

Company Number: 05320973

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS OF

NORTHERN & SHELL NORTH AMERICA LIMITED
(the "Company")

Passed 29 / 9 / 2005


We, the undersigned, being the sole member of the Company for the time being entitled to receive notice of and to attend and vote at general meetings (being a corporation by our duly authorised representative) hereby resolve, pursuant to article 9 of the articles of association of the Company, that the following resolutions be passed and agree that the same shall have effect as if passed, in the cases of resolutions 1 and 5 as special resolutions and in the cases of resolutions 2, 3 and 4 as ordinary resolutions, at a general meeting duly convened and held:

RESOLUTIONS

- 1 **THAT** the articles of association annexed to this written resolution be and hereby are adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company.
- 2 **THAT** the existing authorised and issued shares in the share capital of the company, comprising 1,000 authorised ordinary shares of £1 each and one issued ordinary £1 share registered in the name of Northern & Shell Plc, be and hereby are redesignated as 'A' ordinary shares of £1 each having the rights and restrictions more particularly described in the new articles of association adopted pursuant to resolution 1 above.
- 3 **THAT** the authorised share capital of the Company be and hereby is increased from £1,000 divided into 1,000 'A' ordinary shares of £1 each (subject to the passing of resolution 2 above) to £12,000,000 divided into 11,775,000 'A' ordinary shares of £1 each and 225,000 'B' ordinary shares of £1 each by the creation of 11,774,000 'A' ordinary shares of £1 each and 225,000 'B' ordinary shares of £1 each, such new 'A' ordinary shares of £1 each and such new 'B' ordinary shares of £1 each to have the rights and be subject to the restrictions set out in the articles of association of the Company adopted pursuant to resolution 1 above.



- 4 **THAT** pursuant to section 80 of the Companies Act 1985 (the "Act"), the directors of the Company be and hereby are authorised generally and unconditionally to allot relevant securities of the Company (as defined in section 80 of the Act) up to an aggregate nominal amount equal to the authorised and unissued share capital of the Company at the date of this resolution (as increased by resolution 3 above), provided that this authority, unless renewed, shall expire on the date five years from the date on which this resolution is passed save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the directors of the Company may allot the relevant securities in pursuance of such offer or agreement, as if the authority conferred hereby had not expire
- 5 **THAT** the directors of the Company be and hereby are granted power pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94 of the Act) wholly for cash pursuant to the authority conferred on them by resolution 4 above as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount equal to the authorised and unissued share capital of the Company at the date of this resolution (as increased by resolution 3 above), and shall expire not more than five years from the date of the passing of this resolution unless previously varied, revoked or renewed by the Company in general meeting, provided that the Company may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities pursuant to any such offer or agreement as if the power hereby conferred had not expired



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for and on behalf of
NORTHERN & SHELL PLC

THE COMPANIES ACTS 1985 AND 1989

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

NORTHERN & SHELL NORTH AMERICA LIMITED

1 PRELIMINARY

- 1.1 The following articles, together with the Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and as further amended by the Companies Act 1985 (Electronic Communications) Order 2000 (such Table being hereinafter referred to as "**Table A**") shall be the articles of association of the Company save in so far as the regulations in Table A are excluded or varied hereby. The following regulations in Table A shall not apply to the Company: Regulations 3 (redemption of shares), 8 (lien), 24 (directors' refusal of share transfers), 33 (fractional entitlements), 35 (purchase of own shares), 38 (notice of general meetings), 40 (quorum at general meetings), 50 (chairman's casting vote at general meetings), 53 (written resolution), 54 (votes of members), 64 (number of directors), 73-80 inclusive (appointment and retirement of directors), 88 (proceedings of directors), 89 (quorum for transaction of business), 93 (written resolution of directors), 94 (conflict of interest), 95 (quorum disentitlement), 99 (secretary) and 112 (notices).
- 1.2 The Company is a private limited company and accordingly no shares in or debentures of the Company shall be offered to the public (whether for cash or otherwise) and no allotment or agreement to allot (whether for cash or otherwise) shall be made of any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.
- 1.3 In these articles, the following words and expressions shall have the meanings set out below:

