

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

KILLINGHOLME POWER GROUP LIMITED

- 1 The Company's name is "KILLINGHOLME POWER GROUP LIMITED".
- 2 The Company's registered office is to be situated in England and Wales.
- 3 The Company's objects are:
 - A.
 - (i) To carry on business as manufacturers, builders and suppliers of and dealers in goods of all kinds, and as mechanical, general, electrical, marine, radio, electronic, aeronautical, chemical, petroleum, gas civil and constructional engineers, and manufacturers, importers and exporters of, dealers in machinery, plant and equipment of all descriptions and component parts thereof, forgings, castings, tools, implements, apparatus and all other articles and things.
 - (ii) To act as an investment holding company and to co-ordinate the business of any companies in which the Company is for the time being interested, and to acquire (whether by original subscription, tender, purchase exchange or otherwise) the whole of or any part of the stock, shares, debentures, debenture stocks, bonds and other securities issued or guaranteed by a body corporate constituted or carrying on business in any part of the world or by any government, sovereign ruler, commissioners, public body or authority and to hold the same as investments, and to sell, exchange, carry and dispose of the same.
 - (iii) To carry on the businesses in any part of the world as importers, exporters, buyers, sellers, distributors and dealers and to win, process and work produce of all kinds.
 - B. To carry on the following businesses, namely, contractors, garage proprietors, filling station proprietors, owners and charterers of road vehicles, aircraft and ships and boats of every description, lightermen and carriers of goods and passengers by road, rail, water or air, forwarding, transport and commission agents, customs agents, stevedores, wharfingers, cargo superintendents, packers, warehouse storekeepers, cold store keepers, hotel proprietors, caterers, publicans, consultants, advisers, financiers, bankers, advertising agents, insurance brokers, travel agents, ticket agents and agency business of all kinds and generally to provide entertainment for and render services of all kinds to others and to carry on any other trade or business which can in the opinion of the directors be

advantageously carried on by the Company in connection with or ancillary to any of the businesses of the Company.

- C. To buy, sell, manufacture, repair, alter, improve, manipulate, prepare for market, let on hire, and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the businesses specified in clause 3, or which may be required by persons having, or about to have, dealings with the Company.
- D. To build, construct, maintain, alter, enlarge, pull down, remove and replace any buildings, shops, factories, offices, works, machinery and engines, and to work, manage and control these things.
- E. To enter into contracts, agreements and arrangements with any person for the carrying out by that person on behalf of the Company of any object for which the Company is formed.
- F. To acquire, undertake and carry on the whole or any part of the business, property and liabilities of any person carrying on any business which may in the opinion of the directors be capable of being conveniently carried on, or calculated directly or indirectly to enhance the value of or make profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
- G. To enter into any arrangement with a government or authority, whether national, international, supreme, municipal, local or otherwise, that may in the opinion of the directors be conducive to any object of the Company, and to obtain from that government or authority any right, privilege or concession which in the opinion of the directors is desirable, and to carry out, exercise and comply with that arrangement, right, privilege or concession.
- H. To apply for, purchase and by other means acquire, protect, prolong and renew any patent, patent right, brevet d'invention, licence, secret process, invention, trade mark, service mark, copyright, registered design, protection, concession and right of the same or similar effect or nature, and to use, turn to account, manufacture under and grant licences and privileges in respect of those things, and to spend money in experimenting with, testing, researching, improving and seeking to improve any of those things.
- I. To acquire an interest in, amalgamate with and enter into partnership or any arrangement for the sharing of profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person, or with any employees of the Company. To lend money to, guarantee the contracts of, and otherwise assist that person or those employees, and to take and otherwise acquire an interest in that person's shares or other securities and to sell, hold, re-issue, with or without guarantee, and otherwise deal with those shares or other securities.
- J. To lend money to, subsidise and assist any person, to act as agents for the collection, receipt and payment of money and generally to act as agents and brokers for and perform services for any person, and to undertake and perform sub-contracts.
- K. To enter into any guarantee or contract of indemnity or suretyship, and to provide security, including, without limitation, the guarantee and provision of security for the performance of the obligations of and the payment of any money (including, without limitation, capital, principal, premiums, dividends, interest, commissions, charges, discount and any related costs or expenses whether on shares or other securities) by any person including, without limitation, any body corporate which is for the time being the Company's holding company,

the Company's subsidiary, a subsidiary of the Company's holding company or any person which is for the time being a member or otherwise has an interest in the Company or is associated with the Company in any business or venture, with or without the Company receiving any consideration or advantage (whether direct or indirect), and whether by personal covenant or mortgage, charge or lien over all or part of the Company's undertaking, property, assets or uncalled capital (present and future) or by other means. For the purposes of paragraph (K) "guarantee" includes any obligation, however described, to pay, satisfy, provide funds for the payment or satisfaction of (including, without limitation, by advance of money, purchase of or subscription for shares or other securities and purchase of assets or services), indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person.

- L. To promote, finance and assist any person for the purpose of acquiring all or any of the property, rights and undertaking or assuming the liabilities of the Company, and for any other purpose which may in the opinion of the directors directly or indirectly benefit the Company, and in that connection to place, guarantee the placing of, underwrite, subscribe for, and otherwise acquire all or any part of the shares or other securities of a body corporate.
- M. To pay out of the funds of the Company all or any expenses which the Company may lawfully pay of or incidental to the formation, registration, promotion and advertising of and raising money for the Company and the issue of its shares or other securities, including, without limitation, those incurred in connection with the advertising and offering of its shares or other securities for sale or subscription, brokerage and commissions for obtaining applications for and taking, placing, underwriting or procuring the underwriting of its shares or other securities.
- N. To remunerate any person for services rendered or to be rendered to the Company, including, without limitation, by cash payment or by the allotment of shares or other securities of the Company, credited as paid up in full or in part.
- O. To purchase, take on lease, exchange, hire and otherwise acquire any real or personal property and any right or privilege over or in respect of it.
- P. To receive money on deposit on any terms the directors think fit.
- Q. To invest and deal with the Company's money and funds in any way the directors think fit.
- R. To lend money and give credit with or without security.
- S. To borrow, raise and secure the payment of money in any way the directors think fit, including, without limitation, by the issue of debentures and other securities, perpetual or otherwise, charged on all or any of the Company's property (present and future) or its uncalled capital, and to purchase, redeem and pay off those securities.
- T. To remunerate any person for services rendered or to be rendered in placing, assisting and guaranteeing the placing and procuring the underwriting of any share or other security of the Company or of any person in which the Company may be interested or proposes to be interested, or in connection with the conduct of the business of the Company, including, without limitation, by cash payment or by the allotment of shares or other securities of the Company, credited as paid up in full or in part.
- U. To acquire, hold, dispose of, subscribe for, issue, underwrite, place, manage assets belonging to others which include, advise on, enter into contracts or transactions in relation

to or involving and in any other way deal with or arrange dealings with or perform any service or function in relation to (as applicable): shares, stocks, debentures, loans, bonds, certificates of deposit and other instruments creating or acknowledging indebtedness, government, public or other securities, warrants, certificates representing securities or other obligations, units in collective investment schemes, options, futures, spot or forward contracts, contracts for differences or other investments or obligations, currencies, interest rates, precious metals or other commodities, any index (whether related in any way to any of the foregoing or otherwise), any right to, any right conferred by or any interest or any obligation in relation to any of the foregoing and any financial instrument or product deriving from or in any other way relating to any of the foregoing or of any nature whatsoever, and any transaction which may seem to be convenient for hedging the risks associated with any of the foregoing.

- V. To co-ordinate, finance and manage the business and operation of any person in which the Company has an interest.
- W. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- X. To sell, lease, exchange, let on hire and dispose of any real or personal property and the whole or part of the undertaking of the Company, for such consideration as the directors think fit, including, without limitation, for shares, debentures or other securities, whether fully or partly paid up, of any person, whether or not having objects (altogether or in part) similar to those of the Company. To hold any shares, debentures and other securities so acquired, and to improve, manage, develop, sell, exchange, lease, mortgage, dispose of, grant options over, turn to account and otherwise deal with all or any part of the property and rights of the Company.
- Y. To adopt any means of publicising and making known the businesses, services and products of the Company as the directors think fit, including, without limitation, advertisement, publication and distribution of notices, circulars, books and periodicals, purchase and exhibition of works of art and interest and granting and making of prizes, rewards and donations.
- Z. To support, subscribe to and contribute to any charitable or public object and any institution, society and club which may be for the benefit of the Company or persons who are or were directors, officers or employees of the Company, its predecessor in business, any subsidiary of the Company or any person allied to or associated with the Company, or which may be connected with any town or place where the Company carries on business. To subsidise and assist any association of employers or employees and any trade association. To grant pensions, gratuities, annuities and charitable aid and to provide advantages, facilities and services to any person (including any director or former director) who may have been employed by or provided services to the Company, its predecessor in business, any subsidiary of the Company or any person allied to or associated with the Company and to the spouses, children, dependants and relatives of those persons and to make advance provision for the payment of those pensions, gratuities and annuities by establishing or acceding to any trust, scheme or arrangement (whether or not capable of approval by the Commissioners of Inland Revenue under any relevant legislation) the directors think fit, to appoint trustees and to act as trustee of any trust, scheme or arrangement, and to make payments towards insurance for the benefit of those persons and their spouses, children, dependants and relatives.

