

THE COMPANIES ACTS 1985 AND 1989

ARTICLES OF ASSOCIATION

of

UNITED BISCUITS (HOLDINGS) PUBLIC LIMITED COMPANY

(Adopted by Special Resolution passed on 5 May 1998)

INTERPRETATION

1. Exclusion of Table A

This document comprises the Articles of Association of the company. No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute concerning companies shall apply as the regulations or articles of the company.

2. Definitions

In these articles unless the context otherwise requires:-

"the Act" means the Companies Act 1985;

"these articles" means these articles of association as altered from time to time by special resolution and the expression "this article" shall be construed accordingly;

"auditors" means the auditors for the time being of the company or, in the case of joint auditors, any one of them;

"board" or "directors" means the board of directors from time to time of the company or the directors present at a duly convened meeting of the directors at which a quorum is present;

"clear days" in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;

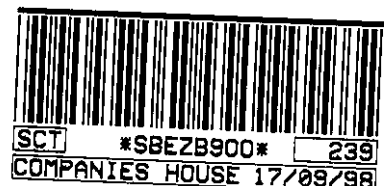
"Companies Acts" means the Act and the Companies Act 1989;

"holder" in relation to any shares means the member whose name is entered in the register as the holder of those shares;

"member" means a member of the company;

"office" means the registered office of the company;

"paid up" means paid up or credited as paid up;



"person entitled by transmission" means a person whose entitlement to a share in consequence of the death or insolvency of a member or of any other event giving rise to its transmission by operation of law has been noted in the register;

"recognised person" means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange designated as specified in section 185(4) of the Act;

"register" means the register of members of the company;

"seal" means the common seal of the company (if any) or any official seal that the company may be permitted to have under the Companies Acts;

"secretary" means the secretary, or (if there are joint secretaries) any one of the joint secretaries of the company and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary;

"the Statutes" means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the company;

"the London Stock Exchange" means London Stock Exchange Limited ;

"United Kingdom" means Great Britain and Northern Ireland;

references to a document being executed include references to its being executed under hand or under seal or by any other method;

references to writing include references to any method of representing or reproducing words in a legible and non-transitory form;

words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear the same meaning in these articles or that part (as the case may be) save that the word "company" shall include any body corporate; and

references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

Words importing one gender shall (where appropriate) include any other gender and words importing the singular (where appropriate) shall include the plural and vice versa.

References to:-

- (a) any section or provision of any Statute, if consistent with the subject or context, include any corresponding or substituted section or provision of any amending, consolidating or replacement statute;
- (b) a person includes references to a body corporate and to an unincorporated body of persons.

Headings are included only for convenience and shall not affect meaning.

3. **Share capital**

- (A) The share capital of the company at the date of adoption of these Articles is £338,684,642.02 divided into 650,000,000 ordinary shares of 29 pence each ("Ordinary Shares") and 530,687,781 "B" Shares of 28.3 pence each (the "B Shares"). The B Shares shall be subject to the rights, privileges and restrictions set out below.

(B) **Rights attached to the B Shares**

(1) **Income**

- (i) Out of the profits available for distribution in respect of each financial year or other accounting period of the company, the holders of the B Shares shall be entitled, in priority to any payment of dividend to the holders of any Ordinary Shares, to be paid a non-cumulative preferential dividend (the "preferential dividend") per share at such rate on the nominal value thereof (exclusive of any associated tax credit relating thereto) as is calculated in accordance with sub-paragraphs (ii), (iii) and (iv), below, such dividend to be paid in arrear on 21 July in each calendar year (subject to sub-paragraph (iv), the first such payment to be made on 21 July 1999 (or if any such date would otherwise fall on a date which is not a business day (as defined below) it shall be postponed to the next day which is a business day (without any interest or payment in respect of such delay)) (each a "Payment Date").
- (ii) The rate per annum of the preferential dividend shall be 77% of the London inter-bank offered rate for annual deposits in Pounds Sterling calculated as follows. Each year ending on 21 July 1999 and on 21 July in each subsequent calendar year is called a "Calculation Period". Subject to sub-paragraph (iv) below, for each Calculation Period, the rate of the preferential dividend shall be 77% of the London inter-bank offered rate for annual deposits in Pounds Sterling which appears on the display designated as page 3750 on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying London inter-bank offered rates of leading banks for Pounds Sterling deposits as determined by the Reference Agent (as defined below)) at or about 11.00 a.m. (London time) on the first day of such Calculation Period.
- (iii) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then sub-paragraph (ii) above shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded upward, if necessary, to the nearest 1/16%) of the rates (being at least two) which so appear, as determined by the Reference Agent. If for any other reasons such offered rates do not so appear, or if the relevant page is unavailable, the company (or its Reference Agent) will request each of the banks whose offered rates would have been used for the purposes of the relevant page (as determined by the Reference Agent) through its principal London office (the "Reference Banks") to provide the company (or such agent) with its offered quotation to leading banks for Pound Sterling deposits for the Calculation Period concerned in London at or about 11.00a.m. (London time) on the first date of such Calculation Period. The rate for such Calculation Period shall be

