

Company No: 4068812

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

INEOS CHLOR LIMITED



The following written resolutions of the Company were passed pursuant to Section 381A Companies Act 1985 (as amended by the Companies Act 1989) on 8 January 2001.

(a) THAT:

- (i) 97,900 of the unissued Ordinary Shares of £1 each in the capital of the Company be redesignated as "A" Ordinary Shares of £1 each;
- (ii) the two issued Ordinary shares of £1 each in the capital of the Company and 98 of the unissued Ordinary Shares of £1 each in the capital of the Company be redesignated as "A" Convertible Ordinary Shares of £1 each;
- (iii) 1,000 of the unissued Ordinary Shares of £1 each in the capital of the Company be redesignated as "B" Convertible Deferred Shares of £1 each; and
- (iv) the remaining 1,000 unissued Ordinary Shares of £1 each in the capital of the Company be redesignated as Non Convertible Deferred Shares of £1 each.

(b) THAT:

- (i) the directors be and they are hereby generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to allot relevant securities (as defined in

that Act) up to a maximum amount of £1,098 (subject to this figure not exceeding the amount of the authorised share capital of the Company remaining unissued at the relevant time) to such persons at such times and upon such conditions as the directors may determine (subject to the Articles of Association of the Company adopted by resolution (c) below). The authority hereby conferred shall be for a period expiring at the end of five years from the date of the passing of this Resolution unless previously renewed, varied or revoked by the Company in general meeting, this authority being in substitution of any part of pre-existing authorisation not already exercised, and

- (ii) the directors may at any time prior to the expiration of the authority under (b) (i) above make an offer or agreement which would or might require relevant securities as aforesaid to be allotted pursuant thereto after the expiration of such authority.
- (c) THAT the Articles of Association in the form of the draft attached to this resolution and signed by the Secretary for purposes of identification be and they are hereby adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.
- (d) THAT the provisions of Article 38 of the new Articles of Association of the Company shall not apply to the allotment of 97 A Convertible Ordinary Shares and 1,000 B Convertible Deferred Shares to ICI Chemicals & Polymers Limited and the allotment of one A Convertible Ordinary Share to Ineos Chlor Holdings Limited provided that this authority shall expire on the date three months after the passing of this resolution.

For and on behalf of
MAWLAW SECRETARIES LTD


Secretary

THE COMPANIES ACTS 1985 AND 1989

A PRIVATE COMPANY LIMITED BY SHARES

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JOHN REECE

ARTICLES OF ASSOCIATION

OF

INEOS CHLOR LIMITED
(formerly Mawlaw 519 Limited)

(Adopted by Special Resolution passed on 8 January 2001)

PRELIMINARY

1.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended prior to the adoption of these Articles (Table A) do not apply to the Company.

1.2 In these Articles:

the Act means the Companies Act 1985 and any re-enactment or amendments thereto;

A Convertible Ordinary Shares means the A Convertible Ordinary Shares of £1 each having the rights and privileges set out herein;

A Ordinary Shares means the A Ordinary Shares of £1 each having the rights and privileges set out herein;

Articles means the articles of the Company;

B Convertible Deferred Shares means the B Convertible Deferred Shares of £1 each having the rights and privileges set out herein;

Board means the board of directors of the Company from time to time;

Business means the Cormorant Business purchased by the Company pursuant to a Sale and Purchase Agreement dated 5 December 2000 between ICI PLC, Ineos, the Company, Totalalpha Limited and Valueclip Limited and more particularly described therein;

Business Day means a day (not being Saturday or Sunday) when banks generally are open in the City of London for the transaction of general banking business;

Chairman means the Chairman of the Board from time to time;

Change of Control means, with respect to any company, a change in the control of such company as the expression "control" is defined in Section 840 ICTA;

Companies Acts means the Act and the Companies Act 1989 and any re-enactment or amendments thereto;

Connected Person has the meaning ascribed to it in Section 839 ICTA;

Deferred Shares means the B Convertible Deferred Shares and the Non-Convertible Deferred Shares;

Director means a director of the Company for the time being;

8% Annual Loan (PIK) Notes means the 8% annual loan (PIK) notes issued by the Company pursuant to the Loan Note Instrument;

executed includes any mode of execution;

Executive Director means a director of the Company who is a full time employee of the Company or of one of its subsidiaries;

Fair Market Value shall be determined in accordance with Article 54;

Final Redemption Date means 31 December 2010;

Greater Ineos Group means Ineos, any company under common control (as such expression is defined in Section 840 ICTA) with Ineos and their respective Subsidiaries;

holder in relation to Shares means the Member whose name is entered in the register of members as the holder of the Shares.

ICI means ICI Chemicals & Polymers Limited, ICI PLC or such other subsidiary of ICI PLC which holds the Shares originally issued to ICI Chemicals & Polymers Limited;

ICI Conversion Date means the date on which ICI notifies the Company of the circumstances set out in clause 14.1 of the Shareholders Agreement;

ICI Director means the non-executive director to be appointed pursuant to Article 102;

ICI Group means ICI PLC and any wholly owned subsidiary of ICI PLC from time to time;

ICI Put Option means the ICI put option over Shares and Warrants held by ICI granted by and exercisable in accordance with the Shareholders Agreement;

ICI PLC means Imperial Chemical Industries PLC, a company incorporated in England and Wales with registered number 218019 and whose registered office is at Imperial Chemical House, Millbank, London SW1P 3JF;

ICTA means the Income and Corporation Taxes Act 1988;

Ineos means Ineos Chlor Holdings Limited (previously named Webrate Limited), a company incorporated in England and Wales with registered number 3965021 and whose registered office is at 1st Floor, Queens Gate, Southampton, Hampshire SO14 3BP or such other member of the Greater Ineos Group which holds the Shares originally issued to Ineos Chlor Holdings;

Ineos Call Option means the Ineos call option over Shares and Warrants held by ICI granted by and exercisable in accordance with the Shareholders Agreement;

Ineos Change of Control means either:

- (a) a sale, disposition or transfer of shares in the capital of Ineos resulting directly in a Change of Control of Ineos; or
- (b) the sale, disposition or transfer to any person (other than any one or more of Mr Ratcliffe's Transferees) of one third or more of the shares in the capital of Ineos held from time to time by Mr Ratcliffe and Mr Ratcliffe's Transferees;

Ineos Conversion Date means the date on which Ineos notifies the Company of the circumstances set out in 14.2 of the Shareholders Agreement;

Ineos Directors means the Executive Directors to be appointed pursuant to Article 104;

Ineos Representative means Mr James Ratcliffe or such other replacement person nominated by Ineos from time to time and whose nomination is communicated in writing to ICI;

Initial Period means the period expiring on the later of:

- (a) the day on which the 8% Annual Loan (PIK) Notes have been fully redeemed and/or cancelled in accordance with the terms of the Loan Note Instrument (or 31 December 2010, if earlier);
- (b) the day on which all indebtedness owed by the Company under the Revolving Loan Facility has been repaid and cancelled; and
- (c) 9 January 2006 ;

Loan Note Instrument means the instrument dated 9 January 2001 pursuant to which the 8% Annual (PIK) Notes and the Warrants are created and issued;

Member means any holder for the time being of Shares whose name is registered in the Register of Members of the Company;

Mr Ratcliffe's Transferees means Mr Ratcliffe's parents, spouse, children, parents' direct descendants (or spouse of any such descendant) or any trust or other vehicle for all or any of their exclusive benefit;

Non-Convertible Deferred Shares means the Non-Convertible Deferred Shares of £1 each having the rights and privileges set out herein and in particular in Articles 5 to 7;

office means the registered office of the Company;

Ordinary Shares means the A Ordinary Shares and the A Convertible Ordinary Shares;

Ordinary Shareholders means the holders for the time being of Ordinary Shares in the capital of the Company;

Permitted Transferee means in relation to Ineos:

- (a) any employee or consultant of Ineos, the Company or its Subsidiaries;
- (b) the wife, husband or children of any person falling within sub-clause (a) of this definition;
- (c) the trustees of a trust for the benefit of any person referred to in sub-clauses (a) and (b) of this definition,

and in relation to ICI, any member of the ICI Group;

Relevant Period means the period expiring on the earlier of (i) the termination of the Initial Period and (ii) 9 January 2008;

Revolving Loan Facility means the loan facility of up to £100 million to be made available by ICI PLC to the Company;

Seal means the common seal of the Company;

Secretary means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

Shares means any Share in the capital of the Company from time to time;

Shareholders means the holders for the time being of Shares;

Shareholders Agreement means an agreement dated 9 January 2001 and made between (1) ICI Chemicals & Polymers Limited, (2) Webrate Limited and (3) the Company;

Subsidiaries means the subsidiaries of the Company from time to time (as defined in Section 736 of the Act);

United Kingdom means Great Britain and Northern Ireland; and

Warrants means the share warrants exercisable over Shares to be issued to a member or members of the ICI Group by the Company in accordance with the Loan Note Instrument.