- AA.** To establish and contribute to any scheme for the purchase or subscription by trustees of shares or other securities of the Company to be held for the benefit of the employees of the Company, any subsidiary of the Company or any person allied to or associated with the Company, to lend money to those employees or to trustees on their behalf to enable them to purchase or subscribe for shares or other securities of the Company and to formulate and carry into effect any scheme for sharing the profits of the Company with employees.
- BB.** To apply for, promote and obtain any Act of Parliament and any order or licence of any government department or authority (including, without limitation, the Department of Trade and Industry) to enable the Company to carry any of its objects into effect, to effect any modification of the Company's constitution and for any other purpose which the directors think fit, and to oppose any proceeding or application which may in the opinion of the directors directly or indirectly prejudice the Company's interests.
- CC.** To establish, grant and take up agencies, and to do all other things the directors may deem conducive to the carrying on of the Company's business as principal or agent, and to remunerate any person in connection with the establishment or granting of an agency on the terms and conditions the directors think fit.
- DD.** To distribute among the shareholders in specie any of the Company's property and any proceeds of sale or disposal of any of the Company's property and for that purpose to distinguish and separate capital from profits, but no distribution amounting to a reduction of capital may be made without any sanction required by law.
- EE.** To purchase and maintain insurance for the benefit of any person who is or was an officer or employee of the Company, a subsidiary of the Company or a company in which the Company has or had an interest (whether direct or indirect) or who is or was trustee of any retirement benefits scheme or any other trust in which any officer or employee or former officer or employee is or has been interested, indemnifying that person against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against.
- FF.** To amalgamate with any other person and to procure the Company to be registered or recognised in any part of the world.
- GG.** Subject to the Act, to give (whether directly or indirectly) any kind of financial assistance (as defined in section 152(1)(a) of the Act) for any purpose specified in section 151(1) or section 151(2) of the Act.
- HH.** To do all or any of the things provided in any paragraph of clause 3:
- (i) in any part of the world;
 - (ii) as principal, agent, contractor, trustee or otherwise;
 - (iii) by or through trustees, agents, subcontractors or otherwise; and
 - (iv) alone or with another person or persons.
- II.** To do all things that are in the opinion of the directors incidental or conducive to the attainment of all or any of the Company's objects, or the exercise of all or any of its powers.
- JJ.** The objects specified in each paragraph of clause 3 shall, except where otherwise provided in that paragraph, be regarded as independent objects, and are not limited or restricted by reference to or inference from the terms of any other paragraph or the name

of the Company. None of the paragraphs of clause 3 or the objects or powers specified or conferred in or by them is deemed subsidiary or ancillary to the objects or powers mentioned in any other paragraph. The Company has as full a power to exercise all or any of the objects and powers provided in each paragraph as if each paragraph contained the objects of a separate company.

KK. In clause 3, a reference to:

- (i) a "person" includes a reference to a body corporate, association or partnership whether domiciled in the United Kingdom or elsewhere and whether incorporated or unincorporated;
- (ii) the "Act" is, unless the context otherwise requires, a reference to the Companies Act 1985, as modified or re-enacted or both from time to time; and
- (iii) a "subsidiary" or "holding company" is to be construed in accordance with section 736 of the Act.

4 The liability of the members is limited.

5 ¹The Company's share capital is £100 divided into 100 ordinary shares of £1 each.

(a) _____

¹ By an ordinary resolution passed on 26 March 2003, the share capital of the Company was reorganised by sub-dividing and converting it into 8,750 A Shares of 1p each and 1,250 B Shares of 1p each, each having the privileges, rights and restrictions attached to the A Shares and B Shares set out in the Company's Articles of Association.

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares in the capital of the company shown opposite our respective names.

NAMES AND ADDRESSES OF SUBSCRIBERS

Number of shares
taken by each
Subscriber

CHANTAL BRACKENBURY

ONE

For and on behalf of

Clifford Chance Nominees Limited

200 Aldersgate Street

London EC1A 4JJ

DATED the 1st day of May, 2002.

WITNESS to the above Signature:

DENISE WEST

200 Aldersgate Street

London EC1A 4JJ

The Companies Act 1985

Private Company Limited By Shares

ARTICLES OF ASSOCIATION

OF

KILLINGHOLME POWER GROUP LIMITED

Registered Number: 4498075

Adopted By special resolution
passed on 26 March 2003

Linklaters

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Ref: RICY/LGDP

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THE COMPANIES ACT 1985 and 1989
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
Killingholme Power Group Limited (the "Company")
Adopted by special resolution passed on

PRELIMINARY

1 Table A not to apply

The regulations in Table A in The Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

2 Interpretation

In these Articles (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them, respectively:

the "Act"	means the Companies Act 1985 as amended by the Companies Act 1989;
"Affiliate"	means in relation to any person, a subsidiary of that person or a holding company of that person or any other subsidiary of that holding company;
"these Articles"	means these Articles of Association as from time to time altered;
"A Shareholder"	a holder of A Shares;
"A Shares"	means the "A" ordinary shares of £0.01 each in the capital of the Company;
"Amended and Restated Facility Agreement"	means the agreement in the agreed form entered into on the date of adoption of these Articles between, amongst others, the Lenders (as such term is defined therein) and Killingholme Power Limited.
"Auditors"	means the auditors of the Company, from time to time;
"Board"	means the board of Directors of the Company as constituted from time to time;
"B Shareholder"	a holder of B Shares;
"B Shares"	means the "B" ordinary shares of £0.01 each in the capital of the Company;
"Business Day"	means a day which is not a Saturday or Sunday or a bank or public

	holiday in England and Wales;
"connected person"	shall have the meaning given to that expression in Section 839 of the Income and Corporation Taxes Act 1988;
"Consideration"	means such amount as is payable in respect of any Share pursuant to a Qualifying Offer or pursuant to Article 39 (<i>Drag Along Rights</i>);
"Departing Employee"	has the meaning given to it in Article 37.1;
"Directors"	means the directors for the time being of the Company and "Director" shall mean any one of them;
"Drag Along Threshold"	means more than 50 per cent. of the issued A Shares;
"Family Trusts"	means as regards any particular individual Shareholder or deceased or former individual Shareholder, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or whosoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than that individual Shareholder and/or a Privileged Relation of that Shareholder and no power or control over the voting powers conferred by such Shares is exercisable for the time being by, or subject to the consent of, any person other than that individual Shareholder or the trustee as trustees of that individual Shareholder or a Privileged Relation of such Shareholder; and so that for this purpose a person shall be considered to be beneficially interested if such Share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;
"Group"	means the Company and its subsidiaries and subsidiary undertakings from time to time, but excluding Killingholme Pensions Limited and Sterling Luxembourg (No.3) S.À.R.L., and "Group Member" means any of them;
"Group Exit Event"	means any of the following: <ul style="list-style-type: none"> (a) a Sale; (b) a Listing; or (c) a refinancing of any Group Member by a syndicate of financial institutions substantially different to the A Shareholders or, if applicable, their Affiliates at the time of adoption of these Articles, namely as a result of: <ul style="list-style-type: none"> (i) a Sale at any one time after the date of adoption of

these Articles;

- (ii) a transfer of more than 50 per cent of the total value of the principal and interest amounts from time to time due under the Amended and Restated Facility Agreement at any one time by way of a series of connected transfers to New A Shareholder(s) in accordance with Article 35.1.7 and 35.3; or
- (iii) a change in more than 2/3 of the number of A Shareholders over a period of time by way of a series of un-connected transfers to one third party (or any of its Affiliates) after the date of adoption of these Articles; or
- (iv) a transfer of more than 66 2/3 per cent of the total value of the principal and interest amounts from time to time due under the Amended and Restated Facility Agreement over a period of time by way of a series of un-connected transfers to one New A Shareholder (or any of its Affiliates) in accordance with Article 35.1.7 and 35.3,

provided that, for the avoidance of doubt, any corporate or debt reorganisation of the Company or of any of its parent or subsidiary undertakings, from time to time, which has been approved by the Shareholders and the Board and which does not involve a Sale or a refinancing for the purposes of (d)(i)-(iv), shall not constitute a Group Exit Event.

"Group Realised Value"

means any and all cash or non cash received or realised by, or available to, any Group Member or any Shareholders as a consequence of a Group Exit Event, in excess of any sums of principal and interest due and outstanding to the A Shareholders or their Affiliates at the time of such Group Exit Event in accordance with the Amended and Restated Facility Agreement, any Hedging Agreement (as such term is defined in the Amended and Restated Facility Agreement) and the Subordinated Facility Agreement;

"Independent Chartered Accountants"

means an independent firm of internationally recognised accountants appointed by the A Shareholders and the Remuneration Committee. In default of nomination by such agreement within 5 Business Days of the decision to refer, the Independent Chartered Accountants shall be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on the written application of any of the A Shareholders or the Remuneration Committee (whichever applies first);

"Investment Agreement"

means the agreement entered into on or about the date of the adoption of these Articles between the A Shareholders and the

	Company and any person who executes a Deed of Adherence in the form of Schedule 3 to that agreement, and as amended or substituted from time to time;
"KPGL Surplus Assets"	means on a winding-up or dissolution of the Company or any other return of capital of the Company the surplus assets of the Company remaining after payment of all its liabilities;
"Listing"	means the admission of all or substantially all of the share capital of the Company (or that of any Group Member for the time being) to the Official List in the United Kingdom and the trading of those Shares (or the shares of any Group Member) on the London Stock Exchange becoming effective, or the granting of permission for any of the share capital of the Company (or that of any Group Member) to be dealt on another recognised investment exchange (as defined by section 285(1)(a) of the Financial Services and Markets Act 2000) or the Alternative Investment Market, regulated by the London Stock Exchange;
"London Stock Exchange"	means the London Stock Exchange PLC;
"Market Value"	has the meaning ascribed to it in Article 41;
"Member of the same Group"	means as regards any company, a company which is a holding company or a subsidiary or a subsidiary undertaking of that company or a subsidiary or a subsidiary undertaking of any such holding company;
"Official List"	means the list maintained by the competent authority (as defined in section 74 of the Financial Services and Markets Act 2000) for the purpose of admitting securities to listing pursuant to Part VI of that Act;
"Original Facility Agreement"	means the £325,000,000 Facility Agreement dated 29 March 2000, amended and restated on 5 June 2000 and further amended and restated on 30 June 2000, 11 August 2000, 17 April 2001, 19 June 2001 and 5 September 2001;
"Par Value"	means, on any day, in relation to any Relevant Debt, the principal amount of that Relevant Debt plus interest accrued on that Relevant Debt under the Amended and Restated Facility Agreement or the Subordinated Facility Agreement, as the case may be;
"Privileged Relation"	means, in relation to an individual Shareholder, their spouse (or widow or widower) and their children (including step and adopted children) and grandchildren;
"Purchasing Holder"	has the meaning ascribed to it in Article 39.1;
"Qualifying Offer"	has the meaning ascribed to it in Article 38.5;
"Register"	means the register of members of the Company;
"Relevant Debt"	means all amounts outstanding, all undrawn commitments and all