the arithmetic mean (rounded upward, if necessary, to the nearest 1/16%) of such quotations (or such of them, being at least two, as are so provided), as determined by the Reference Agent.

- (iv) In the event that the company exercises its rights of conversion pursuant to paragraph (3) below, the period commencing on the date following the Payment Date preceding the Conversion Date (as defined below) or, if the Conversion Date is prior to 21 July 1999, the date following the first issue of the B Shares and ending on such Conversion Date is called the "Final Calculation Period" and the preferential dividend in respect of such period shall be paid in arrear on the final business day of such period (the "Final Payment Date"). In respect of the Final Calculation Period (if any), the rate of the preferential dividend shall be calculated in accordance with sub-paragraphs (ii) and (iii) above as if the references therein to Calculation Period were (unless the context otherwise requires) references to the Final Calculation Period and as if the reference to 77% in sub-paragraph (ii) above were to A (expressed as a percentage) where A is calculated in accordance with the following formula:

$$A = 77 \times (B \div 365)$$

where:

B is the number of days comprised in the Final Calculation Period (including the Final Payment Date).

- (v) In this paragraph (B), the expression "business day" means a day upon which Pounds Sterling deposits may be dealt in on the London inter-bank market and commercial banks are generally open in London and "Reference Agent" means Swiss Bank Corporation or such other agent as the company shall appoint from time to time.
- (vi) Payments of preferential dividends shall be made to holders on the register of members of the company on a date selected by the directors being not less than 15 days nor more than 42 days (or, in default of selection by the directors, the date falling 15 days) prior to the relevant Payment Date.
- (vii) The holders of the B Shares shall not be entitled to any further right of participation in the profits of the company in respect of the holding of B Shares.

(2) **Capital**

On a return of capital on a winding-up or otherwise (except on redemption in accordance with the terms of issue of any share or purchase by the company of a share) any surplus assets remaining after payment of the company's liabilities shall, in priority to the holders of any other class of shares, first be applied in repaying to each holder of the B Shares, in respect of each B Share held by him, the sum in pence equal to:

$$28.3 \times (1 + (C \times D \div 365))$$

where:

C is 77% of LIBOR (as defined below), expressed as a percentage;

D is the number of days comprised in the period (the "Relevant Period") commencing on the date following the Payment Date preceding the date of the return of capital or, if the date of the return of capital is prior to 21 July 1999, the date following the first issue of the B Shares and ending on the date of such return of capital.

For these purposes, LIBOR shall mean the London inter-bank offered rate for annual deposits in Pounds Sterling to be determined in accordance with paragraphs (1) (ii) and (iii) above as if the references therein to Calculation Period were (unless the context otherwise requires) references to the Relevant Period.

The holders of the B Shares shall not be entitled to any further right of participation in the assets of the company. If on a return of capital on a winding-up or otherwise the amounts available for payment are insufficient to cover in full the amounts payable on the B Shares, the holders of such shares will share rateably in the distribution of assets (if any) in proportion to the full preferential amounts to which they are entitled.