"Bad Leaver"	any person who is an employee of a Group Company whose employment with that company ceases in any circumstances where he is not a Good Leaver;
"Chairman"	the chairman of the board of directors of Northern & Shell Network Limited;
"Code"	the City Code on Take-overs and Mergers in force at the adoption of these articles of association;

"Concert Party"	any person with which a person is dealing in concert within the meaning of the Code or would be so acting if the Code applied;
"Good Leaver"	any person who is an employee of a Group Company whose employment with that company ceases by reason of his: <ul style="list-style-type: none"> (a) death or total and permanent disability; (b) Retirement; or (c) resigning his employment with that company with the good wishes of the Chairman;
"Group Company"	Northern & Shell Network Limited or any subsidiary of that company, whether direct or indirect;
"Holding Company Shares"	shares in the issued share capital of any Group Company which is a holding company of the Company;
"Majority Shareholder"	the registered holder of a majority by nominal value of the issued share capital of the Company from time to time;
"Market Value"	the market value of B ordinary shares as determined by the Chairman or the Representative (as defined in article 3.6 hereof), acting reasonably and applying no minority shareholder discount (to the extent that this would otherwise be relevant);
"Permitted Transferee"	any Group Company;
"Representative"	a person appointed by the Chairman in writing to act on his behalf for the purposes of article 3 hereof;
"Retirement"	the cessation of the employment with all Group Companies of any person who is an employee of a Group Company by reason of his having reached the age of 55 provided that the cessation is with the good wishes of the Chairman; and
"Sale"	the sale of more than fifty per cent in nominal value of the issued share capital of the Company (in any one or a series of linked transactions) to any company or person who is not a Permitted Transferee.

2 SHARES

- 2.1 At the date of the adoption of these articles of association the authorised share capital of the Company is £12,000,000 (twelve million pounds sterling) divided into

11,775,000 'A' ordinary shares of £1 each and 225,000 'B' ordinary shares of £1 each.

- 2.2 The whole of the shares of the Company for the time being unissued shall be under the control of the directors, who are, subject to article 9 hereof, unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (such Act being hereinafter referred to as the "Act") generally to exercise any power of the Company at any time during the period of 5 years from the date of the Company's incorporation to allot any relevant securities (as defined by Section 80(2) of the Act) up to an amount equal to the amount of the authorised share capital of the Company as at the date of incorporation from time to time unissued during the period of such authority.
- 2.3 The directors shall be entitled under the general authority conferred by article 2.2 above to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority.
- 2.4 Section 89(1) and Section 90(1)-(6) of the Act shall not apply to any allotment of equity securities (as defined in Section 94 of the Act) in the Company made pursuant to the authority contained in article 2.2 and 2.3 above.
- 2.5 The directors may in their absolute discretion and without assigning any reason for their decision decline to register any transfer of any share whether or not it is a fully paid share.
- 2.6 Subject to the provisions of Chapter VII in Part V of the Act the Company may:
- 2.6.1 issue any shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder thereof;
 - 2.6.2 purchase its own shares (including any redeemable shares);
 - 2.6.3 make a payment in respect of the redemption or purchase under Sections 159 to 161 or (as the case may be) Section 162 of the Act of any of its shares otherwise than out of its distributable profits or the proceeds of a fresh issue of shares.

3 RIGHTS ATTACHING TO THE 'B' SHARES

The rights and restrictions attaching to the B ordinary shares are as follows:

3.1 Income

Holders of 'B' ordinary shares shall not be entitled to any dividends or distributions of income and the 'B' ordinary shares shall carry no right to participate in the profits of the Company.