	contingent liabilities under letters of credit in each case under the Amended and Restated Facility Agreement and the Subordinated Facility Agreement;
"Relevant Shares"	means (so far as the same remain for the time being held by the trustees of any Family Trusts) the Shares originally acquired by such trustees and any additional Shares issued to such trustees by way of capitalisation or acquired by such trustees in exercise of any right or option granted or arising by virtue of the holding of such Shares or any of them or the membership thereby conferred;
"Remuneration Committee"	shall bear the same meaning as in the Investment Agreement;
"Sale"	means the sale by any one transaction or series of connected transactions (outside a formal insolvency process) of: <ul style="list-style-type: none"> (a) A Shares representing more than 50 per cent. of the Voting Rights or shares in any other Group Member representing more than 50 per cent. of the voting issued capital of that member; or (b) the whole, or substantially the whole, of the assets and undertaking of any Group Member. <p>In the absence of agreement by the Board and the A Shareholders as to whether sold assets shall be considered to constitute "substantially the whole of the assets and undertaking" of a Group Member, the matter shall be referred to the Independent Chartered Accountants whose decision shall (in the absence of manifest error) be final and binding.</p>
"Sale Notice"	has the meaning ascribed to it in Article 36.1;
"Selling Shareholder"	has the meaning ascribed to it in Article 36.1;
"Shareholder"	means a holder of Shares in the Company;
"Shares"	means the A Shares, the B Shares and (1) any shares in the capital of the Company issued in exchange for those Shares or by way or conversion or reclassification and (2) any shares in the capital of the Company representing or deriving from those Shares as a result of an increase in, reorganisation or variation of the capital of the Company and "Share" means any one of them;
"Subordinated Facility Agreement"	means the agreement in the agreed form to be entered into on the date of adoption of these Articles between the Subordinated Lenders (as defined therein) and Killingholme Holdings Limited;
"Subscription Price"	in relation to any Share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such Share was issued whether or not such premium is applied for any purpose thereafter);
"Voting Limit"	means 20 per cent. of the aggregate issued A Shares; and

"Voting Rights" means the right to receive notice of, attend (in person or by proxy), speak (in person or by proxy) and vote (in person or by proxy) at General Meetings of the Company.

The expression **"Secretary"** shall include any person appointed by the Directors to perform any of the duties of the Secretary including, but not limited to, a joint, assistant or deputy Secretary.

The expression **"officer"** shall include a Director, manager and the Secretary, but shall not include an auditor.

The expression **"shareholders' meeting"** shall include both a General Meeting and a meeting of the holders of any class of Shares of the Company.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force (whether coming into force before or after the adoption of these Articles). Subject to this, any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.

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

The expressions **"communication"** and **"electronic communication"** shall have the same respective meaning as in the Electronic Communications Act 2000, the latter including, without limitation, e-mail, facsimile, CD-Rom, audiotape and telephone transmission and (in the case of electronic communication by the Company in accordance with Article 119) publication on a web site.

The expression **"address"** shall include, in relation to electronic communication, any number or address used for the purposes of such communication.

PRIVATE COMPANY

3 Private company

The Company is a private company and accordingly any invitation to the public to subscribe for any Shares or debentures of the Company is prohibited.

SHARE CAPITAL

4 Amount of share capital

The authorised share capital of the Company at the date of the adoption of these Articles is £100 divided into:

8750 A Shares of £0.01 each; and

1250 B Shares of £0.01 each.

Except as otherwise provided in these Articles, the A Shares and the B Shares rank *pari passu* but shall constitute separate classes of Shares.

RIGHTS ATTACHING TO THE SHARES

The rights attaching to the Shares are set out below.

5 Dividend

All dividends shall (as regards any Shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the Shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a Share in advance of calls shall be treated as paid on the Share.

6 Return of Capital

- 6.1 On a Company winding-up, or a return of capital by way of reduction of capital or otherwise, the holders of the Shares shall be entitled, in respect of their Shares, to be paid such proportion of the KPGL Surplus Assets pro rata to the amounts paid on their Shares.
- 6.2 The Shares do not confer any further right of participation in the profits or assets of the Company.

7 Voting at general meetings

- 7.1 Subject to Articles 32 and 33, each A Shareholder shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company. On a show of hands, each A Shareholder who is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of A Shares so present shall have one vote for each A Share held by him.
- 7.2 Subject to Articles 32 and 33, each B Shareholder shall be entitled to receive notice of, and to attend, general meetings of the Company but shall have no voting rights.

8 Group Exit Event

On a Group Exit Event, the holders of the Shares shall be entitled to receive such proportion of the Group Realised Value, as relates, pro rata, to the amounts paid on their Shares.

9 Increase of share capital

The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the Act and these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

10 Consolidation, subdivision and cancellation

10.1 The Company may by ordinary resolution:

- 10.1.1** consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
- 10.1.2** cancel any Shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the Shares so cancelled;
- 10.1.3** subdivide its Shares, or any of them, into Shares of a smaller amount than is fixed by the Memorandum of Association (subject to the Act), and so that the resolution whereby any Share is subdivided may determine that, as between the holders of the Shares resulting from such subdivision, one or more of the Shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new Shares.

- 10.2** Whenever as a result of a consolidation or subdivision of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Directors may authorise the 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.

11 Purchase of own shares

Subject to the Act and the Articles, the Company may purchase, or may enter into a contract under which it will or may purchase, any of its own Shares of any class (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own Shares whether out of its distributable profits or out of the proceeds of a fresh issue of Shares or otherwise.

12 Reduction of capital

Subject to the provisions of the Act and the Articles, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any way.

SHARES

13 Issue of Shares

- 13.1** Subject to Section 80 of the Act and the provisions set out below, all unissued Shares shall be at the disposal of the Directors and they may offer, allot, issue, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.
- 13.2** Any unissued Shares (other than the B Shares comprised in the authorised Share capital on the date of adoption of these Articles to be issued or any rights to or in respect thereof) ("**New Shares**") shall not be allotted or issued to any person unless the Company has, in the first instance, offered such New Shares to all holders of Shares of the same class as such New Shares ("**Share Class**") on a pro rata basis on the terms that in case of competition the New Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) to their existing holdings of Shares of that Share Class. Such offer:
- 13.2.1** shall stipulate a time not exceeding 14 days within which it must be accepted or, in default, will lapse; and
- 13.2.2** may stipulate that any holders of Shares of that Share Class who desire to subscribe for a number of New Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess New Shares they wish to subscribe for and any Shares not accepted by other Shareholders shall be used for satisfying the requests for excess New Shares pro rata to the existing Shares of that Share Class respectively held by such Shareholders making such requests and, thereafter, such New Shares shall be offered to any other person at the same price and on the same terms as the offer to holders of shares of that Share Class.
- 13.3** Section 89(1) of the Act shall not apply to the allotment by the Company of equity securities.

14 Rights attaching to Shares on issue

Without prejudice to the special rights and restrictions conferred on the holders of any existing Shares or class of Shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine and subject to the Act the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

15 Trust etc. interests not recognised

Except as required by law and as otherwise set out in these Articles, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any Share, except an absolute right to the entirety thereof in the holder.

SHARE CERTIFICATES

16 Issue of share certificates

Every Shareholder (except a person to whom the Company is not required by law or by the Articles to issue a certificate) whose name is entered in the Register shall upon the issue or transfer to him of such Shares be entitled without payment to a certificate therefor after allotment or after lodgement of the transfer.

17 Form of share certificate

Every share certificate shall be executed by the Company in such manner as the Directors may decide (which may include manual or facsimile signatures by one or more Directors) and shall specify the number and class of Shares to which it relates and the amount paid up thereon. No certificate shall be issued representing Shares of more than one class.

18 Joint holders

In the case of a Share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

19 Replacement of share certificates

- 19.1** Any two or more certificates representing Shares of any one class held by any Shareholder may at his request be cancelled and a single new certificate for such Shares issued in lieu without charge.
- 19.2** If any Shareholder shall surrender for cancellation a share certificate representing Shares held by him and request the Company to issue in lieu two or more share certificates representing such Shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.
- 19.3** If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
- 19.4** In the case of Shares held jointly by several persons any such request may be made by any one of the joint holders.

CALLS ON SHARES

20 Power to make calls

The Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares (whether in respect of the nominal value or premium) subject

to the terms of allotment of such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

21 Liability for calls

Each Shareholder shall (subject to receiving at least 14 days' notice specifying the time and place of payment) pay to the Company at the time and place specified the amount called on his Shares. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof. A call may be wholly or partly revoked or postponed as the Directors may determine.

22 Interest on overdue amounts

If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment of it to the time of actual payment at such rate (not to exceed 15 per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

23 Other sums due on shares

Any sum (whether in respect of the nominal value or premium) payable in respect of a Share which becomes payable upon allotment or at any fixed date shall be deemed to be a call duly made and payable on the date on which by the terms of allotment the same becomes payable. In case of non-payment, all the relevant provisions of these Articles shall apply as if such sum had become payable by virtue of a call duly made and notified.

FORFEITURE AND LIEN

24 Notice on failure to pay a call

If a Shareholder fails to pay in full any call or instalment of a call on or before the due date for its payment, the Directors may give him at least 14 days' written notice requiring payment of the unpaid amount together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice shall state that if it is not complied with the Shares on which the call has been made will be liable to be forfeited.

25 Forfeiture for non-compliance

If the notice is not complied with, any Share in respect of which it was given may be forfeited, before payment of all calls and interest due in respect thereof has been made, by a resolution of the Directors. The forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited Share and not actually paid before forfeiture. The Directors may accept a surrender of any Share liable to be forfeited hereunder.

