend unless the ordinary shares are already quoted ex such dividend) on the London Stock Exchange (derived from the Daily Official List of the London Stock Exchange or any similar publication) on at least five consecutive dealing days selected by the Board, but commencing no earlier than the day upon which the proposed relevant dividend is announced by the Board;
- (c) the Board shall give notice in writing to the holders of the ordinary shares of the rights of election offered to them and shall send with or following such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
- (d) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be paid in cash on ordinary shares in respect of which the said election has been duly exercised (the "elected ordinary shares") and on and with effect from the due date of payment of the dividend (or part thereof) in respect of which a right of election has been offered or such earlier date (after the election) as the Board may determine, additional ordinary shares shall be allotted instead of payment of cash to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose the Board shall capitalise, out of such of the sums standing to the credit of reserves (including any share premium account and capital redemption reserve) or profit and loss account as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares for allotment and distribution to and amongst the holders of elected ordinary shares on such basis;
- (e) the additional ordinary shares so allotted shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue save only as regards participation in the relevant cash dividend (or share election instead thereof);
- (f) the Board may do all acts and things which it considers necessary or expedient to give effect to any such offer and capitalisation, with power to make such provisions as it thinks fit for dealing with shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or carried forward or the benefit of fractional entitlements accrues to the Company or to one or more charities nominated by it rather than to the members concerned). The Board may authorise any person on behalf of all the members concerned to enter into an agreement with the Company providing for such capitalisation and matters incidental thereto and an agreement made under such authority shall be effective and binding on all persons concerned;
- (g) notwithstanding anything to the contrary in this Article, the Board may make such exclusions from any offer of rights of election to holders of ordinary shares as it may think fit in the light of any legal or practical problems under or expense incurred in

connection with the requirements of the laws of, or the requirements of any regulatory or stock exchange authority in, any territory;

- (h) the Board may determine to treat as valid for the purposes of this Article any mandate in force to receive on a regular basis (and not in relation to a single dividend only) ordinary shares instead of receiving payment of cash dividends and such mandate shall, if so determined by the Board, entitle the relevant holders of ordinary shares to an allotment of new ordinary shares pursuant to this Article; and
- (i) the Board may (if it considers it necessary or desirable for any reason to do so) at any time and from time to time prior to payment of any dividend, disregard any election or mandate received in connection with this Article and pay the relevant dividend or dividends in cash.

VI. RESERVES

Board may carry profits to reserve - investment of reserves - carry forward of profits

158. The Board may, before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.

Depletion of assets

159. If at any time the net assets of the Company (as defined in Section 264(2) of the 1985 Act) are half or less of the amount of the Company's called-up share capital, the Board shall, not later than 28 days from the earliest day on which that fact is known to any Director, duly convene an extraordinary general meeting of the Company for a date not later than 56 days from that day for the purpose of considering whether any, and if so what, measures should be taken to deal with the situation.

VII. CAPITALISATION OF PROFITS

Capitalisation issues

160. (a) The Company in general meeting may upon the recommendation of the Board at any time and from time to time and subject as hereinafter provided, by ordinary resolution:
- (i) resolve to capitalise any undistributed profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or any sum carried to reserve as a result of the sale or revaluation of the assets of the Company (other than goodwill) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (ii) appropriate the profits or sum resolved to be capitalised to the members in proportion to the amounts paid up or credited as paid up on the ordinary

shares held by them respectively, whether or not fully paid, and apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, and allot and distribute such shares or debentures credited as fully paid up, to and amongst such members, or as they may direct, in the proportion aforesaid, or partly in one way and partly in the other Provided that the share premium account and the capital redemption reserve and any such profits which are not available for distribution may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members credited as fully paid up;

- (iii) resolve that any shares allotted under this Article to any member in respect of a holding by him of any partly paid ordinary shares shall, so long as such ordinary shares remain partly paid, rank for dividends only to the extent that such partly paid ordinary shares rank for dividend.
- (b) This Article is subject to the Regulations in the case of shares and debentures in uncertificated form and to any special conditions which may be attached to any shares and debentures hereafter issued, or upon which any shares may for the time being be held.