2. In these Articles:

- (a) words importing the singular number also include the plural number and vice versa;
- (b) words using the masculine gender also include the feminine gender;
- (c) references to persons shall include bodies corporate, unincorporated associations and partnerships;
- (d) words and expressions defined elsewhere in these Articles shall bear the meaning thereby ascribed to them;
- (e) words and expressions defined in the Act shall, unless the context otherwise requires, have the same meaning in these Articles;
- (f) reference to any act or section or part of or schedule to any act shall include any act or provisions amending or replacing the same; and
- (g) references to a Share being fully paid are to a Share being fully paid as to its nominal value and any premium payable on such Share as a term of issue.

SHARE CAPITAL

3. The authorised share capital of the Company at the date of adoption of these Articles is £100,000 divided into

- (a) 97,900 "A" Ordinary Shares;
- (b) 100 "A" Convertible Ordinary Shares;
- (c) 1000 "B" Convertible Deferred Shares; and
- (d) 1000 Non Convertible Deferred Shares.

4. Save as otherwise provided in these Articles, the Ordinary Shares and the Deferred Shares shall rank *pari passu*, but constitute two separate classes of Shares. The Ordinary Shares and the Deferred Shares shall have the rights and restrictions set out in the following Articles.

5. Each of the Deferred Shares shall carry the right to receive a dividend of 0.001% per annum of the nominal amount paid up on such Share if the pre-tax profits of the Company (as stated in the audited profit and loss account of the Company) for the year in respect of which the dividend is paid is in excess of £500 million.

6. Each of the Deferred Shares shall carry the right on a return of capital on a liquidation or otherwise to repayment of the amounts paid up thereon immediately

subsequent to the repayment of the holders of the Ordinary Shares of the aggregate of the amount paid up thereon and the payment to the holders of the Ordinary Shares *pari passu* the sum of up to a further £100,000,000 per Share.

7. None of the Deferred Shares shall carry rights to receive notice of or to attend and vote at any general meeting of the Company nor shall they carry any other right to participate in the profits or assets of the Company.

8. The Ordinary Shares shall rank *pari passu* in all respects in relation to any dividend declared made or paid by the Company subject only to the dividend rights of the Deferred Shares as set out in Article 5.

9. On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company available for distribution amongst the Members shall be paid to and distributed among the holders of the Ordinary Shares, *pro rata* according to their respective shareholdings, subject only to the rights on return of capital of the Deferred Shares as set out in Article 6.

10. Upon the ICI Conversion Date:

- (a) each existing "A" Convertible Ordinary Share shall immediately be reclassified as a Non-Convertible Deferred Share having the rights set out in Articles 5 to 7;
- (b) each existing "B" Convertible Deferred Share shall immediately be reclassified as an "A" Ordinary Share having the rights set out in these Articles.

11. Within 28 days after the ICI Conversion Date the Company shall send share certificates to the persons entitled in respect of the said "A" Ordinary Shares and the Non-Convertible Deferred Shares arising upon conversion whereupon the certificates for the "A" Convertible Ordinary Shares and "B" Convertible Deferred Shares shall be deemed to be cancelled and of no further effect or value.

12. Upon the Ineos Conversion Date:

- (a) all the "A" Convertible Ordinary Shares shall automatically convert into "A" Ordinary Shares having the rights set out in these Articles;
- (b) all the "B" Convertible Deferred Shares shall automatically convert into Non-Convertible Deferred Shares with the rights set out in Article 5 to 7.

13. Within 28 days after the Ineos Conversion Date, the Company shall send Share Certificates to the persons entitled in respect of the said "A" Ordinary Shares and the Non-Convertible Deferred Shares arising upon conversion whereupon the certificates for the "A" Convertible Ordinary Shares and "B" Convertible Deferred Shares shall be deemed to be cancelled and of no further effect.

14. Conversion of "A" Convertible Ordinary Shares into Non-Convertible Deferred Shares under Article 10 shall be deemed to confer an irrevocable authority on the Company at any time:

- (a) to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof and/or an agreement to transfer the same for the aggregate sum of £1 to ICI; or
- (b) in the event that ICI does not exercise its Right of Conversion, to purchase the same (in accordance with the provisions of the Companies Acts) for not more than an aggregate sum of £1 for all the Deferred Shares without obtaining the sanction of the holder or holders thereof and for the purposes of such purchase to appoint a person to execute on behalf of any holder of the Deferred Shares a contract for the sale to the Company of any such Shares held by such holder; and
- (c) pending such transfer and/or purchase to retain the certificates for such Non-Convertible Deferred Shares.

15. Conversion of "B" Convertible Ordinary Shares into Non-Convertible Deferred Shares under Article 12 shall be deemed to confer an irrevocable authority on the Company at any time:

- (a) to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof and/or an agreement to transfer the same for the aggregate sum of £1 to Ineos; or
- (b) in the event that Ineos declines to purchase such Deferred Shares, to purchase the same (in accordance with the provisions of the Companies Acts) for not more than an aggregate sum of £1 for all the Deferred Shares without obtaining the sanction of the holder or holders thereof and for the purposes of such purchase to appoint a person to execute on behalf of any holder of the Deferred Shares a contract for the sale to the Company of any such Shares held by such holder; and
- (c) pending such transfer and/or purchase to retain the certificates for such Non-Convertible Deferred Shares.

16. Immediately following conversion of any Shares pursuant to Articles 10 or 12 the Company shall make the appropriate entries in the Company's share register.

SHARES

17. Intentionally deleted.

18. Subject to the provisions of the Companies Acts, any Shares of a class within the capital of the Company as authorised from time to time may be issued on terms that they are to be, or at the option of the Company or a Member holding such Shares are liable to be, redeemed on such date or between such dates as the directors may fix before the issue of such Shares and on such terms and conditions as are contained in

or, as to the amount payable on redemption, determined in accordance with the Articles of Association of the Company.

19. Except as required by law, and even when the Company has express notice, no person will be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by these Articles or by law) the Company will not be bound by or recognise any interest in any Share except an absolute right to the entirety of it in the holder.

VARIATION OF RIGHTS

20. The following events will not constitute a variation of the rights attached to any class of Shares unless the terms of issue of that class expressly provide otherwise or unless the provisions of these Articles are not followed:

- (a) the issue, after the expiration of the Initial Period, of Shares of any class additional to Shares of that class previously issued;
- (b) the creation or issue, after the expiration of the Initial Period, of Shares of a different class to that (in the case where there is only one class of Shares) or to those (in any case where there is more than one class of Shares) in issue.

SHARE CERTIFICATES

21. Every Member, upon becoming the holder of any Shares, shall be entitled without payment to one certificate for all the Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount paid up thereon, and such a certificate signed by a director of the Company together with the secretary or a second director shall be evidence of the title of the registered holder to the Shares, whether or not the common seal of the Company (if it has one) has been affixed and regardless of any words in the certificate referring to a seal. The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

22. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

23. 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 directors may at any time declare any

Share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a Share shall extend to any amount payable in respect of it.

24. The Company may sell in such manner as the directors determine any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

25. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the Shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

26. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any moneys not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

CALLS ON SHARES AND FORFEITURE

27. Subject to the terms of allotment, the directors may 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 fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his Shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect whereof the call was made.

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

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

30. If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.

31. An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be

deemed to be a call and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.