(3) Conversion into Ordinary Shares at the company's option

(i) Pursuant to the authority of the special resolution of the company as set out and numbered 9 in the Notice of Annual General Meeting of the company dated 6 April 1998, if at any time the aggregate nominal value of the B Shares in issue is less than £30 million, the company may, on the giving of notice in writing to the holders of the B Shares, convert all but not some only of the B Shares then in issue into Ordinary Shares and Deferred Shares (defined in sub-paragraph (a) below) on the date specified in the notice which shall not be less than 10 and not more than 42 days from the date of such notice (the "Conversion Date") on the following basis in respect of each holding of B Shares:

(a) every z B Shares held as at the opening of business on the Conversion Date shall be consolidated into one undesignated share having a nominal value equivalent to $(z \times 28.3 \text{ pence})$, where z equals the highest whole number by which 28.3 pence divides into the average closing market price of an Ordinary Share as shown in the London Stock Exchange Daily Official List for the five business days prior to the Conversion Date, provided that no member shall be entitled to a fraction of a share and all fractional entitlements arising out of such consolidation (namely, those arising by reason of there being less than z shares, or less than z shares remaining, in any holding as at the opening of business on the Conversion Date to convert into an undesignated share) shall be consolidated and the share so resulting shall be sub-divided and redesignated as (1) such whole number of Ordinary Shares as have an aggregate value at the average closing market price of an Ordinary Share as shown in the London Stock Exchange Daily Official List for the five business days prior to the

Conversion Date as is most nearly equivalent to but not exceeding the aggregate nominal value of the B Shares so consolidated and (2) such number of deferred shares of 0.1 pence each ("Deferred Shares") as have an aggregate nominal value equivalent to the difference between the nominal values in (1);

- (b) the directors shall be authorised to sell the Ordinary Shares arising from the consolidation of fractional entitlements and sub-division under sub-paragraph (a) above and to distribute the net proceeds of sale in due proportion among those members who would otherwise be entitled to such fractional entitlements; and
 - (c) each undesignated share resulting from the consolidation under sub-paragraph (a) above shall be sub-divided into one Ordinary Share of 29 pence and such number of Deferred Shares of 0.1 pence each as have an aggregate nominal value equivalent to the difference between 29 pence and the nominal value of the undesignated share.
- (ii) The holders of the Deferred Shares shall not be entitled to any dividend or other right to participate in the profits of the company and shall not be entitled to receive notice of any general meeting of the company or to attend, speak or vote at any such meeting; and, on a return of capital or winding-up, there shall be paid to the holders of the Deferred Shares, after first making the payments to the holders of the B Shares to which they are entitled and the payment to the holders of the Ordinary Shares of the nominal amount paid up on their Ordinary Shares held by them respectively together with the sum of £10,000 on each Ordinary Share, the nominal capital paid up or credited as paid up on such Deferred Shares. The holders of the Deferred Shares shall not be entitled to any further right of participation in the assets of the company. The Deferred Shares shall not, save as is referred to in sub-paragraph (iii) below, be transferable.
- (iii) The consolidation and sub-division under sub-paragraph (i) above shall be deemed to confer irrevocable authority on the company at any time thereafter to do all or any of the following without obtaining the sanction of the holder or holders of the Deferred Shares:
 - (a) to appoint any person to execute on behalf of any holder of Deferred Shares, a transfer of all or any thereof and/or an agreement to transfer the same (without making any payment therefor) to such person as the directors may determine (whether or not an officer of the company) and who is willing to accept the same;
 - (b) to purchase all or any of the same in accordance with the Companies Act 1985 without obtaining the consent of the holders thereof and in consideration of the payment to each of the holders whose shares are purchased an amount equal to one penny in respect of all the Deferred Shares then being purchased from him or her;

- (c) for the purposes of any such purchase, to appoint any person to execute on behalf of any holder of Deferred Shares a contract for the sale to the company of any such Deferred Shares held by him or her;
 - (d) to cancel all or any of the same so purchased in accordance with the Companies Act 1985; and
 - (e) pending any such transfer, purchase or cancellation, to retain the certificates for all or any of the Deferred Shares.
- (iv) The reduction of capital paid up on the Deferred Shares and/or the creation or issue of further shares in the capital of the company ranking in priority for payment of a dividend or in respect of capital or which confer on holders voting rights more favourable than those conferred by the Deferred Shares shall be deemed not to vary the rights attaching to the Deferred Shares.
 - (v) The Deferred Shares will not be listed on any stock exchange. Upon or after the purchase of any Deferred Shares in accordance with this paragraph (3), the directors may, pursuant to the authority of the resolution of the company as set out and numbered 9 in the Notice of Annual General Meeting of the company dated 6 April 1998, consolidate and/or sub-divide and/or convert and/or re-classify the authorised Deferred Share capital of the company existing following such purchase (A) into shares of any other class of share capital into which the authorised share capital of the company is or may at that time be divided of a like nominal amount as the shares of such other class and/or (B) into unclassified shares.
 - (vi) The accidental omission to give notice of conversion of the B Shares to, or the non-receipt of notice by, any person entitled to receive notice shall not invalidate the conversion of the B Shares into Ordinary Shares and Deferred Shares as referred to above.