Board to effect capitalisations

161. Whenever a resolution is passed in pursuance of Article 160 the Board shall either:

- (a) allot unissued shares or debentures of the Company, as the case may be, to the amount authorised by the resolution credited as fully paid up amongst the holders of the shares entitled to participate therein as nearly as may be in proportion to the number of such last-mentioned shares held by them respectively with full power to the Board to make such provisions by the issue of fractional certificates, in the case of shares or debentures in certificated form and subject as set out below, or otherwise as it thinks fit, for the case of fractions, and prior to such allotment the Board may, if thought fit, authorise any person to enter on behalf of all the members to be entitled to the said shares or debentures of the Company into an agreement with the Company providing for the allotment to them in the proportion aforesaid credited as fully paid up of the shares or debentures authorised by the resolution to be distributed amongst them, and any agreement made under such authority shall be effective and binding on all the holders of the said shares or debentures of the Company for the time being; and the Board shall have power generally to do all acts and things required to give effect to such resolutions as aforesaid. Whenever on any issue of shares or debentures of the Company in pursuance of Article 160 of these Articles the value of a fractional entitlement thereof shall be less than the Minimum Amount in respect of any member, the proceeds of sale (after the deduction of the proper expenses of such sale) of each and every such fractional entitlement amounting to less than the Minimum Amount as shall belong to and be vested in the Company. For the purpose of giving effect to any such sale, the Board may convert such securities which are in certificated form into securities which are in uncertificated form and vice versa and, in respect of securities which are in certificated form, may authorise some person to execute an instrument of transfer of the securities sold to the purchaser thereof and the purchaser shall be registered as the holder of the securities comprised in any such transfer or, in respect of shares in uncertificated form, make other arrangements consistent with the facilities and requirements of the Relevant System for their transfer to, or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the

application of the purchase moneys nor shall his title to the said securities be affected by any irregularity or invalidity in the proceedings relating to the sale; and/or

- (b) (if the resolution so specifies) apply such profits or sum on behalf of the members entitled thereto in paying up the amounts, if any, unpaid on any shares or debentures of the Company held by such members.

VIII. ACCOUNTS AND AUDIT

Keeping of accounts and retention of accounting records

162. The Board shall cause to be kept proper accounts and accounting records in accordance with the requirements of the Statutes and in particular with respect to:
- (i) all sums of money received and expended by the Company from day to day and the matters in respect of which the receipt and expenditure take place; and
 - (ii) all sales and purchases of goods and services by the Company; and
 - (iii) the assets and liabilities of the Company; and
 - (iv) all statements of stocktakings whenever made.

Location of accounting records

163. The accounting records shall be kept at the Office, or (subject to the provisions of the Statutes) at such other place as the Board thinks fit, and shall always be open to inspection by the Directors and any other officers of the Company. No member (other than an officer of the Company) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Board or by the Company in general meeting.

Accounts to be laid before general meetings

164. The Directors shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, Group accounts (if any) and reports as are specified in the Statutes.

Auditors' report

165. The auditors' report shall be read before the Company in general meeting and shall be open to inspection as required by the Statutes.

Reports and accounts to be delivered to members, debenture holders and auditors - summary financial statements

166. (a) Save as provided in (b) below, a printed copy of the Directors' and auditors' reports accompanied by printed copies of the balance sheet, profit and loss account and other documents required by the Statutes to be annexed to the balance sheet shall, not less than 21 clear days previous to the annual general meeting, be delivered or sent by post to the registered address of every member and holder of debentures of the Company and to the auditors and to every other person, if any, who is entitled by these Articles or the Statutes to receive copies of such documents and/or notices of meetings from the Company. For as long as all or any of the shares or securities comprising the

share or loan capital of the Company are listed on the London Stock Exchange (or on any other stock exchange in the United Kingdom or elsewhere), the required number of copies of each of these documents shall at the same time be forwarded to the appropriate officer of such stock exchange. An accidental non-compliance with the provisions of this Article shall not invalidate the proceedings at the meeting.

- (b) The Company may, insofar as is permitted by the Statutes and without prejudice to the right of any member who wishes to receive the Statutory Accounts to require the Statutory Accounts to be sent to him, send to members summary financial statements which comply with the provisions of the Statutes ("Summary Financial Statements") in lieu of the Statutory Accounts, such Summary Financial Statements to be sent not less than 21 clear days prior to the annual or other general meeting at which the Statutory Accounts of which the Summary Financial Statements are a summary are to be laid as provided in paragraph (a) of this Article. During the period of a listing as stated in paragraph (a) of this article, there shall be forwarded to the London Stock Exchange (as provided above) such number of copies of any Summary Financial Statements as may for the time being be required under its regulations or practice.

Cases in which reports and accounts need not be delivered

- 167. The last preceding Article shall not require a copy of the documents described therein to be sent to more than one of any joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures or person entitled by the Statutes or these Articles to receive a copy of these documents to whom a copy has not been sent shall be entitled to receive a copy free of charge on application at the Office.

