

THE COMPANIES ACT, 1985

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

JOHNSTON PRESS plc  
(as altered on 30<sup>th</sup> April 2004)

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PRELIMINARY

1. None of the Regulations contained in Table A in the First Schedule to the Companies Consolidation Act 1908 or as contained or altered in pursuance of any subsequent Act, shall apply to the Company and are hereby expressly excluded.
2. In these Articles (if not inconsistent with the subject or context) the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite them respectively in the second column thereof.

WORDS

MEANINGS

The Act	The Companies Act 1985;
These Articles	These Articles of Association or other Articles of Association of the Company from time to time in force.
The Auditor	The Auditor for the time being of the Company or, in the case of joint auditors, any one of them.
CREST Regulations	The Uncertificated Securities Regulations 2001, as amended
Directors	The Directors for the time being of the Company or a meeting of the Directors at which a quorum is present.
Dividend	Dividend and/or bonus.
FSMA	The Financial Services and Markets Act 2000;
In writing	Written, or produced by any substitute for writing, or partly one and partly the other including (but only to the extent to which:-  (a) the Directors so resolve, either generally or in relation to a particular type of document; and

(b) the recipient (if not the Company) has requested or agreed to) electronic communication..

Month	Calendar Month.
Office	The registered office of the Company.
Operator	CRESTCo Limited or such other person as may, for the time being, be approved by H.M. Treasury as Operator under the CREST Regulations.
Operator-instruction	A properly authenticated dematerialised instruction attributable to the Operator.
Paid	Paid or credited as paid.
participating security	A security title to units of which is permitted by the Operator to be transferred by means of a relevant system.
Register	The Register of Members required to be kept by the Statutes.
relevant system	A computer based system and procedures which enable title to units of a security to be evidenced and transferred without a written instrument pursuant to the CREST Regulations.
UK Listing Authority	The Financial Services Authority acting in its capacity as a competent authority under the FSMA.
Seal	The Common Seal of the Company or any official seal that the Company may be permitted to have under the Statutes.
The Secretary	The Secretary, or (if there are joint secretaries) any one of the joint secretaries, of the Company and including an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the Secretary.
The Statutes	The Companies Act 1985 and every other Act (and/or statutory instrument including (without limitation) the CREST Regulations and the Electronic Communications Act 2000) for the time being in force concerning companies and affecting the Company or any statutory re-enactment or modification thereof for the time being in force, and any reference to any section or provision of the Statutes shall be deemed to include a reference to any statutory re-enactment or modification thereof for the time being in force.
Transfer Office	The place where the Register of Members is situate.
The United Kingdom	Great Britain and Northern Ireland
Year	Calendar Year.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender.

The expression "Secretary" shall include, any person (whether legal or natural) appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as joint Secretaries shall include any one of those persons.

Save as aforesaid any word or expression defined in the Statutes shall (if not inconsistent with the subject or context) bear the same meaning in these Articles.

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

The expressions "communication" and "electronic communication" shall have the same respective meanings as in the Electronic Communications Act 2000, the latter including, without limitation, e-mail, fax, cd-rom, audio tape and telephone transmission and (in the case of electronic communication by the Company in accordance with Article 137) publication on a website".

### BUSINESS

3. Any branch or kind of business which by the Memorandum of Association of the Company, or these Articles, is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time as they shall think fit, and further, may be suffered by them to be in abeyance, whether such branch of kind or business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

### CAPITAL

4. The authorised share capital of the Company is £4,415,000 divided into 756,000 13 3/4 per cent Cumulative Preference Shares of £1 each ("the Preference Shares") 415,000 13.3/4 per cent "A" Cumulative Preference Shares of £1 each ("the "A" Preference Shares") and 32,440,000 Ordinary Shares of 10p each ("the Ordinary Shares").

5. The rights attaching to the respective classes of Shares shall be as follows:-

#### (1) INCOME

The profits which the Company shall determine to distribute in respect of any financial year shall be applied:-

- (a) first in paying to the holders of the Preference Shares a fixed cumulative preferential dividend (deemed to accrue from day to day) at the rate of 13.3/4 per cent per annum on the amount paid up thereon for the time being, such dividend to be payable half-yearly in arrears on 30th June and 31st December respectively in respect of the half-years ending on those dates;
- (b) second in paying to the holders of the "A" Preference Shares a fixed cumulative preferential dividend (deemed to accrue from day to day) at the rate of 13.3/4 per cent per annum on the amount paid up thereon for the time being, such dividend to be payable half-yearly in arrears on 30th June and 31st December respectively in respect of the half-years ending on those dates save that the dividend payable to the holders of the "A" Preference Shares on 30th June 1990 will amount pro rata to £9.86 per £100 nominal of "A" Preference Shares;

- (c) third in distributing the balance of such profits amongst the holders of the Ordinary Shares.

Every dividend shall be distributed to the holders of Shares entitled thereto pro rata according to the amounts paid up or credited as paid up on the Shares held by them respectively.

(2) CAPITAL

On a return of assets on a winding-up or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied:-

- (a) first in paying to the holders of the Preference Shares:-

- (i) the amount paid up on such Shares;
- (ii) subject thereto, the greater of 10p and an amount equal to the excess (if any) of the market value of each Preference Share over the nominal amount paid up thereon. For the purposes of this Article, the market value of each Preference Share shall be deemed to be:-

(1) In the event of the Preference Shares having been admitted to the Official List maintained by the UK Listing Authority or to trading on, the London Stock Exchange, a price equal to the mean average middle -market quotation for the Preference Shares as derived from each edition of the Daily Official List published during the six calendar months preceding (in the case of a winding-up) the date of commencement of winding-up or (in any other case) the date which is seven days prior to the day of posting of the notices convening the Extraordinary General Meeting at which is passed a Resolution for such return of capital but in either case after deduction from such mean price on each day of a sum equal to any arrears or accruals of dividend (whether earned or declared or not) down to that day; and