3.2 Capital

- 3.2.1 Holders of the 'B' ordinary shares shall be entitled to receive payment on a return of assets on the liquidation or winding up of the Company in an

aggregate amount equal to 3 per cent of the total value of the assets available for distribution. Such aggregate amount shall be divided amongst the holders of 'B' ordinary shares in proportion to their respective shareholdings of 'B' ordinary shares.

- 3.2.2 The 'B' ordinary shares do not confer a further right to participate in the assets of the Company available for distribution among the members.

3.3 **Purchase**

Subject to the provisions of these articles and the Acts, the Company may purchase 'B' ordinary shares.

3.4 **Attendance at general meetings and voting**

- 3.4.1 'B' ordinary shares confer the right to receive notice of but not to attend or vote at a general meeting save in relation to a resolution proposing to vary any of the rights or privileges of the holders of the B ordinary shares (in which case they shall only be entitled to vote on such resolution).

- 3.4.2 Whenever the holders of the 'B' ordinary shares are entitled to vote on a resolution at a general meeting of the Company, on a show of hands, every such holder who is present in person shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have one vote in respect of each fully-paid 'B' ordinary share registered in the name of such holder.

3.5 **Restrictions on voluntary transfer**

Other than in accordance with articles 3.6 to 3.10 inclusive, the holders of the 'B' ordinary shares shall not be entitled to transfer all or any part of their shareholding to any person or persons in any circumstances save with the written consent of the Majority Shareholder.

3.6 **Compulsory Transfer**

- 3.6.1 Subject to article 3.6.6 below, if an holder of 'B' ordinary shares ceases for any reason whatsoever to be employed by a Group Company then the Chairman or the Representative shall have the right within the period of 2 months from such cessation, to require by notice in writing to such holder that such holder ("**Compulsory Transferor**") transfers his entire holding of 'B' ordinary shares (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto) to such person as the Chairman or the Representative shall nominate.

- 3.6.2 Subject to article 3.6.7 below if the Compulsory Transferor is a Good Leaver, the price at which such transfer shall be made shall be such amount as determined by the Chairman or the Representative to be a fair price for the Compulsory Transferor's 'B' ordinary shares, applying no minority shareholder discount (to the extent that this would otherwise be relevant).

- 3.6.3 If the Compulsory Transferor is a Bad Leaver, the price at which such transfer shall be made shall be the lower of the aggregate nominal value of his 'B' ordinary shares together with any premium paid thereon or the aggregate Market Value of those shares, or such higher figure as the Chairman may, in his discretion, determine.
- 3.6.4 The Compulsory Transferor shall deliver a duly executed stock transfer form and the relevant share certificate to the Company within 14 days of receipt of a request to do so from the Chairman or Representative.
- 3.6.5 If a Compulsory Transferor fails to comply with article 3.6.4 above he shall be deemed to have irrevocably appointed any person nominated for the purpose by the Chairman or Representative to be his agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for his 'B' ordinary shares and to deliver such transfer(s) to the purchaser (or its nominee) and the directors of the Company shall forthwith (following stamping or adjudication as the case may be) register the purchaser (or its nominee) as the holder thereof. After the purchaser (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this article 3.6.5 that no share certificate has been produced.
- 3.6.6 If an holder of 'B' ordinary shares ceases to be employed by a Group Company by reason of his Retirement and gives written notice to the Company prior to cessation of his employment that he wishes to retain his shares after his Retirement, then article 3.6.1 above shall not apply but then, subject to article 3.6.8, the Chairman or Representative shall have the right on the holder's death or a Sale, to require by notice in writing to such holder that such holder (or his personal representatives (as the case may be)) transfer(s) his entire holding of 'B' ordinary shares (free from all liens, charges, encumbrances and third party rights whatsoever and together with all rights then attaching thereto) to such person as the Chairman or the Representative shall nominate. Thereafter the provisions of articles 3.6.4 and 3.6.5 above shall apply mutatis mutandis to this article 3.6.6.
- 3.6.7 The price payable to the 'B' ordinary shareholder in the event of a transfer pursuant to article 3.6.6 above shall be the lower of the aggregate nominal value of his 'B' ordinary shares together with any premium paid thereon or the aggregate Market Value of those shares, or such higher figure as the Chairman may, in his discretion, determine.
- 3.6.8 If article 3.6.6 applies and after his Retirement the relevant holder of 'B' ordinary shares is employed by or is involved in the provision of services to any entity considered by the Chairman in his discretion to be a competitor of any Group Company, then the Chairman or Representative shall have the right to require by notice in writing to such holder that such holder transfers his entire holding of 'B' ordinary shares (free from all liens charges encumbrances and third party rights whatsoever and together with all rights then attaching thereto) to such person as the Chairman or the Representative