Appointment of auditors

- 168. Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Statutes.

Accounts to be audited annually

- 169. Once at least in every year the accounts of the Company shall be examined and the balance sheet, profit and loss account and the Group accounts if any, reported upon by an auditor or auditors.

Validity of acts of auditors

- 170. Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

Right of auditors to receive notice of and attend and speak at general meetings

- 171. The auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive, and to be heard at any general meeting on any part of the business of the meeting which concerns him as auditor.

IX. NOTICES

Service of notices

172. Any notice or document (including a share certificate) may be served by the Company on any member either personally or by sending it through the post in a prepaid cover addressed to such member at his address as appearing in the Register at any time not more than 15 days before the date of posting or such other address as he may from time to time notify in writing signed by him to the Company as his address for service.

Persons becoming entitled to shares to be bound by notices

173. Every person who by operation of law transfer or other means whatsoever shall become entitled to any shares shall be bound by any notice given by the Company (other than a Section 212 Notice) in respect of such share which, before his name and address are entered in the Register, shall have been duly given to the person from whom he derives his title to such share.

Notice to joint holders

174. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

Members registered outside the United Kingdom entitled to give an address for service in the United Kingdom

175. Any member described in the Register by an address not within the United Kingdom who shall from time to time give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but, save as aforesaid, no member other than a member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.

Member present at general meeting deemed to have received notice

176. Any member present, either personally or by proxy or being a corporation present by way of a duly authorised representative appointed pursuant to the Statutes or Article 95 at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

Advertisement of notice

177. Any notice required to be given by the Company to the members or any of them, and not provided for by or pursuant to these Articles shall be sufficiently given if given by advertisement which shall be inserted once in at least one national newspaper published in the United Kingdom.

When service effected

178. Any notice or other document, if served by post, shall be deemed to have been served or delivered at the expiration of 24 hours (or where second-class mail is employed, 48 hours) after the cover containing the same is posted and in proving such service it shall be sufficient to prove that the cover containing the notice or document was properly addressed and duly posted. A notice to be given by advertisement shall be deemed to have been served at noon

on the day on which the advertisement appears. A notice given by hand shall be deemed to have been given at the time of delivery.

Service of notice on or delivery of document to deceased or bankrupt member

179. Any notice or document sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead, bankrupt, of unsound mind or (being a corporation) in liquidation, and whether or not the Company has notice of the death, bankruptcy, insanity or liquidation of such member, be deemed to have been duly given or served in respect of any share registered in the name of such member as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the Register as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

Convening of meetings by advertisement

180. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable to send notices through the post to addresses in the United Kingdom as the case may be and is thereby prevented from effectively convening a general meeting by post, a general meeting may be convened by a notice advertised in at least one national daily newspaper published in the United Kingdom and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least 4 days prior to the day of the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

X. WINDING-UP

Distribution of assets in specie

181. In the winding-up (whether the liquidation is voluntary or by the court) of the Company the liquidator may, with the authority of an extraordinary resolution and any other sanction required by the Statutes, divide among the members in specie the whole or any part of the assets of the Company, whether or not the assets shall consist of property of one kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares in respect of which there is a liability.

Sale by a liquidator

182. In the case of a sale by the liquidator of the Company under Section 110 of the Insolvency Act 1986, the liquidator may by contract of sale agree so as to bind all the members for the allotment to the members direct of the proceeds of sale in proportion to their respective interests in the Company, and may further by such contract limit a time at the expiration of which obligations or shares not accepted shall be deemed to have been irrevocably refused and be at the disposal of the Company. The power of sale of a liquidator shall include a power to sell wholly or partly in exchange for the debentures or other obligations of another company, either then already constituted, or about to be constituted for the purpose of carrying out the sale.

XI. INDEMNITIES

Indemnity to Directors and other officers

183. (a) Subject to the provisions of and so far as may be permitted by law every Director, Secretary or other officer of the Company may if the Board so resolve be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any civil or criminal proceedings, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted, or in connection with any application under any statute full relief from liability in respect of any such act or omission in which relief is granted to him by the courts.
- (b) Without prejudice to the provisions of sub-paragraph (a) above and to the extent permitted by law, the Directors shall have power to purchase and/or maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any company which is a subsidiary or in any way allied to or associated with the Company or any such subsidiary or of any predecessors of the business of the Company or any such company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company or pension fund.

Security for personal liability in relation to sums primarily due by the Company

184. If any Director or other person shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable as aforesaid from any loss in respect of such liability.

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