32. Subject to the terms of allotment, the directors may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.

33. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

34. If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

35. Subject to the provisions of the Act, a forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the directors may authorise some person to execute an instrument of transfer of the Share to that person.

36. A person any of whose Shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those Shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

37. A statutory declaration by a director or the secretary that a Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the Share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the Share.

ISSUE OF SHARES

38. Before the Company issues any Shares (other than A Ordinary Shares issued on the exercise of the Warrants) to an existing Shareholder or a Connected Person in relation to an existing Shareholder, at a time when a member of the ICI Group is the holder of any A Convertible Ordinary Shares or Warrants, the following provisions shall apply:

- (a) the Company shall first offer the Shares to the Shareholders in the proportion that the aggregate nominal value of the A Convertible Shares for the time being held respectively by each Shareholder bears to the total number of Shares in issue; and
- (b) the offer shall be made by notice in writing (the *Issue Notice*) specifying the number of Shares to which the Shareholder is entitled, the subscription price of the Shares and specifying a time (being not less than four weeks) within which the offer if not accepted will be deemed to be declined (the *Issue Period*);

39. The provisions of section 89(1) and section 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

TRANSFER OF SHARES

40. The directors may, in their absolute discretion and without assigning any reason thereafter, refuse to register any transfer of any Share (whether or not it is a fully paid Share) other than a transfer made in accordance with the provisions of these Articles (unless the registration thereof would permit the registration of a transfer of Shares on which the Company has a lien).

41. Notwithstanding the provisions of Article 40, no transfer of any Share in the capital of the Company shall be made or registered unless:

- (a) in the case of a transfer by a party to the Shareholders Agreement, the proposed transferee shall have entered into a Deed of Adherence agreeing to be bound by the Shareholders Agreement in the terms required by the Shareholders Agreement;
- (b) in the case of any Member of the Company who is a director or employee (or a transferee of such member) or otherwise not a party to the Shareholders Agreement (whether as original signatory, accession by Deed of Adherence or otherwise) it is made in accordance with these Articles.

42. The directors may also refuse to register a transfer unless:

- (a) it is lodged at the registered office and is accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of only one class of Shares; and

(c) it is in favour of not more than four transferees.

43. For the purpose of these Articles, the following shall be deemed (but without limitation) to be a transfer by a Member of Shares in the Company:

- (a) any direction (by way of renunciation or otherwise) by a Member entitled to an allotment or transfer of Shares that a Share be allotted or issued or transferred to some person other than himself; and
- (b) any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing.

NO DISPOSITIONS

44. During the Initial Period Ineos may not sell, transfer, assign, mortgage, charge, pledge or otherwise dispose of any of its Shares or any interest in Shares or any rights attaching to them, except in accordance with Article 46, without the prior written consent of ICI.

45. Subject to Article 44, during the Relevant Period no Shareholder may sell, assign, mortgage, charge, pledge or otherwise dispose of any of its Shares or any interest in Shares or any rights attaching to them, except in accordance with, in each case where applicable, Articles 46 (Permitted Transfers), 47 (Pre-emption Rights) (but ICI may not transfer pursuant to Article 47 (Pre-emption Rights) at any time prior to the fifth anniversary of this Agreement), 50 (Tag Along), the Ineos Call Option and the ICI Put Option.

PERMITTED TRANSFERS

46. ICI may, at any time, transfer all (but not part only) of its Shares to a Permitted Transferee and Ineos may, immediately prior to or as part of a solvent liquidation carried out in contemplation of a transfer of the Shares held by Ineos to any third party in accordance with the Shareholders Agreement, transfer all (but not part only) of its Shares to a Permitted Transferee. If the transfer is made to a Permitted Transferee of a Shareholder, then if that Permitted Transferee ceases to be a Permitted Transferee of the transferring Shareholder during the Initial Period it shall immediately prior to ceasing to be a Permitted Transferee re-transfer its Shares to the transferring Shareholder or, at the transferring Shareholders' option, to a Permitted Transferee of the transferring Shareholder.

PRE-EMPTION RIGHTS

Transfer Notice

47.1 During the Relevant Period, subject always to Article 44, prior to making any transfer of any Share other than in accordance with Article 46 (Permitted Transfers), 50 (Tag Along), the Ineos Call Option or the ICI Put Option, any Shareholder (*Offeror*) who proposes to transfer or otherwise dispose of any legal or equitable

interest in its Shares (and whether or not subject to a condition) to any person (*Third Party*) shall forthwith give a notice in writing (*Transfer Notice*) to the Company informing it of the proposed transfer and setting out:

- (a) the number and class of Shares to which it relates (*Offered Shares*);
- (b) the identity of the person who has expressed an interest in acquiring the Offered Shares;
- (c) the price per Share (*Offer Price*) (which shall be a fixed amount in cash and/or in securities listed or admitted to dealings on a securities market) and other terms (*Offer Terms*) on which the Third Party is prepared to acquire the Offered Shares (including a copy of any offer, memorandum, agreement or other document agreed by the Offeror and the Third Party setting out such terms); and
- (d) a condition, if the Offeror wishes to impose it, that unless all or a specified minimum number of the Offered Shares (such minimum number being not greater than the number of Offered Shares) are taken up by other Shareholders when offered to them in accordance with this Article 47, then none of the Offered Shares shall be transferred to other Shareholders under this Article 47 (*Minimum Transfer Condition*).

Company as Agent

47.2 The Transfer Notice shall constitute the Company as the agent of the Offeror for the transfer of each of the Offered Shares, free of all encumbrances and with all rights attached to them, in accordance with this Article 47.

Revocation of Transfer Notice

47.3 The Transfer Notice shall only be revocable:

- (i) in accordance with Article 47.6;
- (ii) with the consent in writing of all the other Shareholders; or
- (iii) if the Third Party has given notice to the Offeror that it does not wish to purchase any Shares

and if it is revoked:

- (a) the Offeror may not give a further Transfer Notice within three months after the date on which the Transfer Notice is revoked;
- (b) the Company shall inform all other holders of Shares that the Transfer Notice has been revoked; and
- (c) the remaining provisions of this Article 47 shall cease to apply in relation to the revoked Transfer Notice.

Offer to Shareholders

47.4 Within 10 Business Days after the date on which the Transfer Notice is received by the Company, the Company shall send a notice in writing (***Pre-emption Notice***) to the other Shareholders (unless any of the other Shareholders has given a Transfer Notice in respect of any of its or their Shares which is still open to acceptance in accordance with the terms of this Article 47 in which case the Company shall delay the dispatch of the notice until the expiry of the Offer Period):

- (a) containing an offer (***Offer***) of the Offered Shares at the Offer Price and on the Offer Terms and inviting each recipient to notify the Company in writing within a period of 20 Business Days or, in the event that Ineos has exercised its rights under Article 47.10, 30 Business Days after receipt of the Offer (***Offer Period***) whether it is willing to take any, and if so what maximum number, of the Offered Shares at the Offer Price and on the Offer Terms;
- (b) setting out the identity of the person referred to in the Transfer Notice as having expressed an interest in acquiring the Offered Shares and containing all other relevant information and attaching the documents in each case referred to in Article 47.1(c);
- (c) stating that, if recipients who accept the Offer express, in aggregate, a willingness to take more than the total number of Offered Shares, the Offered Shares shall be allocated to such recipients in proportion as nearly as may be to the number of Shares then held by them subject to the maximum number specified by each such recipient; and
- (d) if a Minimum Transfer Condition is included in the Transfer Notice, stating that the Offer cannot be validly accepted in respect of any of the Offered Shares unless and until purported acceptances have been received by the Company relating to the minimum number of Offered Shares specified in the Minimum Transfer Condition.