(2) in the event of the Preference Shares not having been so admitted to the Official List maintained by the UK Listing Authority or to trading on the London Stock Exchange, a price which bears to the nominal amount paid up on each such Share the same proportion as the said fixed preferential dividend of 13.3/4 per cent (grossed up to take account of the associated tax credit) bears to 120 per cent of the average yield of commercial and industrial preference shares as published in the Financial Times - Actuaries Commercial and Industrial Preference Share Index over such corresponding period of six months as is referred to in sub-paragraph (1) above;

- (iii) subject thereto a sum equal to any arrears, deficiency or accruals of the dividend thereon calculated down to the date of the return of capital and payable irrespective of whether such dividend has been declared or earned or not;

- (b) second in paying to the holders of the "A" Preference Shares:-

- (i) the amount paid up on such Shares;
- (ii) subject thereto a sum equal to any arrears, deficiency or accruals of the dividend thereon calculated down to the date of the return of capital and payable irrespective of whether such dividend has been declared or earned or not;

- (c) third but subject to the provisions of Article 116 in paying the balance remaining to the holders of the Ordinary Shares pro rata to the amounts respectively paid up thereon.

(3) FURTHER ISSUES OF SHARES

- (a) The special rights conferred upon the holders of the Preference Shares shall be deemed to be varied or abrogated by the creation or issue of further preference shares ranking as regards participation in the profits or assets of the company pari passu with the Preference Shares;
- (b) The special rights conferred upon the holders of the "A" Preference Shares shall be deemed to be varied or abrogated by the creation or issue of further preference shares ranking as regards participation in the profits or assets of the company prior to or pari passu with the "A" Preference Shares;

(4) VOTING

- (a) The Preference Shares shall entitle the holders to receive the Annual Report and Accounts of the Company and notice of any General Meeting but not to attend or vote thereat unless either:-

- (i) at the date of the notice convening the Meeting the dividend on such Shares is in arrear, and so that for this purpose the dividend shall be deemed to be payable half- yearly on the dates mentioned in Paragraph (1) (a) of this Article in respect of the periods mentioned in that Paragraph; or
- (ii) the business of the Meeting includes the consideration of a Resolution for the winding up of the Company or reducing its capital or any Resolution directly abrogating or varying any of the special rights or privileges attached to such Shares and then only on such Resolution;

and in such cases each holder of the Preference Shares present in person shall on a show of hands have one vote and shall, on a poll, have one vote for every £1 nominal of Preference Share capital held by him.

- (b) the "A" Preference Shares shall entitle the holders to receive the Annual Report and Accounts of the Company and notice of any General Meeting but not to attend or vote thereat unless either:-

- (i) at the date of the notice convening the Meeting the dividend on such Shares is in arrear, and so that for this purpose the dividend shall be deemed to be payable half- yearly on the dates mentioned in Paragraph (1) (a) of this Article in respect of the periods mentioned in that Paragraph; or
- (ii) the business of the Meeting includes the consideration of a Resolution for the winding up of the Company or reducing its capital or any Resolution directly abrogating or varying any of the special rights or privileges attached to such Shares and then only on such Resolution;

and in such cases each holder of the "A" Preference Shares present in person shall on a show of hands have one vote and shall, on a poll, have one vote for every £1 nominal of "A" Preference Share capital held by him.

- 6. Without prejudice to any special rights previously conferred on the holders of any shares or classes of shares for the time being issued (which special rights may be varied or abrogated only in the manner provided by Article 8 hereof), any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to

time by Ordinary Resolution determine (or, failing any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue shares which are, or at the option of the Company or the shareholder are to be liable, to be redeemed on such terms and in such manner as the Company before the issue thereof may by Special Resolution determine.

7. Subject to the provisions of these Articles and the Statutes, the shares in the capital of the Company for the time being unissued shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Directors may determine.

#### VARIATION OF RIGHTS

8. Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General 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. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons holding or representing by proxy at least one third in nominal value of the issued shares of the class in question (but so that if at any adjourned meeting a quorum as above defined is not present any one holder of shares of the class in question 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. The foregoing provisions of this Article shall apply to the variation or abrogation of the rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by these Articles or by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith or the Company permitting, in accordance with the CREST Regulations, the holding of and transfer of title to shares of that or any other class in uncertificated form by means of a relevant system.

#### ALTERATION OF CAPITAL

9. 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 provisions of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise. Subject to the provisions of the Statutes and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed at the option of the Company or the holder, on such terms and in such manner as may be provided by these Articles.
10. (A) The Company may by Ordinary Resolution:-
  - (1) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
  - (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; and
  - (3) sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, 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.

- (B) Where as a result of any consolidation or sub-division of shares any members would become entitled to fractions of a share the Directors may settle the same as they think expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Directors may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
11. The Company may by Special Resolution reduce its share capital or any capital redemption reserve fund or share premium account in any manner and with and subject to any incident authorised and consent required by the Statutes.
12. Subject to the provisions of the Statutes, the Company may purchase all or any of its shares of any class, including any redeemable shares. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the Statutes and by an extraordinary resolution passed at a separate general meeting of the holders of any shares which at the date on which the contract is authorised by the Company in general meeting entitle them, either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the Company. Neither the Company nor the board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in these Articles, the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company pursuant to this paragraph of this Article.

#### SHARES

13. The Company may exercise the powers of paying commissions conferred by the Statutes. The amount or the rate per cent of the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Statutes, and such commission shall not exceed 10 per cent of the price at which the shares in respect of which the commission is paid are issued. The Company may also on any issue of shares pay such brokerage as may be lawful.
14. The Company shall not be bound to recognise but shall be entitled to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company. Notwithstanding any such recognition, the Company shall not be bound to see to the execution, administration or observance of any trust, whether expressed, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such shares as if they were the absolute owners thereof. For the purposes of this Article "trust" includes any right in respect of any shares of the Company other than an absolute right thereto in the registered holder thereof for the time being or such other rights in the case of transmission thereof as are mentioned in these Articles.