shall nominate. Thereafter the provisions of articles 3.6.4, 3.6.5 and 3.6.7 shall apply mutatis mutandis to this article 3.6.8.

3.7 Tag Along Provisions

3.7.1 No transfer of 'A' ordinary shares shall be made to a Buyer (other than a Permitted Transferee) (the "**Proposed Acquisition**") unless the Majority Shareholder procures that the Buyer first makes a written offer (open for written acceptance for a period of at least 28 days) to all holders of 'B' ordinary shares to purchase such proportion of the issued 'B' ordinary shares as is equal to the proportion the 'A' ordinary shares that are the subject of the Proposed Acquisition bear to the total issued 'A' ordinary shares (a "**Tag Along Offer**"). The aggregate price for those 'B' ordinary shares shall be:

- (a) in the case of an offer for all of the 'A' ordinary shares in issue at the time of the Tag Along Offer, equal to 3 per cent of the aggregate price payable by the Buyer for 'A' ordinary shares pursuant to the Proposed Acquisition; or
- (b) in any other case, equal to a pro rata proportion of the amount referred to in paragraph (a) of this article 3.7.1,

and shall be payable to the holders of the 'B' ordinary shares in proportion to their respective shareholdings.

3.7.2 If a recipient of a Tag Along Offer that accepts then fails or refuses to execute a transfer in respect of that proportion of the 'B' ordinary shares held by him as is subject to the Tag Along Offer then such accepting recipient shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Shareholder to be his agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the shares the subject of the Tag Along Offer and to deliver such transfer(s) to the Buyer (or its nominee) and the directors of the Company shall forthwith (following stamping or adjudication as the case may be) register the Buyer (or its nominee) as the holder thereof. After the Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this article 3.7 that no share certificate has been produced.

3.7.3 A 'B' shareholder transferring shares pursuant to this article 3.7 shall not be required by the Buyer to agree to any terms save as to warranties in relation to title to the shares that are the subject of the Tag Along Offer and their unrestricted transferability.

3.7.4 For the purposes of this article 3.7, "**Buyer**" means any person including a Concert Party with such person.

3.8 **Put Option Exercisable by Holders of B Ordinary Shares**

- 3.8.1 In the event of a transfer of any Holding Company Shares to a bona fide arm's length purchaser, any holder of 'B' ordinary shares (the "**Vendor**") may give notice in writing (the "**Put Option Notice**") to the board of directors of the Company to require the Majority Shareholder to acquire or procure the acquisition by the transferee of the Holding Company Shares of such proportion of the Vendor's 'B' ordinary shares as is equal to the proportion that the Holding Company Shares that are the subject of the relevant transfer bear to the total shares then in issue of that relevant holding company (the "**Put Shares**") at a price to be determined by the Chairman or Representative to be a fair price for those shares, applying no minority shareholder discount (to the extent that this would otherwise be relevant).
- 3.8.2 The Put Option Notice shall constitute the Chairman or Representative or any person appointed by them the agent and attorney of the Vendor for the sale of the Put Shares at the applicable transfer price (as specified in article 3.8.1 above).
- 3.8.3 No Put Option Notice once given in accordance with these articles shall be withdrawn without the consent of the Chairman or Representative.
- 3.8.4 The Majority Shareholder shall be bound on receipt of the Put Option Notice to acquire or procure the acquisition of the 'B' ordinary shares specified in the Put Option Notice against receipt of a duly executed transfer of the shares and relevant share certificate and other documentation of title on terms that such shares shall be acquired with full title guarantee and the purchase price specified in article 3.8.1 shall be satisfied by payment by bank transfer to the Vendor or such other person as the Vendor may direct.
- 3.8.5 The Vendor shall not be required by the Majority Shareholder or the transferee of the Holding Company Shares to agree to any terms save as to warranties in relation to title to their Put Shares and their unrestricted transferability.