Sale to Shareholders

47.5 If no Minimum Transfer Condition is included in the Transfer Notice, or if a Minimum Transfer Condition is included and the Company receives acceptances for the specified minimum number of Offered Shares within the Offer Period:

- (a) the Company shall, within five Business Days after the date on which the Offer Period ends, notify in writing:
 - (i) the Offeror of the number of Offered Shares (if any) for which no acceptances have been received;
 - (ii) the Offeror of the name and address of each person who has accepted Offered Shares (***Accepting Holders***) and the number of Shares to be transferred to each of them;

- (iii) each of the Accepting Holders of the number of Shares to be transferred to it; and
 - (iv) the Offeror and each of the Accepting Holders of the time(s) (not being less than 48 hours nor more than five Business Days after the date of such notification) and place(s) for completion of the transfer of Shares to Accepting Holders;
- (b) the Offeror and the Accepting Holders shall be obliged to complete the transfer of the relevant Shares at such time(s) and place(s) as shall be specified in the notification under Article 47.5(a)(iv) and if the Offeror shall default in complying with its obligations the Chairman for the time being of the Company or failing him one of the Directors or some other person duly nominated by the Board for that purpose shall forthwith be deemed to be the duly appointed agent of the Offeror with full power to execute and complete and deliver in the name and on behalf of the Offeror a transfer of the relevant Offered Shares to any Accepting Holder and any Director may receive and give a good discharge for the purchase money on behalf of the Offeror and (subject to the transfer being duly stamped) enter the name of the Accepting Holder in the register of members as the holder or holders by transfer of the Offered Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold the money on trust (without interest) for the Offeror until he shall deliver his share certificate for the Offered Shares to the Company whereupon he shall be paid the Offer Price; and
- (c) if the Company has not received acceptances in respect of all the Offered Shares, Article 47.7 shall apply to the Offered Shares for which acceptances have not been received.

Minimum Transfer Condition not met

47.6 If a Minimum Transfer Condition is included in the Transfer Notice and the Company does not receive acceptances for the specified minimum number of the Offered Shares within the Offer Period:

- (a) it shall, within five Business Days after the expiry of the Offer Period, so inform the Offeror and all persons who purported to accept the Offer; and
- (b) Article 47.7 shall apply to all the Offered Shares, save that:
 - (i) no Offered Share shall be transferred to an existing Shareholder pursuant to Article 47.7 unless each Shareholder who purported to accept the Offer is given the opportunity to have transferred to him the Shares he applied for in response to the Offer on the Offer Terms; and
 - (ii) no Share may be transferred under Article 47.7 unless the minimum number of Offered Shares specified in the Minimum Transfer Condition are so transferred.

Transfer to any Person

47.7 Subject to Articles 47.5 and 47.6, the Offeror may transfer, to the person named in the Transfer Notice as having expressed an interest in acquiring the Offered Shares, any Offered Shares to which this Article 47.7 applies provided that:

- (a) the entire legal and beneficial interest in each Offered Share is transferred;
- (b) the price is not less than the Offer Price and is not subject to any rebate, allowance or deduction whatever;
- (c) the other terms of sale to the transferee are not more favourable than the Offer Terms;
- (d) there are no collateral agreements which make the arrangement more favourable to the transferee;
- (e) the transfer takes place within 60 days after the date on which the Offer Period ends;
- (f) the Offeror and the transferee each provides to the Company, at his own expense, any information and evidence requested in writing by the Company for the purpose of determining whether the transfer to the transferee complies with the terms of this Article 47.7; and
- (g) the transferee, prior to the transfer, enters into a Deed of Adherence in circumstance where the transferor is a party (whether as original signatory, accession by Deed of Adherence or otherwise) to the Shareholders Agreement.

Ineos Change of Control

47.8 If there is an Ineos Change of Control, Ineos, except where this is in connection with a Global Offer or Tag-Along, shall be deemed to be an Offeror in respect of that proportion of its Shares as corresponds to the proportion of the Shares in Ineos whose transfer has given rise to the Ineos Change of Control and the provisions of Articles 47.1 to 47.7 shall apply with such changes as are appropriate to fit this context. For the purposes of the application of this Article 47.8 to Articles 47.1 to 47.7, the following words and expressions used in Articles 47.1 to 47.7 shall have the following meanings:

Offered Shares means that proportion of the Shares held by Ineos at the date of the Transfer Notice as corresponds to the proportion of the Shares in Ineos whose transfer has given rise to the Ineos Change of Control; and

Offer Price means the Fair Market Value of the Offered Shares, determined in accordance with the valuation provisions set out in Article 54 and for the purposes of Article 54.6 the reference to an "Option Notice" shall be to the "Pre-emption Notice".

Details of Deemed Transfer Notice

47.9 Where any Transfer Notice is deemed to have been given in accordance with Article 47.8 the deemed Transfer Notice shall be treated as having been received by the Company and as having specified:

- (a) that the Offered Shares shall be included for transfer;
- (b) as the Offer Price a price per Share determined as the Fair Market Value determined in accordance with the valuation provisions set out in Article 54; and
- (c) that no condition as referred to in Article 47.1(d) shall apply.

Offer for ICI Interests

47.10 If any Transfer Notice is served by ICI in respect of an offer received by any member of the ICI Group to purchase any part of the assets or undertaking of or Shares in Subsidiaries or other companies held by the ICI Group and that offer includes the Shares held by ICI or any other member of the ICI Group, then within five Business Days after receipt of the Pre-emption Notice (which shall specify the price payable by the Offeror for the Shares pursuant to such offer and the other assets or Shares included in the proposed transfer), Ineos shall be entitled to notify the Company that it wishes the Fair Market Value of the Offered Shares to be determined in accordance with the valuation provisions set out in Article 54 as amended by this Article 47.10. For the purpose of:

- (a) Article 54.2 the reference to Option Notice shall be to the Pre-emption Notice and the reference to 15 days shall be to 10 days; and
- (b) Article 54.2 the reference to 15 days shall be to 10 days.

If Ineos requires the Fair Market Value of the Offered Shares to be determined the parties shall procure that such determination is carried out. Following such determination, Ineos will have the option to exercise its rights under this Article 47 in which event the Offer Price shall be the Fair Market Value of the Offered Shares.

48. For the purpose of ensuring that a transfer of shares is duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given hereunder, the Board may require any Member or the legal or personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration or such other person as the Board or any such holder may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in the Member's name.

DRAG ALONG

Meaning of Global Offer

49.1(a) For the purposes of this Article 49.1, a *Global Offer* is an offer to buy either (1) all (but not some only) of the Shares then in issue (including the Shares issued to any member of the ICI Group pursuant to the exercise of the Warrants) or (2) all (but not some only) of the shares in the capital of Ineos and all (but not some only) of the Shares (including the A Ordinary Shares to be issued to any member of the ICI Group pursuant to the exercise of the Warrants) held by ICI (in either case, those of such Shares as are held by ICI being the *Drag Along Shares*) for the same consideration and otherwise on the same terms, (except in the case of an offer for all of the shares in the capital of Ineos and the Drag Along Shares, where the consideration per Drag Along Share shall be calculated in accordance with Article 49.2) which is:

(i) made by a person who:

(aa) is not a Shareholder;

(bb) in the case of a body corporate, is not connected with any Shareholder within the meaning set out in sub-clause (b) and, in the case of an individual, is not a connected person of any Shareholder within the meaning of connected person set out in sub-section (2) of section 839 ICTA; and

(cc) has no agreement or arrangement of any kind with any Shareholder relating to the offer other than an agreement or arrangement relating solely to acceptance of the offer;

(ii) conditional on acceptance in respect of all the Drag Along Shares then in issue;

(iii) if applicable, conditional on any consents, approvals, permissions or clearances required in connection with the offer being obtained within a maximum of 60 days of the offer being made;

(iv) made at any time following expiration of the seventh anniversary of Completion (or, if earlier, after the termination of the Initial Period and following the Conversion Date) and provided that the Revolving Loan Facility has been repaid and cancelled in full; and

(v) subject to no other conditions.

(b) For the purpose of this Article 49, a body corporate is connected with another body corporate if:

(i) one body corporate has Control over the other; or

(ii) the same person has Control of both

and for the purposes of this Article 49.1(b) only *Control* means the holding of shares conferring in the aggregate 50% or more of the total voting rights conferred by all the shares in the capital of the body corporate concerned for the time being in issue and conferring the right to vote on all resolutions proposed at all general meetings.