(4) Redemption of B Shares

- (i) The company shall (subject to the Companies Act 1985 and having paid any preferential dividend due and payable in respect of the Calculation Period ending on the Redemption Date) redeem at par all (but not some only) of the B Shares which have not already been redeemed on 21 July 2028 (or as soon thereafter as the company shall be able to comply with the provisions of the Companies Act 1985 affecting the redemption of redeemable shares). The company shall give the holders of B Shares not less than 28 days' prior written notice of such redemption.
- (ii) The company may offer to redeem at par all (but not some only) of the B Shares at any time prior to the date referred to in sub-paragraph (4)(i) by delivering an announcement to the Companies Announcement Office of the London Stock Exchange and, if the company so decides, by written notice to the holders of B Shares, specifying a date or period for redemption, the place at which the certificates for such B Shares are to be presented for redemption and any other terms and conditions in relation to such redemption. The company shall on the date or during the period specified redeem any B Shares

in respect of which acceptances are received by the company from holders of B Shares in accordance with the terms and conditions of such offer to redeem.

- (iii) At any time after the fifth anniversary of the date on which B Shares are first issued the company may elect, at its own discretion, to redeem at par all (but not some only) of the B Shares then in issue by not less than 28 days' prior written notice to the holders of B Shares specifying a date for redemption which shall be a Payment Date and the place at which the certificates for such B Shares are to be presented for redemption. The company shall, having paid any preferential dividend due and payable in respect of the Calculation Period ending on the Redemption Date, on the date specified redeem at par such B Shares whether or not such certificates are received from holders thereof.
- (iv) "Redemption Date" means, in the case of a redemption pursuant to sub-paragraphs (i), (ii) or (iii), the date for redemption, respectively, referred to therein or, in the case of a period for redemption having been notified pursuant to sub-paragraph (ii) any date during such period on which the company elects to redeem B Shares.
- (v) Upon or prior to a Redemption Date, each holder of a B Share due to be redeemed shall deliver the relevant share certificate(s) for his or her B Shares to the company, save where the company, in its own discretion, otherwise agrees. If any holder of B Shares to be redeemed shall fail or refuse to deliver up the certificate(s) for his shares, save as aforesaid, the company may retain the amount due on redemption until delivery up to the company of such certificate(s) or of an indemnity in respect thereof satisfactory to the company (a "Lost Share Certificate Indemnity"), whereupon it shall within five business days pay the amount due on redemption to such holder.
- (vi) With effect from a Redemption Date, the preferential dividend shall cease to accrue on the B Shares due to be redeemed except on any such B Shares in respect of which, upon due presentation of the certificate(s) relating thereto or Lost Share Certificate Indemnity, the company shall fail to pay the moneys due on such redemption, in which case the preferential dividend on such shares shall continue to accrue and be payable in accordance with sub-paragraph (1)(i) from and including the date of presentation of the relevant share certificate(s) or a Lost Share Certificate Indemnity until the date when the said amount due on redemption is paid by the company to the holder of such shares.
- (vii) The receipt by the registered holder for the time being of any B Shares or, in the case of joint registered holders, the receipt by any of them of the moneys payable on redemption thereof shall constitute an absolute discharge to the company in respect thereof.
- (viii) If the Redemption Date is not a business day (as defined in sub-paragraph (1)(v)), then payment of the amount due on redemption otherwise payable on such Redemption Date will be made on the next succeeding business day (as so defined) and without any interest or payment in respect of such delay.