3.9 **Drag Along Provisions**

- 3.9.1 If the Majority Shareholder wishes to transfer any of its holding of 'A' ordinary shares (the "**Majority Shareholder's Shares**") to a bona fide arm's length purchaser (the "**Third Party Purchaser**") the Majority Shareholder shall have the option (the "**Drag Along Option**") to require all the holders of the 'B' ordinary shares (in this article 3.9, the "**Called Shareholders**") to sell and transfer their shares in the Company (or any proportion of their shares as the Majority Shareholder may determine) in accordance with the provisions of this article 3.9 to the Third Party Purchaser or its nominee.
- 3.9.2 The Majority Shareholder may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") at any time before the

transfer of the Majority Shareholder's Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all or the relevant proportion of their shares (in this article 3.9 the "**Called Shares**") pursuant to this article 3.9, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article 3.9), the proposed date of transfer and all other relevant terms applying to the proposed transfer.

- 3.9.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Majority Shareholder's Shares by the Majority Shareholder to the Third Party Purchaser within sixty days after the date of service of the Drag Along Notice. The Majority Shareholder shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 3.9.4 The aggregate consideration for which the Called Shareholders shall be obliged to sell the Called Shares shall be equal to 3 per cent of the aggregate price payable by the Third Party Purchaser for the Majority Shareholder's Shares (if the Called Shares are the same proportion of the total issued 'B' ordinary shares as the Majority Shareholder's Shares are of the total issued 'A' ordinary shares), or such greater percentage as appropriate if the Called Shares are a greater proportion of the total issued 'B' ordinary shares than the Majority Shareholder's Shares are of the total issued 'A' ordinary shares, or a pro rata proportion thereof if the Called Shares are a lesser proportion of the total issued 'B' ordinary shares than the Majority Shareholder's Shares are of the total issued 'A' ordinary shares, which price shall be offered by and payable to the Called Shareholders in proportion to their respective shareholdings.
- 3.9.5 No Drag Along Notice may require a Called Shareholder to agree to any terms save as to warranties in relation to title to their Called Shares and their unrestricted transferability.
- 3.9.6 Completion of the sale of the Called Shares shall take place on the same date as the date of completion of the sale of the Majority Shareholder's Shares unless all of the Called Shareholders and the Majority Shareholder agree otherwise.
- 3.9.7 If any Called Shareholder does not on completion of the sale of Called Shares execute a transfer(s) in respect of all the Called Shares held by him the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Majority Shareholder to be his agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares in accordance with article 3.9.4 and to deliver such transfer(s) to the Third Party Purchaser (or its nominee) and the directors of the Company shall forthwith (following stamping or adjudication as the case may be) register the Third Party Purchaser (or its nominee) as the holder thereof. After the Third Party Purchaser (or its nominee) has been registered as the holder, the validity of

such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this article 3.9.7 that no share certificate has been produced.