26 Disposal of forfeited shares

A forfeited Share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the directors shall think fit and at any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered Share to any such other person as aforesaid.

27 Holder to remain liable despite forfeiture

A Shareholder whose Shares have been forfeited shall cease to be a Shareholder in respect of the Shares (and shall surrender to the Company for cancellation the certificate for such Shares) but shall remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the Shares with interest thereon at the appropriate rate (as defined in the Act) (or such lower rate as the Directors may determine) from the date of forfeiture until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal or waive payment in whole or in part.

28 Lien on partly-paid shares

The Company shall have a first and paramount lien on every Share which is not a fully-paid Share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that Share and all expenses incurred by the Company by reason of the non-payment of the call. The Directors may waive any lien which has arisen and may resolve that any Share shall for some limited period be exempt wholly or partially from the provisions of this Article.

29 Sale of shares subject to lien

The Company may sell in such manner as the Directors think fit any Share on which the Company has a lien if some sum in respect of which the lien exists is presently payable and is not paid within 14 days after a written notice demanding payment and giving notice that the Share may be sold if the notice is not complied with has been given to the holder of the Share or the person entitled to it by reason of his death or bankruptcy or otherwise by operation of law.

30 Proceeds of sale of shares subject to lien

The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the amount for which the lien exists so far as the same is then payable and any residue shall be paid to the person entitled to the Shares at the time of the sale upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for sums not presently payable as existed upon the Shares prior to

the sale. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer the Shares sold to, or in accordance with the directions of, the purchaser.

31 Evidence of forfeiture

A statutory declaration by a Director or the Secretary of the Company that a Share has been duly forfeited or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. Such declaration shall constitute (subject to the relevant Share transfer being made, if required) a good title to the Share and the person to whom the Share is sold, re-allotted or 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 or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the Share.

VARIATION OF RIGHTS

32 Manner of variation of rights

32.1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any class may, subject to the Act, be varied or abrogated either with:

32.1.1 the written consent of the holders of three-quarters in nominal value of the issued Shares of the class; or

32.1.2 with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the Shares of the class (but not otherwise),

and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

32.2 To every such separate meeting, all the provisions of these Articles relating to General Meetings and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons (or, in circumstances where there is one holder of the Shares of any class, one person) at least holding or representing by proxy at least one-third in nominal value of the issued Shares of the class (but so that at any adjourned meeting any holder of Shares of the class present in person or by proxy shall be a quorum) and that any holder of Shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every Share of the class held by him.

32.3 The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the Shares of any class as if each group of Shares of the class differently treated formed a separate class the special rights whereof are to be varied.

33 Matters constituting variation of rights

33.1 The rights attached to any class of Shares shall, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by:

33.1.1 the reduction of the capital paid up on any of those Shares;

- 33.1.2 the creation or issue of any further Shares ranking *pari passu* or in priority to them for the payment of a dividend or of capital;
 - 33.1.3 any amendment to the memorandum of association or these Articles;
 - 33.1.4 any special resolution that the Company be wound up voluntarily;
 - 33.1.5 the creation and issue of further Shares ranking *pari passu* but in no respect in priority thereto; or
 - 33.1.6 the Company purchasing any of its own Shares.
- 33.2 The creation and/or issue of any A Shares or any subdivision of the A Shares shall and shall be deemed to constitute a variation of the rights attaching to the B Shares in issue.
- 33.3 The creation and/or issue of any B Shares or any subdivision of the B Shares shall and shall be deemed to constitute a variation of the rights attaching to the A Shares in issue.

TRANSFER OF SHARES

34 General

No transfer of any Share in the capital of the Company shall be made or registered unless such transfer complies with the provisions of these Articles and the proposed transferee has entered into an agreement to be bound by the Investment Agreement in the form required by that Agreement.

35 Permitted Transfers

35.1 No Share may be transferred other than:

- 35.1.1 by a B Shareholder, to whom the relevant Shares were originally allotted (the "**Original B Shareholder**") and subject to obtaining the prior written consent of the Directors (such consent not to be unreasonably withheld), to:

- (i) his spouse;
- (ii) his adult children or adult step children; or
- (iii) to the trustee or trustees (the "**Trustees**") of a Family Trust set up wholly for his benefit, or that of his spouse, children or step children and of which the Original B Shareholder is the settlor,

(each an "**Individual Permitted Transferee**")

and an Individual Permitted Transferee may transfer any of those Shares to any other Individual Permitted Transferee,

Provided that:

- (i) in the event that the Original B Shareholder ceases to be a Director or employee of the Company or a director or employee of any subsidiary of the Company, such Shares held by such Individual Permitted Transferee shall be subject to the provisions of Article 37 (*Departing Employees*), as if they constituted part of the holding of the Original B Shareholder; and

- (ii) if and whenever any of the Relevant Shares come to be held by a trust other than a Family Trust, it shall be the duty of the trustees holding such Shares to notify the Directors in writing that such event has occurred and the trustees shall be deemed, if and when required in writing by the Directors so to do, to give a Director Notice in respect of the Relevant Shares concerned pursuant to Article 37 (*Departing Employees*);

35.1.2 subject to Article 35.3, by any A Shareholder (the "**Original A Shareholder**"), which may transfer all or any of its Shares to any other company which is, for the time being, its Affiliate (each such financial institution being a "**Group Company**" and the transferee being the "**Institutional Permitted Transferee**") but if the Institutional Permitted Transferee ceases to be a Group Company of the Original A Shareholder while it is a holder of Shares in the Company, it shall, within 21 days of so ceasing, transfer the Shares held by it to the Original A Shareholder or to any Group Company of the Original A Shareholder and failing such transfer, the Institutional Permitted Transferee shall be deemed to have given a Sale Notice pursuant to Article 36 (*Pre-emption Rights for A Shareholders*);

35.1.3 subject to Article 35.3, on and after Listing;

35.1.4 subject to Article 35.3, when required by Article 39 (*Drag Along Rights*);

35.1.5 subject to Article 35.3, when required by Article 37 (*Departing Employees*);

35.1.6 subject to Article 35.3, by a Shareholder to a nominee or trustee for that Shareholder alone and any such nominee or trustee of that Shareholder may at any time transfer any Shares to that Shareholder or to another nominee or trustee for that Shareholder, provided that no beneficial interest in such Shares passes by reason of such transfer; or

35.1.7 subject to Article 35.3, by an A Shareholder who may transfer all of its A Shares in accordance with the provisions of Article 36 to a bank or financial institution whose long-term debt securities are rated at least BBB by Standard & Poors or Baa2 by Moody's (a "**New A Shareholder**") provided that the New A Shareholder agrees to enter into an agreement to be bound by the Investment Agreement in the form required by that Agreement,

and each transfer made in accordance with the provisions of this Article 35 shall be a "**Permitted Transfer**".

35.2 Any person who is an Individual Permitted Transferee pursuant to Article 35.1.1 shall be deemed to have irrevocably appointed the Original B Shareholder as his proxy in respect of such Shares and no instrument of appointment shall be required to be deposited with the Company or any subsidiary of the Company.

35.3 Other than pursuant to Article 35.1.2, any Permitted Transfer of A Shares by an A Shareholder may only take place in the same proportion as and simultaneously with the assignment, transfer or other disposition of the interest in the Relevant Debt held by that Shareholder or its Affiliate to the same person or an Affiliate of that same person in accordance with the provisions of the Amended and Restated Facility Agreement, Subordinated Facility Agreement and of the Investment Agreement.

35.4 Where an A Shareholder transfers any of its A Shares, and it or its Affiliate transfers the same proportion of its interest in the Relevant Debt, the transfer of the A Shares shall not be valid unless the price to be paid for the Relevant Debt, if any, is:

35.4.1 in the case of a transfer of Relevant Debt following the issue of a Sale Notice under Article 36.1 and subject to Article 36.10, the price specified by the Selling Shareholder in the relevant Sale Notice;

35.4.2 in the case of a transfer of Relevant Debt contemporaneously with a transfer of A Shares pursuant to Article 38.1, the Par Value;

35.4.3 in the case of a transfer following a Qualifying Offer pursuant to Article 38.5, the price specified in the Qualifying Offer; and

35.4.4 in the case of a transfer to a Purchasing Holder pursuant to Article 39.1, the Par Value.

36 Pre-emption rights for A Shareholders

36.1 An A Shareholder (the "**Selling Shareholder**") who wishes to transfer A Shares (or any beneficial interest therein) to a New A Shareholder to whom Article 35.1.7 applies shall serve notice on the Company (the "**Sale Notice**") stating that it wishes to transfer all or a proportion of its A Shares ("**Sale Shares**"), the price at which it wishes to transfer the Sale Shares (which shall be deemed to be Market Value if no price is specified (the "**Sale Price**")), and subject to Article 36.10, the price at which the Relevant Debt will be transferred.

36.2 The Selling Shareholder must state in the Sale Notice that it is only willing to transfer all the Sale Shares, in which case no Sale Shares can be sold to the other A Shareholders unless offers are received for all of them.

36.3 Where any Sale Notice is deemed to have been given in accordance with Article 35.1.2, the deemed Sale Notice shall be treated as having stated:

36.3.1 that all the Sale Shares registered in the name of the Selling Shareholder shall be included in the sale;

36.3.2 that the price for the Sale Shares shall be as agreed between the Directors and the Selling Shareholder or, failing agreement, shall be the Market Value; and

36.3.3 that no condition as referred to in Article 36.2 shall apply.