- (ix) If, pursuant to any offer by the company to redeem B Shares in accordance with sub-paragraph (ii) the company redeems any B Shares within 2 months of the date of allotment of such B Shares, then the company shall be under no obligation to issue certificates in respect of the allotment thereof to holders of B Shares accepting such offer.
- (x) Upon or after the redemption of any B Shares in accordance with this paragraph (4), the directors may, pursuant to the authority of the resolution of the company as set out and numbered 9 in the Notice of Annual General Meeting of the company dated 6 April 1998, consolidate and/or sub-divide and/or convert and/or re-classify the authorised B Share capital of the company existing following such redemption (i) into shares of any other class of share capital into which the authorised share capital of the company is or may at that time be divided of a like nominal amount as the shares of such other class and/or (ii) into unclassified shares.

(5) **Voting and general meetings**

The holders of the B Shares shall not be entitled, in respect of their holdings of such shares, to receive notice of any general meeting of the company or to attend, speak or vote at any such general meeting unless (i) the business of the meeting includes the consideration of a resolution for the winding-up of the company; or (ii) at the date of the notice convening the meeting six months or more have elapsed after one of the Payment Dates and the dividend specified to be payable on such Payment Date has not been paid, in which case if the holders are entitled to attend and vote as a result of (i) above, they shall be entitled to vote only on such resolution and, if the holders are entitled to attend and vote as a result of (ii) above, they shall be entitled to vote on any resolution considered at that meeting. Whenever the holders of the B Shares are entitled to vote at a general meeting of the company upon any such resolution proposed at such general meeting, on a show of hands, or on a poll, every holder thereof who (being an individual) is present in person or (being a corporation) by representative shall have such number of votes as he would be entitled to exercise had he been the holder of the Ordinary Shares arising if the B Shares registered in the name of such holder had been converted into Ordinary Shares immediately prior to such general meeting in accordance with paragraph (3) above.

(6) **Class rights and general**

- (i) The company may from time to time create, allot and issue further shares, whether ranking *pari passu* with, in priority to or deferred to the B Shares, and such creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares and whether or not the same confer on the holders voting rights more favourable than those conferred by the B Shares) shall be deemed not to vary the rights attaching to the B Shares for any purpose.
- (ii) The reduction of capital paid up on the B Shares shall be deemed not to vary the rights attaching to the B Shares, and the company shall be authorised at any time to reduce its capital (subject to confirmation by the Court and otherwise in accordance with the Companies Act 1985) but without obtaining the consent of the holders of the B Shares) by paying to the holders of the

B Shares the preferential amounts to which they are entitled under paragraph (2) above.

- (iii) Subject to the provisions of the Companies Act 1985, and notwithstanding any contrary provisions of the company's Articles of Association, the company may purchase any shares in the capital of the company without the sanction of an extraordinary resolution passed at a separate meeting of, or the consent of, the holders of the B Shares.

4. **Form of resolution**

- (A) Where for any purpose an ordinary resolution of the company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective.
- (B) A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members.

SHARE CAPITAL

5. **Rights attached to shares**

Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the board may decide.

6. **Redeemable shares**

Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, shares may be issued on terms that they are, or at the option of the company or a member are liable, to be redeemed on such terms and in such manner as may be provided by these articles save that the date on or by which, or dates between which, any such shares are to be or may be redeemed may be fixed by the board (and if so fixed, the date or dates must be fixed before the shares are issued).

7. **Variation of rights**

Subject to the provisions of the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the company is being wound up) be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these articles as to general meetings of the company shall *mutatis mutandis* apply to any such separate general meeting, but so that the necessary quorum shall be a person or persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class in question, that every holder of shares of the class shall be entitled

on a poll to one vote for every share of the class held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of the holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

8. Pari passu issues

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them (and for those purposes shares which rank *pari passu* in all respects other than as to the date from which such shares rank for dividend shall be regarded as ranking *pari passu*).

9. Purchase of own shares

Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any class of shares, 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 Companies Acts 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.

10. Unissued shares

Subject to the provisions of the Companies Acts and these articles, the unissued shares of the company (whether forming part of the original or any increased capital) shall be at the disposal of the board which 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 as the board may decide.

11. Payment of commission

The company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts.