3.10 **Call Option Exercisable by Majority Shareholder**

- 3.10.1 In the event of a transfer of any Holding Company Shares to a bona fide arm's length purchaser, the Majority Shareholder may give notice in writing (the "**Call Notice**") to the holders of 'B' ordinary shares (in this article 3.10, the "**Called Shareholders**") to sell all or any proportion of their shares as the Majority Shareholder may determine to such holder or such persons as it shall direct at a price to be determined by the Chairman or Representative as a fair price for those shares and applying no minority shareholder discount (to the extent that this would otherwise be relevant) (the "**Transfer Price**").
- 3.10.2 The Call Notice shall constitute the Chairman or Representative or any person appointed by them the agent and attorney of the Called Shareholders for the sale of the called shares the shares specified in the Call Notice (in this article 3.10, the "**Called Shares**") at the price specified.
- 3.10.3 The Called Shareholders shall be bound on receipt of the Call Notice to execute and deliver transfer(s) of the 'B' ordinary shares and relevant share certificate(s) with full title guarantee against payment of the Transfer Price.
- 3.10.4 No Call Notice may require a Called Shareholder to agree to any terms save as to warranties in relation to title to their Called Shares and their unrestricted transferability.
- 3.10.5 If any Called Shareholder does not on completion of the sale of Called Shares execute a transfer(s) in respect of all the Called Shares held by him the Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Chairman or Representative to be his agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares in accordance with article 3.10.1 and to deliver such transfer(s) to the transferee (or its nominee) and the directors of the Company shall forthwith (following stamping or adjudication as the case may be) register the transferee (or its nominee) as the holder thereof. After the transferee (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any person. It shall be no impediment to registration of shares under this article 3.10.5 that no share certificate has been produced.

4 **LIENS AND CALLS**

- 4.1 The Company shall have a first and paramount lien on every share for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares standing registered in the name of any member whether solely or one of two or more

joint holders for all monies presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this article 4.1. The Company's lien, if any, on a share shall extend to all distributions and other moneys or property attributable to it.

- 4.2 The liability of any member in default in respect of a call shall include expenses. The following words shall be added at the end of the first sentence of Regulation 18 of Table A: "and all expenses that may have been incurred by the Company by reason of such non-payment".
- 4.3 In Regulation 19 of Table A there shall be substituted for the words "all dividends or other moneys payable in respect of the forfeited shares" the words "all distributions and other moneys or property attributable to it".
- 4.4 The directors may, if they think fit, receive from any member all or any part of the sums for the time being uncalled and unpaid on any of his shares.

5 PROCEEDINGS AT GENERAL MEETINGS

- 5.1 Subject to any special rights or restrictions as to the voting attached to any shares by or in accordance with these articles, or by or in accordance with the terms upon which any shares have been issued:

5.1.1 *on a show of hands every member:*

- (a) who (being an individual) is present in person; or
- (b) which (being a corporation) is present by a duly authorized representative,

shall have one vote; and

5.1.2 *on a poll every member:*

- (a) who (being an individual) is present in person or by proxy; or
- (b) which (being a corporation) is present by a duly authorised representative or by proxy,

shall have one vote for every ordinary share of which he is the holder.

- 5.2 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business: save as herein otherwise provided, and subject to the provisions of the Companies (Single Member Private Limited Companies) Regulations 1992 (SI 1992/1699), two members present in person or by proxy or (if a corporate member) by a duly authorised representative shall be a quorum. Regulation 41 of Table A shall be read and construed as if the last sentence ended with the words ", and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved".

5.3 A resolution in writing as is referred to in Section 381A of the Act signed by all the members who at the date of the resolution would be entitled to attend and vote at general meetings or:

5.3.1 in the case of an individual signed by his duly authorized attorney; or

5.3.2 in the case of a corporation by its duly authorised attorney or by a person duly authorised to do so pursuant to a valid resolution of the directors or other governing body of such corporation,

shall, subject to compliance with Section 381B of the Act (rights of the Company's auditors to be sent written resolutions proposed to be agreed and to respond if they wish), be as effective for all purposes as a resolution duly passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed in accordance with the provisions of this Regulation.