- (c) For the purpose of Article 49.1(a), a Shareholder or other person may enter into a separate agreement the subject matter of which is limited to giving warranties, indemnities or undertakings in support of a Global Offer (if applicable, subject to limitations and conduct of claim and other boilerplate provisions), and such a separate agreement shall not be taken into account under Article 49.1(a)(i)(cc).

Consideration for Drag Along Shares

49.2 In the case of an offer for all of the shares in the capital of Ineos and the Drag Along Shares, the consideration for each Drag Along Share shall:

- (a) if the Global Offer is made at a time when, and is calculated on the basis that, Ineos holds no assets or liabilities other than its Shares, be determined on the assumption that the consideration offered for each Ineos share multiplied by the number of issued shares in Ineos represents the aggregate Fair Market Value of Ineos and that the consideration for each Drag Along Share should be determined accordingly; and
- (b) if the Global Offer is made at a time when, and is calculated on the basis that, Ineos holds assets or liabilities in addition to its Shares, be the Fair Market Value.

Warrants may be Exercised

49.3 In the event that a Global Offer is made on or after the Final Redemption Date, ICI and any other member of the ICI Group which holds Warrants shall, prior to but conditional upon completion of the transfer of the Drag Along Shares pursuant to the Global Offer, be entitled at its option to exercise the Warrants.

Acceptance of Global Offer

49.4 If a Global Offer is accepted by Ineos (or by sufficient shareholders of Ineos to ensure that the acceptance of their Global Offer will bind all shareholders of Ineos), ICI shall be deemed to have accepted such offer in respect of its A Convertible Ordinary Shares and the A Ordinary Shares issued to ICI on the exercise of the Warrants pursuant to Article 49.2.

TAG ALONG

Sale by Ineos

50.1 If whilst a member of the ICI Group holds A Convertible Shares or Warrants Ineos or any person to which Ineos has transferred some or all of its Shares (the

Selling Shareholder) wishes at any time to transfer to any third party (a *Third Party*, which expression means any person other than a person to whom Ineos would be permitted to transfer Shares under Article 46 (Permitted Transfers)) any of its Shares (the *Sale Shares*) in a situation where such a sale is not prohibited under Articles 44 or 45 (No dispositions) and would result in a Change of Control of the Company (or which, when aggregated with any previous transfer of Shares to any Third Party would result in a Change of Control of the Company), then ICI shall have the right (the *Tag Along Right*) (and Ineos shall ensure that it is able) to include in such transfer either:

- (a) all the A Convertible Ordinary Shares which it owns (including, at ICI's option, the A Ordinary Shares to be issued to any member of the ICI Group on the exercise of the Warrants) if the Selling Shareholder is selling its entire shareholding; or
- (b) such proportion of the A Convertible Ordinary Shares (including, at ICI's option, the A Ordinary Shares (if any) which at that time can be required to be issued to any member of the ICI Group on the exercise of the Warrants) held by it as is equal to the proportion which the number of the Sale Shares proposed to be transferred to the Third Party by the Selling Shareholder bears to the total number of Shares (including, if ICI intends to exercise the Warrants as a result of its Tag Along Right becoming effective, the A Ordinary Shares to be issued to any member of the ICI Group on the exercise of the Warrants) held at that time by that Selling Shareholder;
- (c) in the event that the Tag Along Right is exercised in accordance with Article 50.8 (Ineos Change of Control) such proportion of the A Convertible Ordinary Shares (including, at ICI's option, the A Ordinary Shares to be issued to any member of the ICI Group on the exercise of the Warrants) held by it as is equal to the proportion which the number of the shares of Ineos whose transfer or proposed transfer has given rise to the Ineos Change of Control bears to the total number of issued shares of Ineos held at that time by that Selling Shareholder,

on the terms set out and otherwise in accordance with the following provisions of this Article 50. The Shares which ICI is entitled to include in such transfer are referred to herein as its *Tag Along Shares*.

Tag Along Notice

50.2 Where Article 47 (Pre-emption Rights) applies, the Selling Shareholder shall serve a notice (the *Tag Along Notice*) on ICI not more than five Business Days before issuing a Transfer Notice under Article 47 (Pre-emption Rights). In any event, the Selling Shareholder shall serve a Tag Along Notice on ICI before entering into any proposed sale agreement (whether or not conditional). The Tag Along Notice shall contain a copy of the proposed sale agreement and state (to the extent not apparent from such Agreement):

- (a) the identity of the Third Party;

- (b) the number of Sale Shares that the Third Party is proposing to acquire from the Selling Shareholder;
- (c) the proposed amount of consideration (which must be of a type referred to in Article 47.1(c)) offered by the Third Party for those Sale Shares and all other material terms and conditions of the proposed transfer (including, without limitation, details of any warranties and indemnities); and
- (d) that the Third Party has been informed of the Tag Along Rights and has agreed (whether subject to contract or otherwise) to purchase all the Tag Along Shares in accordance with the provisions of this Clause.

Valuation of Shares

50.3 If whilst a member of the ICI Group holds A Convertible Shares or Warrants Ineos receives an offer to sell any part of the assets or undertaking of Ineos and that offer includes the Shares held by Ineos but does not in such offer specify a separate value for the Shares held by Ineos, then within five Business Days of the service of a Tag Along Notice, any member of the ICI Group shall be entitled to notify Ineos that it wishes the Fair Market Value of its Shares to be determined in which case the parties shall procure that such determination is carried out.

Tag Along Acceptance Notice

50.4 Within 20 Business Days, or within 30 Business Days in the event that ICI has exercised its right under Article 50.3, of the service of a Tag Along Notice, ICI shall be entitled to serve notice (*Tag Along Acceptance Notice*) on Ineos stating that it wishes to transfer all (but not some only) of its Tag Along Shares to the Third Party at the consideration specified in Article 50.2(c) or, in the event that ICI has exercised its rights under Article 50.3, at the Fair Market Value of its Tag Along Shares as calculated in accordance with Article 54 (whether such Fair Market Value is less than or greater than the consideration set out in the Tag Along Notice) in which event the Selling Shareholder shall procure the Third Party to purchase or shall itself purchase (conditional on Completion of the sale of the Sale Shares to the Third Party) the Tag Along Shares on the terms of Article 50.6. If ICI fails to serve a Tag Along Acceptance Notice within 20 Business Days, or within 30 Business Days in the event that ICI has exercised its right under Article 50.3, of the service of a Tag Along Notice it shall be deemed to have waived such right.

Notification of Pre-emption Rights

50.5 Following the expiry of the period for service of a Tag Along Acceptance Notice, if ICI has exercised its Tag Along Rights, the Selling Shareholder and ICI shall be entitled to complete the sale of the Sale Shares and the Tag Along Shares without serving a Transfer Notice under Article 47 (Pre-emption Rights) (or, if already served, shall be deemed to be withdrawn) and the pre-emption provisions of Article 47 (Pre-emption Rights) and the Articles shall not apply.

Transfer to Third Party

50.6 The transfer to the Third Party (or the Selling Shareholder, as the case may be) of Tag Along Shares pursuant to Article 50.4 shall be on terms that:

- (a) the consideration per Tag Along Share shall be either the same as the consideration per share payable to the selling Shareholder by the Third Party for the Sale Shares or, in the event that ICI has exercised its rights under Article 50.3, the consideration per Tag Along Share specified in the Tag Along Acceptance Notice;
- (b) ICI shall transfer or procure the transfer of the legal and beneficial title to the Tag Along Shares free from encumbrances; and
- (c) ICI shall only be required to provide warranties to the Third Party relating to ownership of its Shares and shall not otherwise be subject to the terms and conditions of the proposed transfer of the Sale Shares to the Third Party (including, without limitation, the giving of warranties and indemnities) except for those terms and conditions relating to the transfer of title to the Sale Shares and the calculation and settlement of the consideration.