12. Trusts not recognised

The company shall be entitled but not be bound to recognise any person as holding any share upon any trust or security and the company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder, except as by these Articles otherwise expressly provided for or as required by the Statutes, or as may be authorised by the order of any Court. If any trust or qualified title of a holder is recognised such recognition shall be for the purposes only of

designation and shall not affect or modify the rights and liabilities of such holder as regards the company.

CERTIFICATES

13. Right to share certificate

Every person (except a recognised person in respect of which the company is not by law required to complete and have ready for delivery a certificate) whose name is entered in the register as a holder of any shares shall be entitled, without payment, to receive within two months after allotment or lodgment of a transfer to him of those shares (or within such other period as the terms of issue shall provide) one certificate for all those shares of any one class or several certificates each for one or more of the shares of the class in question upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the board may from time to time decide. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member (except such a nominee) who transfers some but not all of the shares comprised in a certificate shall be entitled to a certificate for the balance without charge.

14. Replacement of share certificate

If a share certificate is defaced, worn out, lost, stolen or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the company in investigating the evidence and preparing the indemnity as the board may decide and replacement shall, where the certificate is defaced or worn out, be made after delivery of the old certificate to the company and where the certificate has been lost, stolen or destroyed, be made after delivery of such evidence and indemnity.

15. Sealing of certificates

Every certificate shall be executed by the company in such manner as the board, having regard to the Companies Acts and regulations of the London Stock Exchange, may authorise. Every certificate shall specify the number, class and distinguishing number (if any) of the shares to which it relates and the amount paid up thereon. 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 certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

LIEN

16. Company's lien on shares not fully paid

The company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the company (whether presently or not) in respect of that share. The company's lien on a share shall extend to every amount payable in respect of it. The board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this article.

17. Enforcing lien by sale

The company may sell, in such manner as the board may decide, any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been served on the holder of the shares, or the person entitled by transmission to such shares demanding payment and stating that if the notice is not complied with the shares may be sold. For giving effect to the sale the board may authorise some person to execute an(y) instrument of transfer of the shares sold to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in reference to the sale.

18. Application of proceeds of sale

The net proceeds, after payment of the costs, of the sale by the company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the company, for cancellation of the certificate for the shares sold) be paid to the holder immediately before the sale.

CALLS ON SHARES

19. Calls

Subject to the terms of allotment, the board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the company serving upon him at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be revoked or postponed in whole or part and at any time before receipt as the board may decide. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

20. Payment of calls

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

21. Liability of joint holders

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

22. Interest due on non-payment

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the board may decide, and shall indemnify the company against all expenses incurred by it in connection with

or arising out of the failure of the person to pay a call but the board shall be at liberty to waive payment of the interest or expenses wholly or in part. All rights attached to a share (including, without prejudice to the foregoing generality, rights to receive dividends or other distributions or payments) shall be suspended during any period during which a call or relative interest or expenses remain due for payment but unpaid.

23. Sums due on allotment treated as calls

Any amount which becomes payable in respect of a share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these articles shall apply as if the sum had become due and payable by virtue of a call.

24. Power to differentiate

Subject to the terms of issue, the board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

25. Payment of calls in advance

The board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate (if any), not exceeding (unless the company by ordinary resolution shall otherwise direct) 15 per cent per annum, as the board may decide. No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend or other distribution or payment subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

26. Notice if call or instalment not paid

If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest or expenses which may have accrued by reason of such non-payment.

27. Form of notice

The notice shall name a further day (not being less than fourteen clear days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which the call was made or the instalment is payable will be liable to be forfeited. The board may accept the surrender of any share liable to be forfeited and in that event references in these articles to forfeiture shall include surrender.

28. **Forfeiture if non compliance with notice**

If the requirements of the notice are not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest and expenses due in respect of it has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the board.

29. **Notice after forfeiture**

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by any omission or neglect to give the notice.

30. **Sale of forfeited shares**

Until cancelled in accordance with the requirements of the Companies Acts, a forfeited share shall be deemed to be the property of the company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person upon such terms and in such manner as the board shall decide. The board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The company may receive the consideration (if any) given for the share on its disposal and if the share is in registered form may register the transferee as the holder of the share. At any time before a sale, re-allotment or disposition the forfeiture may be cancelled by the board on such terms as the board may decide.