36.4 No Sale Notice once given or deemed to be given in accordance with Article 35.1.2 shall be withdrawn.

36.5 The Sale Notice shall make the Company the agent of the Selling Shareholder for the sale of the Sale Shares on the following terms, which the Company shall notify to the other A Shareholders within 2 Business days of receiving the Sale Notice:

36.5.1 that the price for each Sale Share shall be the Sale Price;

36.5.2 that the Sale Shares are to be sold free from all liens, charges and encumbrances, together with all rights attaching to them;

36.5.3 subject to Article 38, that each of the other A Shareholders is entitled to buy the Sale Shares in proportions reflecting, as nearly as possible, the nominal amount of their

existing holdings of A Shares but that an A Shareholder is entitled to buy fewer Sale Shares than his proportional entitlement;

36.5.4 subject to Article 38, that A Shareholders may offer to buy any number of A Shares that are not accepted by the other A Shareholders (the "**Excess Shares**"); and

36.5.5 10 Business Days after the Company's despatch of the terms for the sale of the Sale Shares (the "**Closing Date**");

(i) an A Shareholder who has not responded to the offer in writing shall be deemed to have declined it; and

(ii) each offer made by an A Shareholder to acquire Sale Shares shall become irrevocable.

36.6 If the Company receives offers for more A Shares than the number of Sale Shares, each A Shareholder who offered to buy Excess Shares shall be entitled to a number of Excess Shares reflecting, as nearly as possible, the number of Excess Shares he offered to buy as a proportion of the total number of Excess Shares for which offers were received.

36.7 Within 5 Business Days after the Closing Date, the Company shall notify the Selling Shareholder and the A Shareholders who offered to buy Sale Shares of the result of the offer and, if any Sale Shares are to be sold pursuant to the offer:

36.7.1 the Company shall notify the Selling Shareholder of the names and addresses of the A Shareholders who are to buy Sale Shares and the number to be bought by each;

36.7.2 the Company shall notify each A Shareholder of the number of the Sale Shares he is to buy; and

36.7.3 the Company's notices shall state a place and time, between 5 Business Days and 10 Business Days later, on which the sale and purchase of the Sale Shares is to be completed.

36.8 If the Selling Shareholder does not transfer Sale Shares in accordance with Article 36.7, the Directors may authorise any Director to transfer the Sale Shares on the behalf of the Selling Shareholder to the buying A Shareholders concerned against receipt by the Company of the Sale Price per Share. The Company shall hold the Sale Price in trust for the Selling Shareholder without any obligation to pay interest. The Company's receipt of the Sale Price shall be a good discharge to the buying A Shareholder. The Directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Selling Shareholder shall surrender his share certificate for the Sale Shares to the Company. On surrender, he shall be entitled to the Sale Price for the Sale Shares.

36.9 If, by the Closing Date, the Company has not received offers for all the Sale Shares, the Selling Shareholder may within the next two months transfer the Sale Shares for which offers were not received to the New A Shareholder named in accordance with Article 36.1 at no less than the Sale Price per Share with any other terms being no more favourable than those in the Sale Notice (the "**Purchaser**"), provided that such New A Shareholder agrees to enter into an agreement to be bound by the Investment Agreement in the form required by that Agreement.

36.10 A Selling Shareholder may serve a Sale Notice which does not include the price at which the Relevant Debt will be sold, in which case:

- 36.10.1 any A Shareholder may make an offer to acquire all or some of the Sale Shares and Relevant Debt, specifying a price for the Relevant Debt; and
- 36.10.2 the Selling Shareholder will accept offers in descending order of price (pro rata between offers at the same price) and will not sell to a third party if there is an A Shareholder who has made an offer at the same price as the third party; and
- 36.10.3 the price to be paid for the Relevant Debt will be the price specified in the relevant accepted offer.

37 Departing Employees

- 37.1 Article 37 applies when an employee of the Company or any of its subsidiary undertakings who:

- 37.1.1 is a B Shareholder; and/or

- 37.1.2 has established a trust which holds B Shares or has made a Permitted Transfer pursuant to Article 35.1.1 to an Individual Permitted Transferee,

ceases for any reason to be an employee of the Company or any of its subsidiary undertakings (the "**Departing Employee**").

- 37.2 Within 2 months after the cessation of employment, the Directors may serve notice (the "**Director Notice**") requiring the B Shareholder (or his personal representatives in the case of his death) and/or each trustee of the trust and/or any other Individual Permitted Transferee (the "**Compulsory Sellers**" and each a "**Compulsory Seller**") to offer all of the B Shares held by the Compulsory Sellers ("**Sale Shares**") to:

- 37.2.1 a person or persons intended to take the employee's place (if any);

- 37.2.2 any of the existing employees of the Company or any of its subsidiary undertakings;

- 37.2.3 an employees' share scheme of the Company and its subsidiary undertakings; and/or

- 37.2.4 the other B Shareholders; or

- 37.2.5 where Sale Shares have been offered to but not accepted by a person or persons falling within any of Articles 37.2.1, 37.2.2, 37.2.3 or 37.2.4 above, to any other person or persons determined by the Directors,

(the "**Offerees**"). The Director Notice may reserve to the Directors the right to finalise the identity of the Offerees once the price for the Sale Shares has been agreed or certified.

- 37.3 If the employment of the Departing Employee ceases for one of the reasons set out in Article 37.4 (as determined by the Remuneration Committee), the Compulsory Seller(s) shall be required, if a relevant Director Notice shall be issued under Article 37.4, to transfer all of the B Shares held by the Compulsory Seller(s) and the Sale Price shall be the price agreed between the Departing Employee (or his personal representatives in the case of death) and the Remuneration Committee as being the higher of the Subscription Price of the Sale Shares and the Market Value of the Sale Shares, or, if they do not agree a price within 14 days of the service of the Director Notice, the price to be determined by the Auditors or the Independent Chartered Accountants to be the Market Value.

- 37.4** The reasons that employment ceases for the purposes of Article 37.3 (which shall be determined by the Remuneration Committee) are:
- 37.4.1** death;
 - 37.4.2** retirement, at the normal retirement age;
 - 37.4.3** ill-health;
 - 37.4.4** permanent disability; or
 - 37.4.5** wrongful dismissal or in circumstances where the Remuneration Committee have agreed or an industrial tribunal has determined that the dismissal was unfair other than because of a procedural irregularity.
- 37.5** In the event that the Departing Employee has ceased employment for any reason other than as set out in Article 37.4 then the Compulsory Seller(s) shall be required to transfer all of the B Shares held by the Compulsory Seller(s) and the Sale Price shall be (unless otherwise determined by the Remuneration Committee) the Subscription Price of the Sale Shares or, if lower, their Market Value.
- 37.6** The Departing Employee (or his personal representatives, in the case of death) shall give the Company an irrevocable undertaking to apply the proceeds of sale in respect of the Sale Shares first towards the repayment of any amounts due from the Departing Employee to the Company or any of its subsidiaries.
- 37.7** Within 7 Business Days after the Sale Price has been agreed or certified:
- 37.7.1** the Company shall confirm to or notify the Compulsory Seller(s) of the names and addresses of the Offerees and the number of Sale Shares to be offered to each;
 - 37.7.2** the Company shall notify each Offeree of the number of Sale Shares on offer to him; and
 - 37.7.3** the Company's notices shall specify the price per Share and state a date, between 7 Business Days and 14 Business Days later, on which the sale and purchase of the Sale Shares is to be completed (the "**Completion Date**").
- 37.8** The provisions of Articles 39.3 to 39.6 shall apply, mutatis mutandis, to the purchase of Shares under this Articles.
- 37.9** While B Shares are Sale Shares by virtue of Article 37.2, they may not be transferred under Article 35 (*Permitted Transfers*) (save for Article 35.1.5).

38 Restriction on Ownership

- 38.1** If any person has an interest in more than 20 per cent. of the issued A Shares in the Company (a "**Restricted Interest**"), then unless a Qualifying Offer is made by such person in accordance with Article 38.5 and such offer results in a Compulsory Transfer Notice being served in accordance with Article 39 (*Drag Along Rights*), the Company shall be entitled to sell at the best price reasonably obtainable at the time of sale, those Shares in which such person is interested in excess of the 20 per cent. threshold.
- 38.2** To give effect to a sale under Article 35.1.2, 38.1 or 46 (*Information concerning Shareholdings and Transfers*), the Company may appoint any person to transfer, as transferor, the said

Shares and such transfer shall be as effective as if it had been carried out by the registered holder of such Shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member for an amount equal to such proceeds and shall enter the name of such former member in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds.

- 38.3** If a Permitted Transfer of A Shares in the Company would, if registered, result in a person having a Restricted Interest (a **"Restricted Transfer"**), then such Restricted Transfer will not be registered unless, (i) a Qualifying Offer is made in accordance with Article 38.5 and (ii) in such circumstances, will not be registered until and unless a Compulsory Transfer Notice is served in accordance with Article 39 (*Drag Along Rights*).
- 38.4** Article 67.4 shall apply as to whether a person has an interest in A Shares for the purposes of this Article.
- 38.5** No person may acquire a Restricted Interest in A Shares other than by making an offer to all the Shareholders on the following terms (a **"Qualifying Offer"**):
- 38.5.1** the offer shall be open for acceptance until a date (the **"Closing Date"**) at least 21 days from the determination of the price to be determined by the Auditors or the Independent Chartered Accountants to be the Market Value;
 - 38.5.2** the offer will include details of the proposed price to be paid for the entire issued share capital of the Company including all consideration received or receivable by Shareholders which, having regard to the transaction as a whole, can reasonably be regarded as part of the price paid or payable for any relevant Shares and details of the proposed price to be paid for the Relevant Debt;
 - 38.5.3** the consideration offered shall be allocated between the Shareholders in accordance with Article 47 (*Group Exit Events*);
 - 38.5.4** the consideration shall be paid to the Company or such Shareholders as the Company may nominate having regard to the allocations referred to in Article 38.5.3;
 - 38.5.5** to the extent that the Company receives such purchase money it shall hold it on trust for each of the Shareholders as appropriate having regard to the allocations referred to in Article 38.5.3; and
 - 38.5.6** the offer shall be made on terms that if the offeror does not receive acceptances such that the Restricted Interest would reach the Drag Along Threshold, then the offer shall lapse.
- 38.6** The offeror shall give notice to the Company of an offer under Article 38.5 and the Company shall notify all the other Shareholders of the offer setting out the above terms within 2 Business Days of the determination of the aggregate consideration under the offer pursuant to Article 38.5.1.
- 38.7** Any Shareholder who has not responded to the offer in writing by the Closing Date shall be deemed to have declined it. The provisions of Articles 39.3 to 39.6 shall apply, *mutatis mutandis*, to the purchase of Shares under this Article.