## CERTIFICATES

15. Every certificate for shares or debentures of the Company shall be issued under the Seal or an official seal kept under Section 40 of the Act. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificate by some mechanical means or may be printed on them or that the certificates need not be signed by any person.
16. Save as provided in Article 18A, every person whose name is entered as a member in the Register of members (except a Stock Exchange nominee in respect of whom the Company is not by law required to complete and have ready a certificate) shall be entitled without fee within one month after the date of expiration of any right of renunciation in the case of allotment or within fourteen days of the lodgement of transfer as the case may be to one certificate for all his shares of any one class or several certificates, each for one or more of his shares of any one class. Provided that the Company shall not be bound to register more than four persons as the joint holders of a share and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of such persons shall be sufficient delivery to all.
17. Where a member (except such a Stock Exchange nominee) transfers part only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without fee.
18. If a share certificate shall be damaged, defaced, lost, stolen or destroyed, it may be replaced by a new certificate without charge and on delivery up of the certificate or (if lost, stolen or destroyed) on such terms (if any) as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request for the new certificate as the Directors think fit.
- 18A. The Company may issue shares which may be held, evidenced and transferred through a relevant system in uncertificated form, and where any shares are held in an uncertificated form, the Company shall not issue, and no person shall be entitled to receive a certificate in respect of such shares.

## CALLS ON SHARES

19. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on the shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of allotment thereof made payable at fixed times. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. The person upon whom a call is made shall remain liable for the call notwithstanding the subsequent transfer of the shares in respect of which the call was made.
20. 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. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
22. 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 thereof to the time of actual payment at such rate (not exceeding 20 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. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of allotment of a share becomes payable upon allotment or issue or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of allotment the same becomes payable. In case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
24. The Directors may on the allotment of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
25. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding 15 per cent per annum) as the member paying such moneys and the Directors agree upon.

#### FORFEITURE AND LIEN

26. If a member fails to pay in full any call or instalment of a call on the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest and expenses which may have accrued.
27. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
28. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared 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.
29. A share so forfeited or surrendered shall become the property of the Company and (subject to the provisions of the Statutes) 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 disposition 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.
30. A member any or all of whose shares have been forfeited or surrendered shall cease to be a member in respect of those shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of those shares with interest thereof at 20 per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.
31. The Company shall have a first and paramount lien on every share (not being a share fully paid as to its nominal value and as to any premium payable thereon) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and the Company shall also have a first and paramount lien on any shares (other than a share fully paid as to its nominal value and as to any premium payable thereon) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company and that whether the same shall have been incurred before or after notice to the

Company of any equitable or other interest in any person other than such member and whether the time for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien on a share shall extend to all dividends payable thereon whether or not due and payable. 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.

32. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently due and payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently due and payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
33. 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 debts or liabilities in respect whereof the lien exists so far as the same are presently due and payable and any residue shall (subject to a like lien for debts or liabilities not presently due and payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.
34. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such a declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the Share Certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.
- 34A. Where any class of shares is a participating security and the Company is entitled under any provision of the Statutes or these Articles to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the provisions of the Statutes and these Articles and the facilities and requirements of the relevant system:-
  - (A) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;
  - (B) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice;
  - (C) to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice; and
  - (D) to take any action that the Directors consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.
- 34B. The provisions of these Articles shall not apply to shares of any class which are in uncertificated form to the extent that such Articles are inconsistent with:-
  - (A) the holding of shares of that class in uncertificated form;

- (B) the transfer of title to shares of that class by means of a relevant system; or
- (C) any provision of the CREST Regulations.

#### TRANSFER OF SHARES

35. All transfers of shares which are in certificated form may be effected by transfer in writing in any usual or common form or in such other form as the Directors may approve. 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 be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof. All transfers of shares which are in uncertificated form may be effected by means of a relevant system. The Directors may, in their absolute discretion, refuse to register an uncertificated share where permitted by the Statutes.
36. Subject to the provisions of Section 358 of the Act, the registration of transfers may be suspended and the Register closed at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares except that in respect of any shares which are participating securities, the Register shall not be closed without the consent of the Operator, provided that the Register shall not be closed for more than thirty days in any year.
37. The Directors may in the case of shares in certificated form in their absolute discretion and without assigning any reason therefor decline to register the transfer of a share (not being a fully paid share) provided that, where any such shares are admitted to the Official List of the UK Listing Authority, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis and they may also refuse to register any transfer of shares to joint holders where the number of joint holders to whom the shares are to be transferred exceeds four. The Directors may also decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is deposited at the Transfer Office 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).
38. If the Directors refuse to register a transfer of any share, they shall within two months after the date on which the transfer was lodged with the Company (in the case of shares held in an uncertificated form) or the Operator-instruction was received by the Company (in the case of shares held in an uncertificated form) send to the transferee notice of the refusal.
39. All instruments of transfer, when registered may be retained by the Company but the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all other documents on the faith of which entries have been made in the Register of members and any instructions concerning the payment of dividends or other monies in respect of any share in both cases at any time after the expiration of two years from the date of registration thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-
  - (i) the provisions of this Article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

- (ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company but for the provisions of this Article; and
  - (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.
40. No fee will be charged by the Company in respect of the registration of any instrument of transfer, confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or effecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.
41. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

#### TRANSMISSION OF SHARES

42. In case of the death of a shareholder the survivors or survivor where the deceased was a joint holder, and the executors or personal representatives 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 holder (whether sole or joint) from any liability in respect of any share held by him.
43. (A) Subject to the provisions of the preceding Article any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon such evidence being produced as may from time to time properly be required by the Directors either (a) be registered as holder of the share in a representative capacity or (b) be registered himself as holder of the share or (c) transfer such share to some other person. The Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be.
- (B) The intimation to the Company, by or on behalf of any person becoming entitled to a share in accordance with sub-paragraph (A) of this Article, of the evidence therein required shall be deemed to be a request by such person to be registered as holder of the share in a representative capacity unless such person shall otherwise elect as after mentioned, provided always that such registration shall not impose any personal liability upon such person in respect of the share. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and if he shall elect to have another person registered he shall testify his election if it is a certificated share by executing to that person a transfer of the share or, if it is an uncertificated share, by transferring the shares to that person by means of a relevant system or changing the share to a certificated share and executing an instrument of the transfer of the share to that person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
44. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled save as hereinafter provided to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share. Provided that such person shall not be entitled to receive notice of, attend or vote at any general meetings of the Company until he is registered as the holder of such share.