31. **Arrears to be paid notwithstanding forfeitures**

A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the company all moneys which at the date of the forfeiture were payable by him to the company in respect of those shares with interest thereon at the rate of 15 per cent per annum (or such lower rate as the board may decide) from the date of forfeiture until payment and the company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal.

32. **Statutory declaration as to forfeiture**

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

TRANSFER OF SHARES

33. Form of transfer

Subject to such of the restrictions of these articles as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form which the board may approve.

34. Execution of transfer

The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the company.

35. Right to decline registration of partly paid shares and shares on which the company has a lien

The board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any share which is not a fully paid share but, in the case of a class of shares which is listed on the London Stock Exchange, not so as to prevent dealings in those shares from taking place on an open and proper basis. The board may also decline to register any transfer of a share on which the company has a lien.

36. Other rights to decline registration

The board may also decline to register any transfer unless:-

- (a) the instrument of transfer is lodged with the company accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer provided that in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share, the lodgement of share certificates shall not be necessary;
- (b) the instrument of transfer is in respect of only one class of share; and
- (c) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

37. Notice of refusal

If the board declines to register a transfer it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.

38. No fee for registration

No fee shall be charged by the company for registering any transfer or other document relating to or affecting the title to any share or for making any other entry in the register.

TRANSMISSION OF SHARES

39. Transmission on death

If a member dies, the survivor or survivors, where he was a joint holder, or his executors or personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only person(s) recognised by the company as having any title to his shares; but nothing contained in these articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.

40. Entry of transmission in requester

Where the entitlement of a person to a share in consequence of the death or insolvency of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the board, the board shall within two months after proof cause the entitlement of that person to be noted in the register.

41. Election of person entitled by transmission

Any person entitled by transmission to a share may, subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself, he shall give notice to the company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share in favour of that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer executed by the member.

42. Rights of person entitled by transmission

Where a person becomes a person entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share to receive notice of or attend or vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company. The board may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

ALTERATION OF SHARE CAPITAL

43. Increase, consolidation, subdivision and cancellation

The company may from time to time by ordinary resolution:-

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;

- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subject to the provisions of the Companies Acts, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and
- (d) 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 share capital by the amount of the shares so cancelled.

44. Fractions

Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions to any person (including, subject to the provisions of the Companies Acts, the company) and distribute the net proceeds of sale (subject to retention by the company of amounts not exceeding £3 the cost of distribution of which would be disproportionate to the amounts involved) in due proportion among those members and the board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of the proceedings relating to the sale.

45. Reduction of capital

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

GENERAL MEETINGS

46. Extraordinary general meetings

Any general meeting of the company other than an annual general meeting shall be called an extraordinary general meeting.

47. Annual general meetings

The board shall convene and the company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

48. Calling of extraordinary general meetings

The board may convene an extraordinary general meeting whenever it thinks fit and, upon receipt of a requisition of members pursuant to the provisions of the Companies Acts, shall forthwith proceed to do so for a date not more than twenty eight days after the date of the notice issued by them by which such meeting is convened.

NOTICE OF GENERAL MEETINGS

49. Length and contents of notice

- (A) An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by not less than twenty one clear days' notice in writing. All other extraordinary general meetings shall be called by not less than fourteen clear days' notice in writing. The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted. The notice shall also specify whether the meeting is an annual general meeting or an extraordinary general meeting, state whether any resolution is to be proposed as an extraordinary resolution or as a special resolution and contain a reasonably prominent note 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 also be a member. Notice of every general meeting shall be given to all members (other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company), to the auditors or, if more than one, each of them and to the directors of the company.
- (B) Notwithstanding that a meeting of the company is called by shorter notice than that specified in this article, it shall be deemed to have been properly called if it is so agreed:-
- (a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
- (C) All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting with the exception of sanctioning or declaring dividends, the consideration of the accounts and balance sheet, the reports of the directors and auditors and any other documents required to be annexed to the balance sheet, the appointment of directors in place of those retiring by rotation or otherwise, the appointment of auditors where special notice of such appointment is not required by the Companies Acts, and the fixing of, or the determining of the method of fixing, the remuneration of the auditors and the giving, variation or renewal of any authority of the board for the purposes of section 80 of the Act or any power pursuant to section 95 of the Act.