- 38.8** The completion of the sale of Shares pursuant to the Qualifying Offer and the sale of Shares pursuant to a compulsory transfer in accordance with Article 39 (*Drag Along Rights*) shall occur simultaneously.

39 Drag Along Rights

- 39.1** If a Permitted Transfer results in any holder of A Shares holding, or having contracted to acquire, or otherwise having an interest in a percentage of the total A Shares which is equal to or greater than the Drag Along Threshold, such person (the "**Purchasing Holder(s)**") shall, within 2 Business Days of attaining that percentage serve a compulsory transfer notice (a "**Compulsory Transfer Notice**") on each other Shareholder, requiring them to sell all their Shares, free from all encumbrances and together with all rights attaching thereto, and their Share of the Relevant Debt, to one or more persons identified by the Purchasing Holder(s) ("**Offeror**") at the consideration and on the basis specified in the Qualifying Offer and Article 38.5.
- 39.2** Article 67.4 shall apply as to whether a person has an interest in A Shares for the purposes of this Article 39.
- 39.3** By the date which is 14 days after the service of the Compulsory Transfer Notices (the "**Completion Date**"), the Shareholders selling their Shares shall deliver stock transfer forms for their Shares, with the relevant share certificates, to the Company. On the Completion Date, the Company shall pay the Shareholders who are selling their Shares, on behalf of the Offeror, the Consideration for their Shares to the extent the Offeror has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offeror. The Company shall hold the price in trust for the Shareholders selling their Shares without any obligation to pay interest.
- 39.4** To the extent that the Offeror has not, by the Completion Date, put the Company in funds to pay the Consideration, the Shareholders selling their Shares shall be entitled to the return of the stock transfer forms and share certificates for the relevant Shares and such Shareholders shall have no further rights or obligations under this Article 39 in respect of those Shares.
- 39.5** If a Shareholder who is selling his Shares fails to deliver stock transfer forms for his Shares to the Company by the Completion Date, the Directors may authorise any Director to execute and deliver the necessary transfers of those Shares on behalf of the relevant Shareholder to the Offeror to the extent it has, by the Completion Date, put the Company in funds to pay the aggregate Consideration for the Shares being sold. The Directors shall then authorise registration of the transfer. The defaulting selling Shareholder shall surrender his share certificate for his Shares to the Company. On surrender, he shall be entitled to the Consideration for those Shares but shall not be entitled to any interest which may have been earned by the Company on the proceeds of sale.
- 39.6** While any Shares are subject to a Compulsory Transfer Notice under this Article 39, they may not be transferred otherwise than under this Article 39.

40 Conversion of A and B Shares

- 40.1** When an A Share is transferred to a B Shareholder, it shall be converted into a B Share.

41 Valuation of Shares

- 41.1** In the event that the Auditors or, if they are unwilling or unable to act, an Independent Chartered Accountant are/is required to determine the Market Value at which Shares are to be transferred pursuant to these Articles, such price shall be the amount the Auditors shall, on the application of the Directors (which application shall be made as soon as practicable following the time when it becomes apparent that a valuation pursuant to this Article 44 is required), certify in writing to be the price which, in their opinion, represents a fair value for such Shares as between a willing seller and a willing buyer as at the date the Sale Notice or, in the case of Article 37 (*Departing Employees*), the Director Notice is given. In making such determination, the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the transfer restrictions which apply to the Sale Shares under these Articles (and shall assume that the entire issued share capital of the Company is being sold). The fair value so determined shall be the "**Market Value**" of the Shares.
- 41.2** In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be conclusive and binding on the Company and upon all of its holders for the purposes of these Articles.
- 41.3** The costs of the Auditors shall be borne by the Company unless, in the case of a determination required pursuant to the provisions of Article 36.3.2, as appropriate, the amount determined by the Auditors is less than that suggested by the Directors, in which case the costs of the Auditors shall be borne by the Selling Shareholder, or, in the case of a determination required pursuant to the provisions of Article 37.3, the amount determined by the Auditors is less than that suggested by the A Shareholders, in which case the costs of the Auditors shall be borne by the Departing Employee.

42 Form of transfer

Provided that all transfers of shares are made in accordance with the provisions of these Articles, such transfers may be effected by written transfer in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer which are registered may be retained by the Company.

43 Right to refuse registration

- 43.1** The Directors may decline to recognise any instrument of transfer relating to shares unless it is in respect of only one class of Share and is lodged (duly stamped if required) at the registered office of the Company accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).
- 43.2** The Directors shall not refuse to register any transfer of a Share which is a Permitted Transfer under these Articles, but may in their absolute discretion and without assigning any reason therefore refuse to register any transfer of shares (not being fully-paid shares) to a person of whom they do not approve or of a Share on which the Company has a lien.

- 43.3** If the Directors refuse to register an allotment or transfer of shares they shall within two months after the date on which the letter of allotment or instrument of transfer was lodged with the Company send to the allottee or transferee notice of the refusal.

44 No fee on registration

No fee will be charged by the Company in respect of the registration of any transfer or other document relating to or affecting the title to any Shares.

45 Closure of Register

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine.

46 Information concerning Shareholdings and Transfers

For the purpose of ensuring that a transfer of Shares is a Permitted Transfer or determining the extent of any interest in A Shares or whether the Company is entitled to transfer Shares, the Directors may from time to time require any Shareholder or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to sell at the best price reasonably obtainable at the time of sale the Shares concerned in which case the provisions of Article 38.2 shall apply.

47 Group Exit Events

- 47.1** The Group Realised Value shall be apportioned pro rata to their respective holdings of Shares between the Shareholders.
- 47.2** If, following a Group Exit Event, the Company does not have sufficient distributable reserves to satisfy the full entitlements of Shareholders in respect of the Group Realised Value, then such profits as are so available shall be allocated to satisfy those entitlements pro rata to the Shares held by the Shareholders with the balance of any outstanding entitlements in respect of the Group Realised Value being paid when such distributable reserves are available or the Company is otherwise able to satisfy such entitlements.

TRANSMISSION OF SHARES

48 Persons entitled on death

If a Shareholder dies, the survivor(s) where he was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased Shareholder (whether sole or joint) from any liability in respect of any Share held by him.

49 Election by persons entitled by transmission

A person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder, being an individual or in consequence of the winding-up or dissolution of a Shareholder (being a body corporate) or otherwise by operation of law or pursuant to Article 37 (*Departing Employees*) may upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Share either be registered himself as holder of the Share upon giving to the Company written notice to that effect or, subject to obtaining the prior written consent of the Directors, have some other person nominated by him registered as the transferee and upon his or that other person's agreeing to enter into an agreement to be bound by the Investment Agreement in the form required by that Agreement. All these Articles relating to the right to transfer and the registration of transfers of Shares shall apply to the notice or transfer as if the notice or transfer were a transfer made by the Shareholder registered as the holder of any such Share.

50 Rights of persons entitled by transmission

Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder or in consequence of the winding-up or dissolution of a Shareholder (being a body corporate) or otherwise by operation of law or pursuant to Article 40 shall be entitled to the same dividends and other rights as those to which he would be entitled if he were the registered holder of the Share except that he shall not be entitled in respect of it (except with the authority of the Directors) to attend or vote at any shareholders' meetings until he shall have been registered as a Shareholder in respect of the Share.

51 Untraced Shareholders

51.1 The Company shall be entitled to sell the Shares of a Shareholder or the Shares to which a person is entitled by virtue of transmission if and provided that:

- 51.1.1** during a period of 12 years all warrants and cheques sent by the Company through the post in a prepaid letter addressed to the Shareholder at his registered address or to the person so entitled at the address (if any) shown in the Register as his address have remained uncashed; and
- 51.1.2** the Company shall on expiry of such period of 12 years advertise both in a leading daily newspaper published in England and Wales and in a newspaper circulating in the area of the said address giving notice of its intention to sell the said Shares; and
- 51.1.3** during such period of 12 years and the period of three months following such advertisements the Company has had no indication that such Shareholder or person can be traced.

52 Instrument of Transfer

52.1 To give effect to any such sale as is referred to in Article 51 (*Untraced Shareholders*), the Company may appoint any person to execute as transferor an instrument of transfer of such Shares or any of them and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such Shares. A

statutory declaration in writing that the declarant is a Director or Secretary of the Company and that a Share has been duly sold by the Company in accordance with its powers under Articles 51 and 52 on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. The Company shall account to the Shareholder or other person entitled to such Shares for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any moneys not accounted for to the Shareholder or other person entitled to such Shares shall be carried to a separate account and shall be a permanent debt of the Company. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments (other than Shares of the Company or its holding company, if any) as the Directors may from time to time determine.

GENERAL MEETINGS

53 Annual and Extraordinary General Meetings

An Annual General Meeting shall be held not more than 18 months after the incorporation of the Company and subsequently once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

54 Convening of General Meetings

The Directors may whenever they think fit, and shall on requisition of the Shareholders in accordance with the Act, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

55 Notice of General Meetings

- 55.1** An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a special resolution or a resolution appointing a person as a Director or (save as provided by the Act) a resolution of which special notice has been given to the Company, shall be called by at least 21 clear days' written notice and any other Extraordinary General Meeting by at least 14 clear days' written notice. A General Meeting may be called at shorter notice if it is so agreed:
- 55.1.1** in the case of an Annual General Meeting, by all the Shareholders entitled to attend and vote thereat; and
 - 55.1.2** in the case of an Extraordinary General Meeting, by a majority in number of the Shareholders having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the Shares giving that right.
- 55.2** Notice of every General Meeting shall be given to all Shareholders other than such as, under the provisions of these Articles or the terms of issue of the Shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a Share in consequence of

the death or bankruptcy of a Shareholder or winding-up or dissolution if the Shareholder is a body corporate (provided the address of any such person has been given to the Company) and to the directors and the Auditors.