## STOCK

45. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock or re-convert any stock into paid-up shares of any denomination.
46. If and whenever any unissued shares of any class in the capital of the Company for the time being shall have been issued and be fully paid and at that time the shares of that class previously issued shall stand converted into stock such further shares upon being fully paid shall ipso facto be converted into stock transferable in the same units as the existing stock of the class.
47. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine.
48. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in dividends or the assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

## GENERAL MEETINGS

49. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen 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.
50. The Directors may whenever they think fit call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an Extraordinary General Meeting for a date not later than eight weeks after receipt of the requisition or, in default, such meeting may be convened by such requisitionists, as provided by the Statutes.

## NOTICE OF GENERAL MEETINGS

51. An Annual General Meeting and any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by at least twenty one days' notice in writing and any other General Meeting by at least fourteen days' notice in writing (exclusive in either case of the day on which it is served or deemed to be served and of the day for which it is given) given in manner hereinafter mentioned to all members other than such as are not, under the provisions of these Articles, entitled to receive such notices from the Company and to the Auditors; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-
  - (A) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and
  - (B) in the case of an Extraordinary General Meeting by a majority in number of the members 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.

Provided also that the accidental omission to give notice to, or the non-receipt of notice by, any person entitled thereto shall not invalidate the proceedings at any General Meeting.

52. (A) Every notice calling a General Meeting shall specify the place (including, without limitation, any meeting places arranged for the purposes of Article 52(D) which shall be identified as such in the notice) and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him, and that a proxy need not be a member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any General Meeting at which special business is to be transacted, the notice shall specify the general nature of such business; 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.
- (D) The Directors may, for the purpose of controlling the level of attendance at any place specified for the holding of a General Meeting, from time to time make such arrangements and may from time to time vary any such arrangements or make new arrangements in place therefor. The entitlement of any member or proxy to attend a general meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting stated to apply to that meeting. In the case of any general meeting to which such arrangements apply, the Directors shall, and in the case of any other general meeting the Directors may, when specifying the place of the general meeting:-

- (A) direct that the meeting shall be held at a place specified in the notice at which the Chairman of the meeting shall preside ("the Principal Place"); and
- (B) make arrangements for simultaneous attendance and participation at other places by members otherwise entitled to attend the general meeting but excluded therefrom under the provision of this Article or who wish to attend at any of such other places shall be able to see and hear and be seen and heard by persons attending at the Principal Place and at such other places.

Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the Principal Place.

- (E) If it appears to the Chairman that the place of the meeting specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend, the meeting is duly constituted and its proceedings are valid if the chairman is satisfied that adequate facilities are available to ensure that each such person who is unable to be accommodated is able:-
- (A) to participate in the business for which the meeting has been convened; and
- (B) to hear and see all persons present who speak whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise (whether or not in use when these Articles are adopted) whether in the meeting place or elsewhere.
53. All business shall be deemed special that is transacted at an Extraordinary Meeting and also all that is transacted at an Annual General Meeting with the exception of the following:-
- (A) declaring dividends;
- (B) considering the Accounts of the Company, the reports of the Directors and Auditors and other documents required to be annexed to the Accounts;

- (C) appointing or re-appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
  - (D) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement (whether by rotation or otherwise) and fixing the remuneration of the Directors in accordance with the provisions of these Articles.
54. The Directors shall on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided:-
- (A) give to the members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
  - (B) circulate to the members entitled to have notice of any General Meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

55. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two members present in person or by proxy and entitled to vote at the meeting shall be a quorum for all purposes.
56. If within fifteen minutes from the time appointed for a General Meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine.
57. The Chairman of the Directors shall preside as Chairman at every General Meeting, but if there be no such Chairman or if at any meeting he shall not be present within five minutes after the time appointed for holding the same, or shall be unwilling to preside, the Directors present shall choose one of their number or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number to be Chairman of the meeting.
58. The Chairman of the meeting may with the consent of any General Meeting at which a quorum is present (and shall if so 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 thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
59. 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 either:-
- (A) the Chairman of the meeting; or
  - (B) not less than five members present in person or by proxy and entitled to vote; or
  - (C) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (D) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a member shall be the same as a demand by the member.

60. A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or loss 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. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
61. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
62. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.
63. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 63A. No amendment to a resolution duly proposed as a special or extraordinary resolution may be considered or voted on, other than an amendment to correct a patent error. No amendments to a resolution duly proposed as an ordinary resolution may be considered or voted on, other than an amendment to correct a patent error, unless either:-
  - (A) at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment an intention to move it has been lodged at the office; or
  - (B) the Chairman of the meeting in his absolute discretion decides that the amendment may be considered or voted on.

If an amendment proposed to a resolution under consideration is ruled out of order by the Chairman the proceedings on the substantive resolution are not invalidated by an error in his ruling.

#### VOTES OF MEMBERS

64. Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person and entitled to vote shall have one vote and on a poll every member who is present in person or by proxy and entitled to vote shall have one vote for every share of the Company held by him.
65. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
66. A member being a minor, pupil or otherwise under any legal disability may vote, whether on a show of hands or on a poll, by his curator, tutor, committee, judicial factor, curator bonis or other legal curator provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Transfer Office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which it is desired to vote.