5.4 The directors shall be entitled to accept that a resolution has been signed by a member if the directors receive a copy of the resolution bearing a facsimile of the member's signature and, if the directors do so accept, the resolution shall be effective for all purposes as having been signed by the member concerned.

6 NOTICE OF GENERAL MEETINGS

6.1 An annual general meeting and an extraordinary general meeting called for the passing of any special resolution shall be called by at least twenty one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen days' notice but a general meeting may be called by shorter notice if it is so agreed:

6.1.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and

6.1.2 in the case of any other meeting, by the requisite majority being a majority in number of the members having a right to attend and vote and together holding not less than:

(a) ninety five per cent in nominal value of the shares giving that right; or

(b) whilst an elective resolution passed by the Company pursuant to Section 369(4) of the Act is effective, the relevant majority specified in such resolution or subsequently determined by the Company in general meeting in accordance with such resolution.

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

6.3 A notice convening a general meeting shall in the case of special business specify the general nature of the business to be transacted.

- 6.4 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors. Subject to the provisions of these Articles and to any restrictions imposed on any shares the notice shall be given to all the members and to the directors and auditors.

7 DIRECTORS

- 7.1 Unless and until otherwise determined by the Company in general meeting the number of directors (other than alternate directors) shall not be less than one nor shall it be subject to any maximum. The quorum for the transaction of the business of the directors shall be two, except where there is only a sole director in office in which case such sole director may act for all purposes and exercise all the powers of the Company. A person who holds office only as an alternate director shall, if he is present but his appointor is not, be counted in the quorum for the transaction of the business of the directors.
- 7.2 The Company in general meeting may appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors.
- 7.3 The directors shall have power at any time, and from time to time, to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors.
- 7.4 No person shall be disqualified from becoming a director by reason of his attaining or having attained the age of seventy or any other age; nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person; and no director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age.
- 7.5 The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 7.6 A director who declares his interest in the manner provided by the Act may vote as a director in regard to any contract or arrangement in which he is interested (including, but without prejudice to the generality of the foregoing, any contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy in which he is in any way interested) or upon any matter arising in relation to it and, if he shall so vote, his vote shall be counted and he shall be counted in the quorum when any such contract or arrangement is under consideration.
- 7.7 A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as effective for all purposes as a resolution passed at a meeting of the directors or (as the case may be) a committee of directors duly convened and held and may consist of several

documents in the like form each signed by one or more of the directors. The directors shall be entitled to accept that a resolution has been signed by a director if:

- 7.7.1 the directors receive a copy of the resolution bearing a facsimile of the director's signature;
- 7.7.2 it has been signed by a duly authorised representative for and on behalf of a director; and
- 7.7.3 it has been signed by an alternate director validly appointed by a director. If such a resolution is signed by an alternate director validly appointed by a director, it shall not be necessary for that director also to sign the resolution. If such a resolution is signed by a director who has appointed an alternate director, it shall not be necessary for his alternate director also to sign that resolution in that capacity,

and, if the directors do so accept, the resolution shall be effective for all purposes as having been signed by the director.

- 7.8 Subject to the provisions of these articles of association, the directors may regulate their proceedings as they think fit.
- 7.9 A director may, and the secretary at the request of any director shall, call a meeting of directors.
- 7.10 Questions arising at a meeting shall be decided by a majority of votes.
- 7.11 A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 7.12 It shall be necessary to give notice of meetings to directors who are absent from the United Kingdom (provided that such directors have given to the Company a forwarding address) and despatch of notices pursuant to these articles of association to such addresses shall be deemed good and effective notice.
- 7.13 Directors or, if appropriate, their alternates may participate in or hold a meeting of directors or a committee of directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other; participation by such means shall be deemed to constitute presence in person and business so transacted shall be as effective for all purposes as that of a meeting of the directors or (as the case may be) a committee of the directors duly convened and held with such directors physically present.
- 7.14 In the case of an equality of votes, the chairman shall not have a second or casting vote.
- 7.15 In Regulation 82 of Table A there shall be inserted after the words "such remuneration" the words "for their services as such", and at the end of that Regulation the sentence: "A director who has ceased to hold office as such when the resolution is passed shall, unless it otherwise provides, be entitled to be paid the appropriate proportion of any remuneration voted to the directors for a period during all or any part of which he held office".