56 Contents of notice of General Meetings

Every notice calling a General Meeting shall specify the time and place of the meeting and the general nature of the business to be transacted at the meeting and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect. In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

57 Accidental omission to give notice

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

PROCEEDINGS AT GENERAL MEETINGS

58 Chairman

The Chairman shall preside as chairman at a General Meeting. If at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present decline to take the chair, the Shareholders present and entitled to vote shall choose one of their number) to be chairman of the meeting. The chairman at any General Meeting shall not be entitled to a second or casting vote.

59 Quorum

Subject to these Articles, the quorum at any General Meeting shall be two or more Shareholders present in person or by proxy, including one person being or representing a holder of any of the A Shares and one person being or representing a holder of any of the B Shares. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present.

60 Lack of quorum

If within half an hour from the time appointed for a General Meeting a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting shall be adjourned to the same day 14 days later at the same time and place. If at any adjourned meeting such a quorum is not present within half an hour from the time appointed for the adjourned meeting any two members entitled to be counted in a quorum present in person or by proxy shall constitute a quorum.

61 Adjournment

The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 14 days or more, at least seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. In all other cases, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

POLLS

62 Demand for poll

62.1 At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by:

62.1.1 the chairman of the meeting; or

62.1.2 any Shareholder present in person or by proxy and entitled to vote.

62.2 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the Meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.

63 Procedure on a poll

A poll shall be taken in such manner as the chairman may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may appoint scrutineers (who need not be Shareholders) and fix a place and time for the purpose of declaring the result of the poll.

64 Voting on a poll

On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

65 Timing of poll

A poll demanded on the choice of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately and in all other cases seven days' notice specifying the time and place at which the poll is to be taken. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

66 Written resolutions

A written resolution signed by or on behalf of each Shareholder who would have been entitled to vote upon it had it been proposed at a shareholders' meeting at which he was present shall be as valid and effectual as a resolution duly passed at a shareholders' meeting duly convened and held and may consist of several documents in the like form each signed by one or more Shareholders. In the case of a corporation, a written resolution may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

VOTES OF SHAREHOLDERS

67 Restriction on voting rights

- 67.1** Subject to Articles 32 and 33, no B Shareholder shall be entitled in respect of any Share held by him to vote either personally or by proxy at a shareholders' meeting.
- 67.2** No Shareholder shall (unless the Directors otherwise determine) be entitled in respect of any Share held by him to vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings if any call or other sum presently payable by him to the Company in respect of that Share remains unpaid.
- 67.3** If any person has an interest in A Shares which is more than the Voting Limit, then no votes or any other right of a Shareholder relating to any meetings of Shareholders may be exercised in respect of any A Shares in which such person is interested in excess of the Voting Limit.
- 67.4** A person shall be deemed to have an "interest" in A Shares if he has any interest which would be taken into account in deciding whether a notification by that person to the Company would be required under Part VI of the UK Companies Act 1985 (as amended) (the "Act") if all A Shares were "relevant share capital" and the Company were a "public company" for the purposes of that Part. A person shall also be deemed to have an interest in any A Shares in which any person or persons acting in concert (as such term is defined in the UK City Code on Takeovers and Mergers) with him in relation to the acquisition of A Shares is or are interested.
- 67.5** For the purposes of Article 67.4, sections 198(2)(a), 199(2), 199(2A), 199(6), 199(7), 201 and 209 to 220 of Part VI of the Act shall not apply.

68 Voting by guardian

Where in England or elsewhere, a guardian, receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Shareholder on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such guardian, receiver or other person on behalf of such Shareholder to vote in person or by proxy at any shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings.

69 Validity and result of vote

- 69.1** No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
- 69.2** Unless a poll is taken, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

PROXIES AND CORPORATE REPRESENTATIVES

70 Proxy need not be a Shareholder

A proxy need not be a Shareholder.

71 Form of proxy

The appointment of a proxy must be in writing in any usual or common form or in any other form which the Directors may approve and:

- (a) in the case of an individual must either be signed by the appointor or his attorney or comply with Article 117; and
- (b) in the case of a corporation must be either given under its common seal or be signed on its behalf by an attorney or a duly authorised officer of the corporation or comply with Article 117.

The signature on such appointment need not be witnessed. Where appointment of a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a copy thereof certified notarially or in some other way approved by the Directors must (failing previous registration with the Company) be submitted to the Company, failing which the appointment may be treated as invalid.

72 Deposit of appointment of proxy

The appointment of a proxy must be received at such address or one of such addresses (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no address is so specified, must be left at the registered office of the Company) not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An appointment relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

73 Rights of proxy

A proxy shall have the right to demand or join in demanding a poll but no further right to speak at the meeting, except with the permission of the chairman of the meeting.

74 Revocation of proxy

A vote cast or demand for a poll made by proxy shall not be invalidated by the previous death or insanity of the Shareholder or by the revocation of the appointment of the proxy or of the authority under which the appointment was made unless written notice of such death, insanity or revocation shall have been received by the Company at the registered office of the Company at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

75 Corporations acting by representatives

Any corporation which is a Shareholder may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any shareholders' meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Shareholder of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

DIRECTORS

76 Number of Directors

The number of Directors (other than alternate directors) shall not be subject to any maximum number and the minimum number of Directors shall be two, one of whom shall be a non-executive Director.

77 Share qualification

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at shareholders' meetings.

78 Directors' remuneration

Any Director who holds any executive office, or who serves on any committee, or who otherwise performs services which in the reasonable opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Remuneration Committee may reasonably determine.

79 Directors' expenses

The Directors may be paid all such reasonable expenses as they may incur in attending and returning from meetings of the Directors or of any committee of the Directors or shareholders' meetings or otherwise in connection with the business of the Company.

80 Directors' pensions and other benefits

The Directors shall have power to pay and agree to pay benefits, gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

81 Vacation of office

The office of a Director shall be vacated in any of the following events, namely:

- 81.1.1** if he shall resign by notice to the Company or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
 - 81.1.2** if he shall become prohibited by law from acting as a Director;
 - 81.1.3** if he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
 - 81.1.4** if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
 - 81.1.5** if he shall be absent from meetings of the Directors for six consecutive months without leave and the Directors shall resolve that his office be vacated; or
 - 81.1.6** if he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or in Scotland under the Mental Health (Scotland) Act 1960.
- 81.2** The Directors shall not be subject to retirement by rotation.

ALTERNATE DIRECTORS

82 Appointment of alternate Directors

- 82.1** A Director may at any time appoint any person (including another Director) as their alternate Director and may at any time terminate such appointment. Any such appointment or termination of appointment shall be effected by notice in writing signed by the appointor and delivered to the Company or tendered at a meeting of Directors.
- 82.2** The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if the Director of whom he is the alternate ceases to be a Director.

83 Attendance and notice of meetings

- 83.1** An alternate Director shall be entitled to receive notices of meetings of the Directors and of all committees of Directors of which his appointor is a member and shall be entitled to attend and vote and be counted in the quorum at any such meeting at which his appointor is not personally present and generally to perform all the functions of his appointor in his absence and the provisions of these Articles shall apply as if he were a Director.
- 83.2** If an alternate Director shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his right to vote at such meetings shall be cumulative but he shall count as only one for the purpose of determining whether a quorum is present.
- 83.3** Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director and shall not be deemed to be a Director for the purposes of these Articles, and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of his appointor. A resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by his appointor, it need not be signed by the alternate Director in that capacity. If the Director of whom he is the alternate is for the time being temporarily unable to act through ill health or disability his signature to any written resolution of the Directors shall be as effective as the signature of the Director of whom he is the alternate.

84 Alternate Directors' interests and remuneration

An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to the Director of whom he is the alternate as such Director may by written notice to the Company from time to time direct.

MEETINGS AND PROCEEDINGS OF DIRECTORS

85 Convening of meetings of Directors

Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any Director may summon a meeting of the Directors. Meetings of the Directors shall take place at least every five weeks and there shall be not less than 11 meetings of the Directors per annum. Any Director may waive notice of any meeting and any such waiver may be retroactive.

86 Notice of Directors' meetings

- 86.1** Unless there are exceptional circumstances or otherwise agreed in writing by the Directors in any particular case, at least fourteen days' written notice shall be given to each Director of every meeting of the Directors.

- 86.2** Each such notice shall (i) be sent to the address notified from time to time by each Director to the Secretary at his address for the service of such notices (or if no address has been so supplied, to his last known address); (ii) contain an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting; (iii) be accompanied by any relevant papers for discussion at such meeting; and (iv) if sent to an address outside the United Kingdom, be sent by courier or facsimile transmission.

87 Quorum

The quorum at a meeting of Directors shall be two Directors of whom one shall be a non-executive Director. If within half an hour of the time appointed for the holding of any meeting of the Directors a quorum shall not be present, the Director(s) present shall resolve to adjourn that meeting to a specified place and time (which shall not be earlier than three nor later than seven days after the date originally fixed for the meeting). The Company shall give notice to each Director who did not attend the first meeting requiring him either to attend the adjourned meeting of the Directors or to state in writing his views on the matters to be discussed at that meeting. If any Director having received such notice fails to attend such adjourned meeting, the quorum necessary for the transaction of the business of the Directors shall be any two Directors. An alternate Director shall be counted in the quorum in the same capacity as his appointor but so that not less than two individuals will constitute the quorum.

88 Directors' resolutions

All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by resolution, with a simple majority of votes.

89 Telephone Directors meetings

The Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other. A Director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

90 Chairman

- 90.1** If the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting. The Chairman shall not be entitled to a second or casting vote.
- 90.2** The appointment of any Director to the office of Chairman or managing director shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

91 Number of Directors below minimum

The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

92 Written resolutions

A written resolution signed by all the Directors entitled to vote thereon (being not less in number than a quorum for meetings of the Directors) shall be as valid and effectual as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form each signed by one or more Directors.