67. No member shall, unless the Directors otherwise determine, be entitled to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company unless all calls or other sums presently due and payable by him in respect of shares in the Company have been paid.
68. Without prejudice to the provisions of Article 67 no member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if he or any person appearing to be interested in such shares ("Default Shares") has been duly served with a notice under Section 212 of the Act and is in default in supplying to the Company the information thereby required within the period of 28 days from the date of such notice. Where the Default Shares comprise at least 0.25 per cent of the class of shares of which they form part, any member holding Default Shares will not be entitled to receive payment of dividends in respect of such shares, nor, except in the case of a transfer relating to an arms-length sale of such shares, to have any instrument of transfer of such shares entered in the Register (but in the case of uncertificated shares, only to the extent permitted by the CREST Regulations) and, where the provisions of this Article apply, the Company may exercise any of its powers, as necessary, under Article 34A in respect of any Default Shares that are held in uncertificated form. For the purpose of this Article a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 212 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.
69. 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 rendered 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.
70. 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.
71. A proxy need not be a member of the Company.
72. Subject to Article 75A, the instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may prescribe or accept and:-
- (A) in the case of an individual shall be signed by the appointer or by his attorney; and
  - (B) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
- The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer. The signature on such instrument need not be witnessed.
73. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed shall be deposited at the office (or at such other place or one of such places (if any) or, if the Directors decide to accept delivery of the appointment by electronic communication or by any other data transmission process pursuant to Article 75, in such other manner as may be specified for that purpose in the notice convening the meeting) not less than forty eight hours before the time appointed for the holding of the meeting or adjourned meeting or in the case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, at which the person named in the instrument proposes to vote and in default shall not be treated as valid. An instrument of proxy 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 in relation to any subsequent meetings to which it relates. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share.

74. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit and 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.
75. A vote cast in accordance with the terms of the instrument of proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer office at least one hour before the commencement of the meeting or adjourned meeting or the time appointed for the taking of the poll at which the vote is cast.
- 75A The Directors may allow a proxy to be appointed in electronic form or by other data transmission process, subject to any limitations, conditions or restrictions they may decide. Such appointment should be delivered to the Company in a manner specified by the Directors. If, and to the extent, the Directors allow appointments to be made in this manner, provisions of the articles which are inconsistent with this method of appointment shall be of no effect in relation to those appointments. The Directors may require any information or evidence they think appropriate to satisfy themselves that the electronic appointments are genuine.

#### CORPORATIONS ACTING BY REPRESENTATIVES

76. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. 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 member 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

77. Unless and until otherwise determined by the Company by Ordinary Resolution the number of Directors shall not be less than three nor more than fifteen.
78. A Director shall not be required to hold any shares of the Company to qualify him to act as such Director. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings of the Company.
79. In addition to any salary or other remuneration which may be paid to the Directors or any of them under or pursuant to any other provisions of these Articles the remuneration of the Directors as such shall be such as may from time to time be determined by the Company in General Meeting. Such remuneration shall be deemed to accrue from day to day and shall be divisible among the Directors as they may by resolution agree or failing such agreement equally. Notwithstanding the foregoing provisions of this Article the Directors (who are not managing or executive directors) shall be paid such remuneration by way of fees as the Board may determine save that unless the Company in General Meeting may otherwise approve the aggregate of such fees shall not exceed £600,000 per annum.
80. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or which he may otherwise incur in or about the business of the Company.
81. Any Director who is appointed to any executive office or who otherwise performs any special or professional services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director in or about the business of the Company, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.
82. The Directors may entrust to and confer upon any Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### DISQUALIFICATION OF DIRECTORS

83. The office of a Director shall be vacated in any of the following events, namely:-
- (a) if he ceases to be a Director by virtue of Section 293 of the Act;
  - (b) if he shall become prohibited by law from acting as a Director;
  - (c) if by notice in writing to the Company he resigns his office;
  - (d) if he shall have a receiving order made against him, become bankrupt, execute a trust deed for behoof of his creditors or shall compound with his creditors generally;
  - (e) if he shall become of unsound mind or otherwise incapax;
  - (f) if he shall be absent from meetings of the Directors for a continuous period of six months without leave and the Directors shall resolve that his office is vacated;
  - (g) if he is removed from office as provided in Article 88; or
  - (h) if he is requested in writing by all the other Directors to resign.

### RETIREMENT OF DIRECTORS

84. At each general meeting all those Directors who were elected or last re-elected at or before the annual general meeting held in the third calendar year before shall retire from office. A retiring Director shall be eligible for re-election.
85. The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:-
- (A) where at such meeting it is expressly resolved not to fill up such office or a resolution for the re-election of such Director is put to the meeting and lost;
  - (B) where such Director has given notice in writing to the Company that he is unwilling to be re-elected;
  - (C) where the default is due to the moving of a resolution in contravention of the next following Article.

The retirement shall not have effect until the conclusion of the meeting or any adjournment thereof except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without break.

### APPOINTMENT OF DIRECTORS

86. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
87. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election or unless special notice has been given of a resolution to appoint that person as a Director in place of a Director intended to be removed by Ordinary Resolution pursuant to the next following Article, be eligible for appointment as a Director at any General Meeting unless not less than seven or more than forty two days before the day appointed for the meeting there shall have been left at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for

which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

88. The Company may in accordance with, and subject to the provisions of the Statutes, by Ordinary Resolution of which special notice has been given, remove any Director (including a Director holding any executive office) from office notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement, and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled by the Directors as a casual vacancy.
89. 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 Additional Director, but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

#### ALTERNATE DIRECTORS

90. (A) A Director may from time to time by writing under his hand appoint any other Director to be his alternate and every such alternate shall be entitled generally to have and exercise all the powers, rights, duties and authorities (except as regards power to appoint an alternate) of the Director appointing him in the absence of such appointer. Any Director acting as an alternate shall have an additional vote for each Director for whom he acts as alternate. A Director may at any time revoke the appointment of his alternate and (subject to such approval as aforesaid) appoint another Director in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine; provided that if any Director retires by rotation but is re-elected by the meeting at which his retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. Any revocation under this Article shall be effected by notice in writing under the hand of the Director making the same and any such notice if left at the office shall be sufficient evidence of such revocation.
- (B) Every Director acting as an alternate Director shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. Any such alternate Director shall be entitled to receive from the Company such proportion (if any) of the remuneration otherwise payable to his appointer, by way of remuneration for his services as a Director, as the appointer may by notice in writing to the Company from time to time direct; but save as aforesaid shall not in respect of such appointment be entitled to receive any remuneration from the Company.