Ineos Change of Control

50.7 If, at any time, there is an Ineos Change of Control, ICI shall have the Tag Along Right and the provisions of Articles 50.1 to 50.5 shall apply with such changes as are appropriate to fit the context. Ineos shall procure that:

- (a) the transferee of the relevant shares in Ineos shall be the Third Party for the purposes of Articles 50.1. to 50.5;
- (b) the Ineos Representative shall serve the Tag Along Notice on ICI before any proposed sale agreement in respect of the relevant shares in Ineos is entered into;
- (c) the consideration for the purposes of Article 50.2(c) shall:
 - (i) if the offer for the Sale Shares was made at time when, and is calculated on the basis that, Ineos holds no assets or liabilities other than its Shares, be determined on the assumption that the consideration offered for each Ineos share multiplied by the number of issued shares in Ineos represents the aggregate fair market value of Ineos and that the consideration for the Tag Along Shares should be determined accordingly; and
 - (ii) if the offer for the Sale Shares was made at a time when, and is calculated on the basis that, Ineos holds assets or liabilities in addition to its Shares, be the Fair Market Value of the Tag Along Shares determined in accordance with the valuation provisions set out in Article 54 and for the purposes of Article 54.2 the reference to "Option Notice" shall be to Tag Along Notice; and

- (d) the number of Shares to which the Tag Along Right applies shall be as set out in Article 50.1(c).

51. Intentionally deleted.

52. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any Share.

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

DETERMINATION OF FAIR MARKET VALUE

54.1 *Fair Market Value* shall mean, with respect to any A Convertible Ordinary Shares or any Warrants, a value representing the aggregate Sterling value of such Shares or Warrants valued together and not separately that is agreed under Article 54.2 as the Fair Market Value or determined in accordance with this Article 54 to be the Winning Bid.

54.2 ICI and Ineos shall endeavour to agree the Fair Market Value in accordance with Article 54.8. In the absence of agreement by ICI or Ineos within 10 Business Days after the date of the Option Notice, determination of the Fair Market Value shall be referred to an independent valuer agreed between them (or, failing agreement, the mergers and acquisitions (or equivalent) department of one of the major internationally operating accounting firms, independent of ICI and Ineos and with significant experience in the chemical industry, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) (the *Valuer*).

54.3 The Valuer shall independently determine the Fair Market Value, if practicable, within a period of 10 Business Days after its appointment in its best professional opinion taking into account the factors set out in Article 54.8. The valuation factors listed in Article 54.8 shall not operate to exclude other relevant valuation factors which the Valuer may consider in view of its professional qualifications and expertise.

54.4 ICI and Ineos shall each be required to specify to the Valuer, on the date of the appointment of the Valuer its proposed price as the Fair Market Value and the reasons for that proposed price (respectively the *ICI Value* and the *Ineos Value*). A copy of any submission or information supplied by either ICI or Ineos to the Valuer shall be supplied contemporaneously to the other.

54.5 Within five Business Days after the Fair Market Value has been determined by the Valuer, the Valuer shall certify to ICI and Ineos:

- (a) that, having considered the respective submissions of ICI and Ineos, it has made its valuation of the Fair Market Value according to the principles of this Article 54 (the *Valuers Certified Fair Market Value*); and

- (b) which of the ICI Value and the Ineos Value is the closer to the Valuer's Certified Fair Market Value (the *Winning Bid*).

54.6 The determination by the Valuer of the Winning Bid shall be final and binding on ICI and Ineos (absent gross negligence, manifest error or fraud). The determination by the Valuer of the Valuer's Certified Fair Market Value pursuant to the Valuation Procedure shall not be contested or adjusted by any body or tribunal; however, such valuation shall be without prejudice to all other rights and obligations of the parties. The Valuer shall act as expert and not as arbitrator.

54.7 The party not making the Winning Bid shall carry the costs of the Valuer.

54.8 The Shares and Warrants (if applicable) shall be valued as on an arm's length sale between a willing seller and a willing purchaser, but without taking into account (if it be the case) that the shares constitute a majority or a minority interest or of any special rights or liabilities attaching to them by virtue of this Agreement or the Articles, or by virtue of any other agreement to which the seller may be a party and in making any determination of Fair Market Value, ICI, Ineos and the Valuer shall give due consideration to the following factors:

- (a) the Company's current, past and future financial performance;
- (b) any capital expenditure which will be required to enable the Business to continue to operate in accordance with regulatory requirements taking into account any associated benefits;
- (c) the actual environmental liabilities of the Business; the capital expenditure required to meet the Company's actual environmental liabilities on the basis of the then current regulatory regime and the terms and scope of any environmental indemnity that ICI has given to Ineos under the Sale and Purchase Agreement.

TRANSMISSION OF SHARES

55. If a Member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any Share which had been jointly held by him.

56. A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the Share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the Share to that person. All the articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the death or bankruptcy of the Member had not occurred.

57. A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were the holder of the Share, except that he shall not, before being registered as the holder of the Share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of Shares in the Company.

ALTERATION OF SHARE CAPITAL

58. The Company may by ordinary resolution:

- (a) increase its Share capital by new Shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its Share capital into Shares of larger amounts than its existing Shares;
- (c) subject to the provisions of the Companies Acts, sub-divide its Shares, or any of them, into Shares of smaller amounts and the resolution may determine that, as between the Shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (d) cancel Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the Shares so cancelled.

59. Whenever as a result of a consolidation of Shares any Members would become entitled to fractions of a Share, the directors may, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those Members, and the directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

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

PURCHASE OF OWN SHARES

61. Subject to the provisions of the Companies Acts, the Company may purchase its own Shares (including any redeemable Shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own Shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares.

GENERAL MEETINGS

62. All general meetings other than annual general meetings will be called extraordinary general meetings.

63. The directors may call general meetings and, on the requisition of Members pursuant to the provisions of the Companies Acts or upon a written request from ICI (for so long as any member of the ICI Group is a holder of A Convertible Ordinary Shares) or the Ineos Representative at any time, the directors will immediately proceed to convene an extraordinary general meeting for a date not later than 28 days after the date of the notice convening the meeting. If there are insufficient directors within the United Kingdom to call a general meeting, or such meeting is not convened within 7 days after the requisition or written request is given, ICI or the Ineos Representative (as the case may be) may call a general meeting.

NOTICE OF GENERAL MEETINGS

64. All general meetings will be called by at least 21 days' notice but a general meeting may be called by shorter notice if it is agreed:

- (a) in the case of an 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 being a majority together holding not less than ninety-five per cent. in nominal value of the Shares giving that right.

65. The notice will specify the time and place of the meeting and the nature of the business to be transacted and, in the case of an annual general meeting, will specify the meeting as such.

66. Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice will be given to all Members, to all persons entitled to a Share in consequence of the death or bankruptcy of a Member and to the directors and auditors of the Company.

67. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice will not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

68. No business will be transacted at any meeting unless a quorum is present. A quorum will be two persons entitled to vote upon the business to be transacted, each being either a Member or a proxy for a Member or, in the case of a corporate Member, a duly authorised representative of that corporation and of whom (for so long as any member of the ICI Group is a holder of A Convertible Ordinary Shares) one shall be ICI and one shall be Ineos.

69. If within an hour after the time appointed for the meeting (or such longer time as the persons present may all agree to wait) a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting will be adjourned to such other day and such other time not more than 7 days from the date of the original meeting and place as the directors may determine. At least 3 days' notice of the adjourned meeting shall be given to each Shareholder and shall specify the date, time and place of the adjourned meeting and the business to be transacted at it. Subject as hereinafter provided, if at the adjourned meeting proper notice having been given of both the original meeting under Articles 63 to 66 and of the adjourned meeting under this Article 69 a quorum is not present or ceases to be present then the Member or Members present will be a quorum. In the event that all the Members and the Company have agreed arrangements entitling a certain Member or Members to special voting rights in respect of particular matters, a meeting shall not be deemed quorate in relation to the passing of any resolutions the passing of which would be subject to such special voting rights if the Member or Members so entitled are not present or cease to be present at such meeting

70. The Chairman, if any or, in his absence, another director nominated by the directors, will preside as Chairman of the meeting, but if neither the Chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present will elect one of their number to be Chairman for the meeting and, if there is only one director present and willing to act, he will be Chairman for the meeting. If no director is willing to so act or if no director is present within 15 minutes after the time appointed for holding the meeting, the Members present and entitled to vote may choose one of their number to be Chairman for the meeting.

71. A director, despite his not being a Member, is entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of Shares in the Company.