93 Validity of proceedings

All acts done by any meeting of Directors, or of any committee of the Directors, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee or sub-committee and had been entitled to vote.

94 Minutes of Meetings

The Directors shall cause minutes to be made in books kept for the purpose of:

- 94.1** all appointments of officers made by the Directors; and
- 94.2** all proceedings at shareholders' meetings, and meetings of the Directors and of committees of Directors, including the names of the Directors present at each such meeting.

COMMITTEES OF THE DIRECTORS

95 Appointment and constitution of committees

- 95.1** The Directors may delegate any of their powers or discretions to committees. They may also delegate to any managing director or any other director holding any other executive office such of their powers as they consider desirable to be exercised by him. A committee of the Directors shall include a non-executive Director and the quorum for a meeting of any such committee shall be a non-executive Director. The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more Directors and (if thought fit) one or more other named persons or persons to be co-opted as hereinafter provided.

- 95.2** Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee but so that the number of members who are not Directors shall be less than one-half of the total number of members of the committee.

96 Proceedings of committee meetings

The meetings and proceedings of any such committee consisting of two or more persons shall be governed *mutatis mutandis* by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article (save that the Directors may not vary the requirement that the quorum for any such committee meeting shall be one non-executive Director).

DIRECTORS' INTERESTS

97 Directors may have interests

- 97.1** Subject to the Act, and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:
- 97.1.1** may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;
 - 97.1.2** may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - 97.1.3** shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate or for such remuneration and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.
- 97.2** On any matter in which a Director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof.
- 97.3** If a question arises at any time as to the materiality of a Director's interest or as to his entitlement to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

98 Restrictions on voting

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

99 Directors' interests - general

For the purposes of these Articles:

- 99.1** a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract, transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such contract, transaction or arrangement of the nature and extent so specified;
- 99.2** an interest of a person who is connected (within the meaning of Section 346 of the Act) with a Director shall be treated as an interest of the Director; and
- 99.3** an interest (whether of his or of such a connected person) of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

POWERS OF DIRECTORS

100 General powers

The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company subject to any regulations of these Articles, to the Act and to any directions given by special resolution of the Company, but no direction so made by the Company shall invalidate any prior act of the Directors which would have been valid if such direction had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

101 Appointment of attorney

The Directors may from time to time and at any time appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

102 Borrowing powers

Subject to the Act, the Directors may exercise all the powers of the Company to borrow and raise money, and to mortgage or charge all or part of its undertaking, property (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

SECRETARY

103 Secretary

Subject to the Act, the Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

DIVIDENDS

104 Final dividends

Subject to the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Shareholders as provided for in these Articles, but no dividend shall exceed the amount recommended by the Directors.

105 Interim dividends

If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay interim dividends. If the share capital is divided into different classes, the Directors may pay interim dividends on Shares which confer deferred or non-preferred rights with regard to dividend as well as on Shares which confer preferential rights with regard to dividend, but no dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay interim dividends on any class of Shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on Shares of any class of such amounts and on such dates and in respect of such periods as they think fit. Provided the Directors act in good faith they shall not incur any liability to the holders of any Shares for any loss they may suffer by the lawful payment, on any other class of Shares having rights ranking after or *pari passu* with those Shares, of any such fixed or interim dividend as aforesaid.

106 Distribution in specie

The Company may upon the recommendation of the Directors by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up Shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may

fix the value for distribution of such specific assets or any part thereof, may determine that cash shall be paid to any Shareholder upon the footing of the value so fixed in order to adjust the rights of Shareholders and may vest any assets in trustees.

107 No dividend except out of profits

No dividend shall be paid otherwise than out of profits available for distribution under the Act.

108 Ranking of Shares for dividend

Unless and to the extent that the rights attached to any Shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any Shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the Shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid on a Share in advance of calls shall be treated as paid on the Share.

109 Manner of payment of dividends

Any dividend or other moneys payable on or in respect of a Share shall be paid to the Shareholder or to such other person as the Shareholder (or, in the case of joint holders of a Share, all of them) may in writing direct. Such dividend or other moneys may be paid (i) by cheque sent by post to the payee or, where there is more than one payee, to any one of them, or (ii) by inter-bank transfer to such account as the payee or payees shall in writing direct, or (iii) by such other method of payment as the Shareholder (or in the case of joint holders of a Share, all of them) may agree to. Every such cheque shall be sent at the risk of the person or persons entitled to the money represented thereby, and payment of a cheque by the banker upon whom it is drawn, and any transfer or payment within (ii) above, shall be a good discharge to the Company.

110 No interest on dividends

Unless otherwise provided by these Articles, no dividend or other moneys payable on or in respect of a Share shall bear interest as against the Company.

111 Retention of dividends

111.1 The Directors may retain any dividend or other moneys payable on or in respect of a Share on which the Company has a lien and may apply the same in or towards satisfaction of the moneys payable to the Company in respect of that Share.

111.2 The Directors may retain the dividends payable upon Shares in respect of which any person is under the provisions as to the transmission of Shares hereinbefore contained entitled to become a Shareholder, or which any person is under those provisions entitled to transfer, until such person shall become a Shareholder in respect of such Shares or shall transfer the same.

112 Unclaimed dividend

Any dividend which has remained unclaimed for 12 years from the date on which it was declared or became due for payment shall be forfeited and shall revert to the Company.

CAPITALISATION OF PROFITS AND RESERVES

113 Capitalisation of profits and reserves

113.1 The Directors may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the A Shareholders and B Shareholders in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and:

113.1.1 on behalf of the A Shareholders applying that part of such sum distributable amongst them in paying up in full unissued A Shares for allotment and distribution credited as fully paid up to and amongst them; and

113.1.2 on behalf of the B Shareholders applying that part of such sum distributable amongst them in paying up in full unissued B Shares for allotment and distribution credited as fully paid up to and amongst them.

113.2 The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrues to the Company rather than to the Shareholders concerned). The Directors may authorise any person to enter on behalf of all the Shareholders interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

ACCOUNTS

114 Accounting records

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Act shall be kept at the registered office of the Company, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Every Shareholder of the Company shall have the right to inspect and take copies of any account or book or document of the Company during the Company's normal hours of business.

NOTICES

115 Service of notices

- 115.1** Any notice or document (including a share certificate) may be served on or delivered to any Shareholder by the Company either personally or by sending it by post in a pre-paid cover addressed to such Shareholder at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid.
- 115.2** Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of 24 hours (or, where second-class mail is employed, 48 hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- 115.3** The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.
- 115.4** Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the Directors need not be in writing. Any document or notice which, in accordance with these Articles, may be sent by the Company by electronic communication shall, if so sent, be deemed to be received at 9 a.m. on the day following that on which it was transmitted. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators) that an electronic communication was sent shall be conclusive evidence of such sending.

116 Signature of documents

Where under these Articles a document requires to be signed by a Shareholder or other person then, if in the form of an electronic communication, it must to be valid incorporate the electronic signature or personal identification details (which may be details previously allocated by the Company) of that Shareholder or other person, in such form as the Directors may approve, or be accompanied by such other evidence as the Directors may require to satisfy themselves that the document is genuine. The Company may designate mechanisms for validating any such document, and any such document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

117 Electronic communication

- 117.1** Any Shareholder may notify the Company of an address for the purpose of his receiving electronic communications from the Company, and having done so shall be deemed to have agreed to receive notices and other documents from the Company by electronic communication of the kind to which the address relates. In addition, if a Shareholder notifies the Company of his e-mail address, the Company may satisfy its obligation to send him any notice or other document by:

- 117.1.1 publishing such notice or document on a web site; and
- 117.1.2 notifying him by e-mail to that e-mail address that such notice or document has been so published, specifying the address of the web site on which it has been published, the place on the web site where it may be accessed, how it may be accessed and (if it is a notice relating to a shareholders' meeting) stating (i) that the notice concerns a notice of a company meeting served in accordance with the Act, (ii) the place, date and time of the meeting, (iii) whether the meeting is to be an Annual or Extraordinary General Meeting and (iv) such other information as the Act may prescribe.
- 117.2 Any amendment or revocation of a notification given to the Company under this Article shall only take effect if in writing, signed by the member and on actual receipt by the Company thereof.
- 117.3 An electronic communication shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.

118 Joint holders

Any notice given to that one of the joint holders of a Share whose name stands first in the Register in respect of the Share shall be sufficient notice to all the joint holders in their capacity as such.

119 Deceased and bankrupt Shareholders

A person entitled to a Share in consequence of the death, bankruptcy, winding-up or dissolution of a Shareholder or otherwise by operation of law upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said Shareholder would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Share. Save as aforesaid, any notice or document delivered or sent by post to or left at the address of any Shareholder in pursuance of these Articles shall, notwithstanding that such Shareholder be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Share registered in the name of such Shareholder as sole or first-named joint holder.

WINDING-UP

120 Distribution of assets in specie

Subject to Article 6 (*Return of Capital*), if the Company shall be wound-up (whether voluntarily or by the Court the Liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the Shareholders *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property

and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The Liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the Liquidator with the like sanction shall think fit, and the winding-up of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any Shares or other property in respect of which there is a liability.

INDEMNITY

121 Indemnity

- 121.1** Subject to the provisions of the Act and so far as may be permitted by law, every Director, Auditor, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by him in the due, proper and lawful execution and/or discharge of his duties and/or the due, proper and lawful exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any negligence, default, breach of trust or breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in relation to the affairs of the Company in which relief is granted to him by the Court.
- 121.2** Without prejudice to the provisions of Article 80 or Article 121.1, the Directors shall have the power to purchase and maintain insurance for or for the benefit of any person who is or was at any time a Director or officer of any Relevant Company (as defined in Article 121.3), or who is or was at any time a trustee of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by him in respect of any act or omission in the due, proper and lawful execution and/or discharge of his duties and/or in the due, proper and lawful exercise of his powers and/or otherwise in relation to his duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- 121.3** For the purpose of Article 121.2, "**Relevant Company**" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of any such other body.