#### EXECUTIVE DIRECTORS

91. The Directors may from time to time appoint one or more of their number to be the holder of any executive office (including, where considered appropriate, the office of managing Director) for such period and upon such terms as they think fit and may vest in any such Director or Directors such of the powers vested in the Directors at they may think fit, except the power to make calls or borrow money, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions and generally upon such terms as to remuneration and otherwise as they may determine and, without prejudice to any existing contract, the Directors may revoke any such appointment. The remuneration of a Director appointed to hold an executive office may be by way of salary, commission, percentage of profits or otherwise as may be arranged.
92. A Director appointed to hold an executive office shall be subject to the same provisions as to retirement, disqualification and removal as the other Directors of the Company and if he

ceases to hold the office of Director he shall, ipso facto and immediately, cease to hold the executive office to which he has been appointed unless the contract or resolution under which he holds such office shall expressly provide otherwise, but always without prejudice to any claim for damages which he may have for any breach of any contract of service between him and the Company.

#### PROCEEDINGS OF DIRECTORS

93. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a board meeting shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. It shall not be necessary to give notice of a meeting to any Director for the time being absent from the United Kingdom.
94. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be three. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors. A Director or his alternate may participate in a meeting through the medium of conference telephone, teleconference, videoconference or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and is entitled to vote. Subject to the Statutes any business transacted in this way at a meeting by the Directors for the purposes of these articles is deemed to be validly and effectively transacted at a meeting of the directors and notwithstanding that fewer than three directors may be physically present at the same place. The meeting is 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 is.
95. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company, (including such a contract with a person connected with him within the meaning of Section 346 of the Act), shall declare the nature of his interest in accordance with the provisions of the Statutes. The expression "contract" for the purposes of this Article shall be deemed to include any transaction or arrangement, whether or not constituting a contract.
96. (A) Save as herein provided, a Director shall not vote in respect of any contract, transaction or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall be not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (B) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-
  - (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by giving of security;
  - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in

which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of (otherwise than as nominee for the Company or any of its subsidiaries) or beneficially interested in 1 per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
  - (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes;
  - (vi) any proposal concerning the adoption, modification or operation of a share incentive scheme, share option scheme or any other arrangement for the benefit of employees (including full-time executive directors of the Company and any of its subsidiaries) which does not accord to any Director as such, any privilege or advantage not generally accorded to the employees to whom such scheme or arrangement relates.
- (C) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under sub-paragraph (B)(iv) of this Article shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (D) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed. If any question shall arise in respect of the Chairman of the meeting, the question shall be decided by a resolution of the board (for which purpose the Chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the Chairman (so far as it is known to him) has not been fairly disclosed to the Board.
- (E) The company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
97. (A) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
- (B) Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he

were not a Director; Provided that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.

98. The continuing Directors may act notwithstanding any vacancies in their body, 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 filling up such vacancies or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.
99. The Directors may from time to time elect one of their number to be Chairman and, if they think fit, one or more of their number to be Deputy-Chairman or Deputy-Chairmen or Vice-Chairman or Vice-Chairmen of the directors and may determine the periods for which they respectively are to hold office. The Chairman, or in his absence a Deputy-Chairman or a Vice-Chairman, shall preside at meetings of the Directors but if at any meeting neither the Chairman nor a Deputy-Chairman nor a Vice-Chairman is present within five minutes after the time appointed for holding the same the Directors present shall choose one of their number to be Chairman of such meeting.
100. A resolution in writing signed by all the Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors.
101. The Directors may delegate any of their powers, other than the powers to borrow money and make calls, to committees consisting of such two or more members of their body as they think fit. 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.
102. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
103. All acts done by any meeting of Directors, or of a committee of Directors, or any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Director, or person acting as aforesaid, or that they or any of them 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 and had been entitled to vote.

#### BORROWING POWERS

104. (1) Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow or guarantee the payment of money, and to mortgage or charge its undertaking, property and uncalled capital, 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.
- (2) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies so as to secure (as regards subsidiary companies so far as by such exercise they can secure) that the aggregate amount for the time being outstanding of all moneys borrowed by the Group (which expression in this Article means and includes the Company and all its subsidiaries for the time being) exclusive of intra-group borrowings shall not at any time without:-
  - (a) the previous sanction of an Ordinary Resolution of the Company; and
  - (b) either the previous consent of the holders of three-fourths of the Preference Shares then in issue or the previous sanction of an Extraordinary Resolution of the holders of the Preference Shares passed in the manner set out in Article 8 hereof; and

- (c) either the previous consent of the holders of three-fourths of the "A" Preference Shares then in issue or the previous sanction of an Extraordinary Resolution of the holders of the "A" Preference Shares passed in the manner set out in Article 8 hereof;

exceed an amount equal to three times the adjusted total of capital and reserves.

- (3) For the purposes of this Article the expression "the adjusted total of capital and reserves" means the aggregate of:-

- (a) the amount for the time being paid up or credited as paid up on the issued share capital of the Company; and
- (b) the aggregate amount standing to the credit of the consolidated capital and revenue reserves (including, without limitation, any share premium account, capital redemption reserve fund, debenture stock sinking fund, property revaluation surplus account and profit and loss account) of the Company and its subsidiaries; and
- (c) the amounts standing to the credit of government grants, deferred revenue account or other accounts of a similar nature of the Group;

all as shown in the latest audited consolidated balance sheet of the Company and its subsidiaries but:-

- (i) adjusted as may be necessary or appropriate to reflect any variations since the date of such balance sheet in interests in subsidiaries or in the amount of the paid up share capital, share premium account, capital redemption reserve fund and property revaluation surplus account of the Company and so that for this purpose if the Company proposes to issue or has issued any shares for cash and the issue has been underwritten then the amount (including any premium) of the subscription moneys so underwritten (not being moneys payable later than three months after the date the underwriting becomes unconditional) shall be deemed to have been paid up at the date when the underwriting becomes unconditional;
  - (ii) excluding any sums attributable to outside interests in subsidiaries;
  - (iii) deducting any distributions to persons other than a member of the Group (other than dividends paid out of profits earned since the date of such balance sheet) in cash or specie made since that date and to provide for in such balance sheet;
  - (iv) deducting therefrom the amount of any debit balance on the consolidated profit and loss account of the Company and its subsidiaries;
  - (v) making such other adjustments (if any) as the Auditors of the Company may consider appropriate.
- (4) (a) Any company which it is proposed shall become a subsidiary contemporaneously with any relevant transaction shall be treated as if it had already become a subsidiary; and
  - (b) The expression "moneys borrowed" shall include the following to the extent not otherwise taken into account:-
    - (i) the nominal amount of any issued share capital (not being equity share capital) of any subsidiary owned otherwise than by a member of the Group;