72. The Chairman or such person as is Chairman for the meeting (*the Chair*) may with the consent of a meeting at which a quorum is present (and must if so directed by the meeting), adjourn the meeting from time to time and from place to place. No business may be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned in such circumstances it must be held within 14 days and at least 7 days' notice must be given specifying the time and the place of the adjourned meeting and the nature of the business to be transacted.

73. A resolution put to the vote of a meeting will be decided on a show of hands unless before or on declaration of the result of the show of hands, a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

- (a) by the Chair; or
- (b) by a Member or Members representing not less than one tenth of the total voting rights of all the Members having the right to vote at the meeting; or

- (c) by a Member or Members holding Shares conferring the right to vote at the meeting, being Shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the Shares conferring that right;

and a demand by a person as proxy for a Member will be the same as a demand by the Member.

74. Unless a poll is duly demanded, a declaration by the Chair that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

75. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chair. A demand so withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made.

76. A poll will be taken as directed by the Chair and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll will be deemed to be the decision of the meeting at which the poll was demanded.

77. In the case of an equality of votes, whether on a show of hands or on a poll, the Chair will not be entitled to a casting vote in addition to any other vote he may have.

78. A poll demanded on the election of the Chair or on a question of adjournment must be taken immediately. A poll demanded on any other question must be taken either immediately or at a time and place directed by the Chair which may not be more than 30 days after the poll is demanded. The demand for a poll will not prevent the meeting continuing for the transaction of any business other than a question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the Chair, the meeting will continue as if the demand had not been made. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 days' notice must be given specifying the time and place at which the poll is to be taken.

79. A resolution in writing signed by all the Members of the Company entitled to attend and vote at a general meeting, or by their duly appointed proxies or attorneys, will, subject to the provisions of the Act, be as valid and effective as if it had been passed at a general meeting of the Company properly convened and held whether such resolution would otherwise be required to be passed as a special, extraordinary or elective resolution. Any such resolution may be contained in one document, or in several documents in the same terms, each signed by one or more of the Members or their proxies, or attorneys. Signature of documents sent by facsimile will be valid and acceptable under this paragraph. Signature in the case of a corporate Member will be

sufficient if made by a director of such Member or by its duly authorised representative.

VOTES

80. Subject to any rights or restrictions attached to any Shares, on a show of hands every Member present in person, or (if a corporation) present by a representative duly authorised in accordance with the Act, not being himself a Member entitled to vote, will have one vote, and on a poll every Member will have one vote for every Ordinary Shares of which he is the holder and every Ordinary Share in respect of which he is the duly appointed proxy or corporate representative.

81. A Member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

82. No Member shall vote at any general meeting or at any separate meeting of the holders of any class of Shares in the Company, either in person or by proxy, in respect of any Share held by him unless all moneys presently payable by him in respect of that Share have been paid.

83. 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 tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chair whose decision shall be final and conclusive.

84. On a poll votes may be given either personally or by proxy. A Member may appoint more than one proxy to attend on the same occasion.

85. On a poll, votes may be given either personally or by proxy or by corporate representative. A Member may not appoint more than one proxy and a corporate Member may not appoint more than one representative to attend on the same occasion.

86. An instrument appointing a proxy must be in writing, executed by or on behalf of the appointor (if a corporation, under the hand of a duly authorised officer of the corporation) and be in a form determined by the directors or, failing such determination, in any usual form.

87. The instrument appointing a proxy and any authority under which it is executed, or a copy of that authority certified notarially, or in some other way approved by the directors may:

- (a) be deposited at the registered office of the Company, or at another place within the United Kingdom specified by the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 1 hour before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as stated above after the poll has been demanded and not less than 1 hour before the time appointed for the taking of the poll; or
- (c) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chair or to the Company Secretary or to any director or deposited as stated above after the poll has been demanded but not less than 1 hour before the time appointed for the taking of the poll,

and an instrument of proxy which is not deposited or delivered in the manner permitted above will be invalid.

88. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders; and seniority will be determined by the order in which the names of the holders stand in the register of Members.

89. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

VARIATION OF RIGHTS

90. Whenever the capital of the Company is divided into different classes of Shares, the rights or privileges attached to any class may (unless otherwise provided by the terms of issue of the Shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of a majority in nominal amount of the issued Shares of the class, or with the sanction of an ordinary resolution passed at a separate general meeting of such holders (but not otherwise).

91. For the purposes of Article 89 all the provisions of these Articles relating to general meetings shall, mutatis mutandis, apply to every separate general meeting of the holders of each class of Shares, except that:

- (a) unless there is only one holder of such class of Shares, the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued Shares of the class or, at any adjourned meeting

of such holders, those Members who are present in person or by proxy, whatever their holdings; and

- (b) the holders of Shares of the class shall, on a poll, have one vote in respect of every Share of the class held by them respectively.

92. Intentionally deleted.

NUMBER OF DIRECTORS

93. For so long as ICI has the right to appoint a director the number of directors will be not less than 3 and will not exceed 6.

ALTERNATE DIRECTORS

94. Each director will have power by writing to nominate either another director, or any other person willing to act and approved for the purpose by a resolution of the directors, to act as his alternate director such alternate to be, in the case of ICI, an employee of any member of the ICI Group or (subject to the consent of Ineos or the Ineos Representative, the notification of the grant of refusal of such consent not to be unreasonably delayed) any other person. He may also at his discretion remove his alternate director by notice in writing to the Company.

95. An alternate director will have the same entitlement as his appointor to receive notices of meetings of the directors and to attend, vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present, and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor.

96. Except as otherwise provided in these Articles, the alternate director will, during his appointment, be deemed to be a director for the purposes of these Articles. He will not be deemed to be an agent of his appointor, and will alone be responsible to the Company for his own acts or defaults and will be entitled to be indemnified by the Company to the same extent as if he were a director.

97. An alternate director will not, in respect of his office of alternate director, be entitled to receive any remuneration from the Company nor to appoint another person as his alternate. The appointment of an alternate director will automatically determine if his appointor ceases for any reason to be a director, or on the happening of an event which, if he were a director, would cause him to vacate the office of director, or if by written notice to the Company he resigns his appointment.

POWERS OF DIRECTORS

98. Subject to the provisions of the Companies Acts, the Memorandum of Association of the Company and these Articles and to any directions given by special resolution, the business of the Company will be managed by the directors who may exercise all the powers of the Company. No alteration of such Memorandum or these Articles and no such direction will invalidate any prior act of the directors which

would have been valid if that alteration had not been made or that direction had not been given.

99. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for any purposes and on any conditions as they determine, including authority for the agent to delegate all or any of his powers.

100. The directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons (including directors and other officers) who are or were at any time in the employment or service of the Company, or of any Company which is or was a subsidiary of the Company or allied to or associated with the Company or any such subsidiary, or of any of the predecessors in business of the Company or of any such other Company as stated above, and the spouses, widows, widowers, families and dependants of any such persons, and make payments to, for or towards the insurance of or provide benefits otherwise for any such persons as stated above.

DELEGATION OF DIRECTORS' POWERS

101. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office any of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members must be governed by the Articles regulating the proceedings of directors, so far as they are capable of applying.

APPOINTMENT AND RETIREMENT OF DIRECTORS

102. For so long as either all of the A Convertible Ordinary Shares originally held by members of the ICI Group are still held by members of the ICI Group or a member of the ICI Group holds B Convertible Deferred Shares, ICI shall be entitled to appoint one employee of any member of the ICI Group or (subject to the consent of Ineos or the Ineos Representative, the notification of the grant or refusal of such consent not to be unreasonably delayed) any other person to be a director of the Company (the *ICI Director*) and to remove from office any person so appointed and to appoint another person in his or her place, such director to be, in the case of ICI, an employee of any member of the ICI Group or (subject to the consent of Ineos or the Ineos Representative, the notification of the grant or refusal of such consent not to be unreasonably delayed) any other person.

103. In the event that any decisions having a material effect on the Company or the Business are taken other than at meetings of the Board, the ICI Director shall have the right to be appointed as a non-executive director of each Subsidiary of the Company and to be appointed to any committee established by the Board or any committee thereof or any committee of the board of directors of any Subsidiary.