7.16 In Regulation 84 of Table A there shall be inserted in the third sentence after the words "shall terminate the parenthesis" "(unless the terms of his appointment otherwise provide)".

7.17 In Regulation 87 of Table A there shall be substituted in the first line for the words "The directors" the words "The directors on behalf of the company".

8 **ASSOCIATE, DIVISIONAL OR REGIONAL DIRECTORS**

8.1 The directors shall have power from time to time to designate any person or persons in the employment of the Company not being directors as associate directors or divisional directors or regional directors of the Company and also at any time to revoke such designation as regards any person so appointed.

8.2 The designation of a person as an associate director or divisional director or regional director shall not confer upon him the status of a director or entitle him to vote at meetings of the directors or to attend such meetings unless specifically invited to attend; none of the provisions of these articles of association or of the Act concerning directors shall apply to an associate director or divisional director or regional director.

8.3 A person designated as an associate director or divisional director or regional director shall not, unless the directors otherwise determine, be entitled to any additional remuneration on that account and the terms of any service agreement between the Company and such a person shall in no way be affected by his designation as an associate director or divisional director or regional director or by the revocation thereof. He shall be entitled to be described as an associate director or divisional director or regional director of the Company only so long as he shall continue to be so designated.

9 **HOLDING COMPANY POWERS**

9.1 For so long as Northern & Shell Plc (the "**Holding Company**"), or any subsidiary of the Holding Company, shall be the holder of not less than 90 per cent of the issued 'A' ordinary shares of the Company, the following provisions shall apply and to the extent of any inconsistency shall have overriding effect as against all other provisions of these articles of association and Table A:

9.1.1 the Holding Company may at any time and from time to time appoint any person to be a director or remove from office any director howsoever appointed but so that his removal from office shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;

9.1.2 any or all powers of the directors shall be restricted in such respects and to such extent as the Holding Company may by written notice to the Company from time to time prescribe; and

9.1.3 no unissued shares or securities shall be issued or agreed to be issued or put under option without the consent of the Holding Company.

Any such appointment, removal, consent or notice shall be effected by an instrument in writing signed on behalf of the Holding Company by any two of its directors or by any one of its directors and either its secretary or some other person duly authorised for the purpose and shall take effect upon receipt (including by facsimile) at the registered office of the Company.

- 9.2 No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the directors have been in any way restricted or as to whether any requisite consent of the Holding Company has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the directors.

10 **SECRETARY**

Subject to the provisions of Sections 10 and 286 of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they think fit; any secretary may be removed by them. The provisions of Sections 283 and 284 of the Act shall be observed.

11 **NOTICES**

The Company shall give notice to each member of the Company by sending it by post in a pre-paid envelope addressed to the member at his registered address or by giving it using electronic communications to an address for the time being notified to the Company by the member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and the notices so given shall be sufficient notice to all the joint holders. In this article 11 and for the purposes of Regulation 113 of Table A, "address" in relation to electronic communications includes any number or address used for the purposes of such communications.

12 **INDEMNITY**

The directors shall have power to purchase and maintain insurance for the benefit of any person who is or was a director, officer or auditor of the Company or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company or of any subsidiary undertaking of the Company including (but without prejudice to the generality of the foregoing) insurance indemnifying such persons against liability for negligence, default, breach of duty or breach of trust or any other liabilities which may lawfully be insured against.