- (ii) the nominal amount of any share capital and the principal amount of any borrowings or debentures, the repayment whereof is guaranteed by a member of the Group;
- (iii) the principal amount of all debentures or loan capital issued by any member of the Group; and
- (iv) the amount outstanding in respect of acceptances by any member of the Group not being acceptances in relation to the purchase of goods in the ordinary course of business or under acceptance credits granted by any bank or accepting house on behalf of any member of the Group;

but shall not include:-

- (i) amounts borrowed for the purpose of repaying moneys borrowed by any member of the Group and for the time being outstanding provided they are so applied within six months of being borrowed;
  - (ii) the proportion of moneys borrowed by any partly owned subsidiary which is equivalent to the proportion of its equity share capital not attributable to the Company.
- (5) The Certificate of the Auditors for the time being of the Company as to the amount of the adjusted capital and reserves and the amount of any moneys borrowed at any time shall be conclusive and binding on all concerned.
- (6) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provisions be concerned to see or inquire whether the said limits are observed and no debt incurred or security given in excess of such limits shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given, express notice that the said limits had been or would thereby be exceeded.

#### GENERAL POWERS OF DIRECTORS

105. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation 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.
106. The Directors may establish any Local Boards or Agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such Local Boards, or any Managers or Agents, and may fix their remuneration, and may delegate to any Local Board, Manager or Agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any Local Boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
107. The Directors may from time to time and at any time by power of attorney or otherwise 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 power of attorney 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 them.

108. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.
109. Subject to and to the extent permitted by the Statutes, the Company or the Directors on behalf of the Company, may cause to be kept in any territory outside the United Kingdom a dominion register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.
110. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.
111. Without restricting the generality of the foregoing powers the Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been executive Directors of or employed by or in the service of or (with the approval of an Ordinary Resolution of the Company) non-executive Directors of the Company or of any company which is a subsidiary company of or allied or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise).

#### SECRETARY

112. Subject to the provisions of the Statutes and to the duty of the Directors thereunder in relation to the qualifications of any person so appointed, 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.
113. Any provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

#### SEALS

114. The Directors shall provide for the safe custody of the Seal, and any official Seal kept under Section 40 of the Act and neither shall be used without the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf. Every instrument to which either Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors save that as regards any certificate for shares or debentures or other securities of the Company the Directors may by resolution determine that such signature or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

#### AUTHENTICATION OF DOCUMENTS

115. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee of the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract

from the minutes of a meeting, of the Company or of the Directors or any committee of the Directors which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such document or extract is a true and accurate record of proceedings at a duly constituted meeting.

#### DIVIDENDS

116. Subject to the provisions of the Statutes the Company may by Ordinary Resolution declare dividends but no dividend or interim dividend shall be payable except out of the profits of the Company available for the purpose, or in excess of the amount recommended by the Directors; unless and to the extent that the rights attached to any shares or the terms of allotment 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 amount 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.
  
117. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed 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 period as they think fit. If the board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.
  
118. Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors, in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
  
119. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
  
120. The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently due and payable by him to the Company on account of calls or otherwise in relation to shares of the Company.
  
121. 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 debts, liability or engagements in respect of which the lien exists.
  
122. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.
  
123. Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
  
124. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to anyone of such persons), or to such person and such address as such member or person or persons may by writing direct or by using the facility of a relevant system. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon

whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

125. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or properly distributable on or in respect of the share.
126. Any general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct payment or satisfaction of the dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures the Company of any other company, and the board shall give effect to the direction, and where any difficulty arises in regard to the distribution the board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any specific assets to be distributed and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any specific assets to be distributed in trustees as may seem expedient to the board.

### RESERVES

127. The Directors may before recommending any dividend whether preferential or otherwise set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide any such reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to distribute.

### CAPITALISATION OF PROFITS AND RESERVES

128. (A) The Company may upon the recommendation of the Directors by Ordinary Resolution resolve that any sum not required for the payment or provision of any fixed cumulative preferential dividend; and (A) for the time being standing to the credit of any reserve fund or reserve account of the Company (including any Share Premium account and any Capital Redemption Reserve Fund) or (B) standing to the credit of profit and loss account or otherwise available for distribution, be capitalised, and accordingly that the Directors be authorised and directed to appropriate such sum to the Ordinary Shareholders in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends on the Ordinary Shares and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst them in the proportions aforesaid or partly in one way and partly in the other: Provided that Share Premium account and Capital Redemption Reserve Fund may only be applied hereunder in the paying up of unissued shares to be allotted credited as fully paid.
- (B) The Company may likewise upon the recommendation of the Directors by Ordinary Resolution resolve that any sum not so required for the payment or provision of any fixed cumulative preferential dividend and for the time being standing to the credit of any of such funds or accounts of the Company as are specified in paragraph (A) of this Article but which is not available for distribution, be capitalised by applying such sum in paying up in full unissued shares of the Company of a nominal amount equal to such sum, such shares to be allotted and distributed credited as fully paid up shares to and amongst the Ordinary Shareholders in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends on the Ordinary Shares.

129. Whenever such resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions as they think fit in the case of shares or debentures becoming distributable in fractions (including provisions whereby the benefits of fractional entitlements accrue to the Company rather than to the members concerned) and also to authorise any person to enter on behalf of all the Ordinary Shareholders into an agreement with the Company providing for the allotment credited as fully paid up of any shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the sum resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all concerned.