104. Until such time as it ceases to be a Shareholder or the A Convertible Ordinary Shares held by it are converted in accordance with Article 10, Ineos shall be entitled by notice in writing to appoint up to five Directors and by notice in writing to remove any such Ineos Director and to nominate in the manner aforesaid another person in his or her place. Any restriction on Ineos' right to appoint directors shall terminate when ICI's right to appoint a director terminates.

105. Subject to Articles 102 to 104 and Article 93 the Company by special resolution may appoint another person in place of a director removed from office by resolution of a general meeting, and subject to Articles 102 to 104 and Article 93 may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

106. Subject to Articles 102 to 104 the directors may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these articles as the maximum number of directors.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

107. The office of a director must be vacated in any of the following events namely:

- (a) if, by notice in writing to the Company, he resigns his office;
- (b) if he is guilty of serious misconduct;
- (c) if he becomes bankrupt or enters into any general composition with his creditors;
- (d) if he becomes of unsound mind;
- (e) if he becomes prohibited by law from being a director;
- (f) if having been appointed pursuant to Articles 102 to 104 he is removed from office by those entitled to remove him; and/or
- (g) being an Executive Director he shall for whatever reason cease to be employed by the Company.

108. No director will vacate his office or become ineligible for appointment or re-appointment as a director by reason only of his having attained any particular age, nor will special notice be required of any resolution appointing or approving the appointment of such a director, or any notice be required to state the age of the person to whom such a resolution relates.

REMUNERATION OF DIRECTORS

109. No Director shall be entitled to any remuneration or payment of any kind in his capacity as a Director without the prior written consent of Ineos or the Ineos Representative in the case of the ICI Director, or ICI, in the case of an Ineos Director.

DIRECTORS' EXPENSES

110. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of Shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

111. The directors may from time to time appoint one or more of their body to be the managing director, or to hold another office in the management, administration or conduct of the business of the Company for any period (subject to section 319 of the Act) and on terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke that appointment. Subject to the terms of any such agreement, a managing director or a director appointed to any other office as stated above will be subject to the same provisions as to resignation and removal as the other directors of the Company and will automatically and immediately cease to be the managing director or to hold any other office in the management, administration or conduct of the business of the Company if he ceases to hold the office of director for any reason but without prejudice to any claim for damages for breach of any contract of service between the director and the Company.

112. The remuneration of the managing director or any director who may be appointed to any other office in the management, administration or conduct of the business of the Company will from time to time (subject to the provisions of any agreement between him and the Company) be fixed by the directors. It may comprise fixed salary, or commission on the dividends, profits, sales or turnover of the Company, or of any other Company in which the Company is interested, or other participation in any such profits, or by way of or provision for a pension or pensions for himself or his dependants, or by all or any of these modes, and (subject as stated above) the remuneration fixed will be additional to any ordinary remuneration to which he may be entitled as a director of the Company.

113. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director despite his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in any body corporate

promoted by the Company, or in which the Company is otherwise interested;
and

- (c) will not as a consequence of his office be held accountable to the Company for any benefit which he derives from any such office or employment, or from any such transaction or arrangement, or from any interest in such body corporate; and no such transaction or arrangement may be avoided on the ground of any such interest or benefit.

114. For the purposes of Article 113:

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

PROCEEDINGS OF DIRECTORS

115. Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director will, call a meeting of the directors. Questions arising at a meeting will be decided by a majority of votes. In the case of an equality of votes, the Chairman or the Chairman appointed for that meeting pursuant to Article 119 shall not have a second or casting vote. A director who is also an alternate director will be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

116. Notice of the time, and purpose of every meeting of the directors must be given to every director and to his alternate (if any). The non-receipt of notice by any director or alternate director will not invalidate the proceedings of the directors. Unless all of the directors indicate their willingness to accept shorter notice of a meeting of directors at least 14 prior days' notice must be given. The right to receive notice may be waived in writing by all of the directors. Every notice of a meeting of the directors required to be given under these Articles must be given in writing and served personally or sent by prepaid letter or confirmed facsimile to his last known address for the time being supplied for the purpose to the secretary of the Company. No business may be transacted at any meeting of the directors which was not contained and specified in reasonable detail in the notice convening the meeting without the prior written consent of all the Directors.

117. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and, unless fixed, will be (as long as there is more than one director in office) two persons. An alternate director who is not himself a director will, if his appointor is not present, be counted towards the quorum.

118. The continuing directors or a sole continuing director may act despite any vacancies in their number. However, if the number of directors is less than the number fixed as the quorum, they or he may act only for the purpose of filling vacancies or of calling a general meeting.

119. The directors may elect one of their number to be Chairman and may at any time remove him from that office. If there is no director holding that office, or if the director holding it, being entitled to and having been given notice of the meeting of directors, is not present within five minutes after the time appointed for it, the directors present must appoint one of their number to be Chairman of that meeting.

120. A meeting of the directors may, subject to notice of it having been given or dispensed with in accordance with these Articles, be for all purposes deemed to be held when a director is, or directors are, in communication by telephone, television or some other communication equipment which allows all persons participating to hear each other, provided always that the number of the said directors participating in the communication constitutes a quorum of the board as stipulated by these Articles. A resolution made by a majority of the said directors in pursuance of this Article 120 will be as valid as it would have been if made by them at an actual meeting duly convened and held.

121. A resolution in writing, signed or approved by letter or confirmed facsimile by all the directors or (as appropriate) a committee of the directors will be as valid and effective as if it had been passed at a meeting of directors, or (as the case may be), a committee of directors duly convened and held. The resolution may consist of several documents in the same terms each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

122. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director will, despite that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office, or had vacated office, or was 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.

123. Without prejudice to his obligations of disclosure under the Act and the Articles, a Director may vote at any meeting of the Directors, and be counted in the quorum present at a meeting in relation to, any resolution concerning a transaction or arrangement with the Company or in which the Company is interested, or concerning any other matter in which the Company is interested, notwithstanding that he is interested in that transaction, arrangement or matter or has in relation to it a duty which conflicts or may conflict with the interests of the Company.

124. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company, or with any body corporate in which the Company is interested, the proposals will be divided and considered in relation to each director separately. In addition, (provided he is not for another reason precluded from voting), each of the directors concerned will be

entitled to vote and be counted in the quorum in respect of each resolution, except that concerning his own appointment.

125. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any director other than himself will be final and conclusive.

SECRETARY

126. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

MINUTES

127. The directors shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of Shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

128. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

129. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the directors.

130. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution.

131. Except as otherwise provided by the rights attached to Shares and the Shareholders Agreement, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid; but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.

132. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets

and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees.

133. Any dividend or other moneys payable in respect of a Share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a Share as aforesaid may give receipts for any dividend or other moneys payable in respect of the Share.

134. No dividend or other moneys payable in respect of a Share shall bear interest against the Company unless otherwise provided by the rights attached to the Share.

135. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

CAPITALISATION OF PROFITS

136. The directors may with the authority of an ordinary resolution of the Company:

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the Members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any Shares held by them respectively, or in paying up in full unissued Shares or debentures of the Company of a nominal amount equal to that sum, and allot the Shares or debentures credited as fully paid to those Members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the Share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this regulation, only be applied in paying up unissued Shares to be allotted to Members credited as fully paid;

- (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of Shares or debentures becoming distributable under this regulation in fractions; and
- (d) authorise any person to enter on behalf of all the Members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any Shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such Members.

NOTICES

137. Any notice to be given to or by any person pursuant to the articles shall be in writing.

138. The Company may give any notice to a Member either personally or by facsimile or by sending it by post in a prepaid envelope addressed to the Member at his registered address or by leaving it at that address. In the case of joint holders of a Share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A Member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such Member shall be entitled to receive any notice from the Company.

139. A Member present, either in person or by proxy or by corporate representative, at any meeting of the Company or of the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

140. Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.

141. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted and if sent by facsimile, when a complete and legible copy of the communication; whether that sent by facsimile or a hard copy sent by post or delivered by hand, has been received at the appropriate address.

142. A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a Member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

143. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the Members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as he with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

144. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.