#### RECORD DATES

130. Notwithstanding any other provisions of these Articles, the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

#### MINUTES AND BOOKS

131. The Directors shall cause Minutes to be made in books to be provided for the purpose:-
- (A) of all appointments of officers made by the Directors;
  - (B) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and
  - (C) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.
132. Any such Minutes, if signed by the Chairman of the meeting to which they relate or at which they are read, shall be received as prima facie evidence of the facts therein stated.
133. The Directors shall duly comply with the provisions of the Statutes and in particular the provisions in regard to registration of charges created by or affecting property of the Company, in regard to keeping a register of Directors and Secretaries, a register of members, a register of mortgages and charges, and a register of Directors' share and debenture holdings and in regard to the production and furnishing of copies of such registers and of any register of holders of debentures of the Company.
134. Any register, index, minute book, book of account or other book required by these Articles or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

#### ACCOUNTS

135. The Directors shall cause to be kept such books of account as are necessary to comply with the provisions of the Statutes. The books of account shall be kept at the Office, or at such other place within Great Britain as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors.
136. The Directors shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

137. A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be attached or annexed thereto or a summary of the same) shall not less than twenty one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings of the Company under the provisions of the Statutes or of these Articles. This Article shall not require a copy of these documents to be sent to any member to whom a summary of financial statement is sent in accordance with the Statutes or more than one of the joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. To the extent permitted by the Statutes, documents referred in this Article can be sent by electronic mail or fax or similar or other data transmission process. Whenever a listing on the Official List of the UK Listing Authority for all or any of the shares or debentures of the Company shall for the time being be in force, there shall be forwarded to the appropriate officer of the Official List of the UK Listing Authority such number of copies of such documents as may for the time being be required under its regulations or practice.

#### AUDITOR

138. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.
139. The Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which a Member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

#### NOTICES

140. Any notice or document (including a share certificate) may be served on or delivered to any member of the Company either personally or by sending it through the post in a prepaid cover addressed to such member 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. 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 twenty four hours after the time when the envelope containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such envelope was properly addressed, stamped and posted.
- 140A. In addition to the methods of service set out in Article 140, a notice or document may be served on and/or delivered to any member of the Company by such electronic means (including, without limitation, electronic mail or fax) as the Statutes may allow from time to time to an address notified by the member in writing or by electronic mail or fax or other such electronic means. Subject to any governing provision of the Statutes, where a notice or other document is served or sent in accordance with this Article, service or delivery shall be deemed to be effected at 9am on the day following on which the electronic method of service or delivery was implemented by or on behalf of the Company. The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meetings or other proceeding shall not invalidate the relevant meeting or other proceedings. Where a notice or other documents to be given or sent using electronic communications has failed to be transmitted after three attempts, then the notice or other documents shall nevertheless be deemed to have been sent for the purposes of this Article and that failure shall not invalidate any meeting or other proceeding to which the notice or documents relate. As soon as practicable and in any event within 48 hours of the original attempt a duplicate of the relevant notice or other documents shall be sent through the post to the member to his last known address for the service of notices.

141. In respect of joint holdings, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be sufficient notice to all the joint holders.
142. A person entitled to a share in consequence of the death or bankruptcy of a member, upon such evidence being produced as may from time to time properly be required by the Directors and upon supplying 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 member but for his death or bankruptcy would be 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 or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or joint holder.
143. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.
144. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by a notice advertised in at least two daily newspapers with a national circulation and in that event the notice shall be deemed to have been served on all members and persons entitled by transmission who are entitled to have notice of the meeting served upon them, on the day when the advertisement appears. If at least six clear days prior to the meeting the posting of notices to addresses throughout the United Kingdom has again become practicable, the Company has sent confirmatory copies of the notice by post to the persons entitled to receive them.

#### UNTRACED SHAREHOLDERS

145. The Company may sell any shares in the Company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a member of The Stock Exchange to sell them in accordance with the best practice then obtaining if:-
- (i) the shares have been in issue throughout the qualifying period (as defined below) and at least three cash dividends have become payable on the shares during the qualifying period;
  - (ii) no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relative cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares at any time during the relevant period;
  - (iii) so far as any Director of the Company at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares;
  - (iv) the Company has caused two advertisements to be published, one in a daily newspaper with a national circulation and the other in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the shares shown in the register, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates; and
  - (v) the Company has given notice to the Quotations Department of The Stock Exchange of its intention to make the sale.

For the purpose of this paragraph of this Article:

"the qualifying period" means the period of twelve years immediately preceding the date of publication of the advertisements referred to in sub-paragraph (iv) above or of the first of the two advertisements to be published if they are published on different dates; and

"the relevant period" means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of sub-paragraphs (i) to (v) above have been satisfied.

If, after the publication of either or both of the advertisements referred to in sub-paragraph (iv) above but before the Company has become entitled to sell the shares pursuant to this paragraph of this Article, the requirements of sub-paragraph (ii) or (iii) above cease to be satisfied, the Company may nevertheless sell those shares after the requirements of sub-paragraphs (i) to (v) above have been satisfied afresh in relation to them.

If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements of sub-paragraphs (ii) to (v) above have been satisfied in regard to the further shares, the Company may also sell the further shares.

To give effect to any sale of shares pursuant to this paragraph of this Article the board may authorise some person to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The Purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and the Company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the Company or as it thinks fit.

#### DESTRUCTION OF DOCUMENTS

146. (1) Subject to compliance with the Rules (as defined in the CREST Regulations) applicable to the shares of the Company in uncertificated form, the Company may destroy:-
- (a) any instrument of transfer, after six years from the date on which it is registered;
  - (b) any dividend mandate or notification of change of name or address, after two years from the date on which it is recorded;
  - (c) any share certificate which has been cancelled after one year from the date of cancellation thereof;
  - (d) any other document upon which an entry is made in the Register, after 6 years from the date the entry was made in the Register;

and references in this Article to the destruction of any document include references to the disposal of it in any manner.

- (2) It shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books of records of the Company provided always that the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant.



- (3) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than any of the above periods or in any other circumstances which would not attach to the Company in the absence of this Article.

#### WINDING UP

147. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members 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 members of different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

#### INDEMNITY

148. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.
149. Subject to the provisions of the Statutes, the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors or the Secretary of the Company including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company.

What is contained in this and the 35 preceding pages is a print of the Articles of Association as altered by Special Resolution passed on 30<sup>th</sup> April 2004.

Richard Cooper  
Company Secretary