50. Omission or non-receipt of notice

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

PROCEEDINGS AT GENERAL MEETINGS

51. Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or

appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these articles, two members present in person or by representative (in the case of a corporate member) or by proxy and entitled to vote shall be a quorum for all purposes.

52. Procedure if quorum not present

If within half-an-hour from the time appointed for the 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 date and time, being not less than seven and not more than twenty eight days after the date for which the meeting was convened and to such other place as the chairman of the meeting may determine, and if at such adjourned meeting a quorum as above defined is not present within fifteen minutes from the time appointed for holding the meeting the members present shall form a quorum.

53. Chairman of general meeting

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.

54. Directors' right to attend and speak

Each director shall be entitled to attend and speak at any general meeting of the company and at any separate general meeting of the holders of any class of shares in the company.

55. Adjournments

(A) The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and from place to place, but no business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place. Where a meeting is adjourned for an indefinite period the time and place for the adjourned meeting shall be fixed by the board.

(B) When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. Remote meetings

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be

accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications, equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner.

VOTING

57. Method of voting

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. Subject to the Companies Acts, a poll may be demanded by:-

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by proxy and entitled to vote at the meeting; or
- (c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

58. Votes of members

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every member who is present in person or by corporate representative at a general meeting of the company shall have one vote, and on a poll every member who is present in person or by corporate representative or by proxy shall have one vote for each share of which he is the holder. On a poll a member (where present in person or by proxy or by corporate representative) need not, if he is entitled to cast more than one vote, cast all votes in the same way, or cast all votes which he is entitled to cast, and he may cast some votes in one way and other votes in another way.

59. Procedure if poll demanded

If a poll is properly demanded it shall be taken in such manner as the chairman of the meeting shall direct and he may appoint scrutineers who need not be members and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

60. **When poll to be taken**

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 forthwith or on such date (being not later than thirty days after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

61. **Continuance of other business after poll demand**

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 was demanded, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

62. **Votes on a poll**

On a poll votes may be given either personally or by proxy.

63. **Casting vote of chairman**

In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional or casting vote.

64. **Votes of joint holders**

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

65. **Voting on behalf of incapable member**

A member in respect of whom an order has been made by any competent Court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so on his behalf and that person may vote on a poll by proxy, provided that evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote has been delivered at the office (or at such other place as may be specified in accordance with these articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

66. **No right to vote where sums overdue on shares**

No member shall, unless the board otherwise decides, be entitled to vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

67. **Disclosure of interests in shares**

- (A) This article applies where the company gives to the holder of a share or to any person appearing to be interested in a share a notice requiring any of the information mentioned in section 212 of the Act (a "section 212 notice"). A section 212 notice may be given in writing or in a similar way.
- (B) If a section 212 notice is given by the company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the accidental omission to do so or the non-receipt of the copy by the holder shall not prejudice the operation of the following provisions of this article.
- (C) If the holder of, or any person appearing to be interested in, any share has been given a section 212 notice and, in respect of that share (a "default share"), has been in default for a period of 14 days after the section 212 notice has been given in supplying to the company the information required by the section 212 notice, the restrictions referred to below shall apply. Those restrictions shall continue for the period specified by the board, being not more than seven days after the earlier of:
 - (a) the company being notified that the default shares have been sold pursuant to a market transfer; or
 - (b) due compliance, to the satisfaction of the board, with the section 212 notice.

The board may waive these restrictions, in whole or in part, at any time.

- (D) The restrictions referred to above are as follows:
 - (a) if the default shares in which any one person is interested or appears to the company to be interested represent less than 0.25 per cent. of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares, to attend or to vote, either personally or by proxy, at any general meeting of the company; or
 - (b) if the default shares in which any one person is interested or appears to the company to be interested represent at least 0.25 per cent. of the issued shares of the class, the holders of the default shares shall not be entitled, in respect of those shares:
 - (i) to attend or to vote, either personally or by proxy, at any general meeting of the company; or
 - (ii) to receive any dividend or other distribution; or
 - (iii) to transfer or agree to transfer any of those shares or any rights in them.

The restrictions in subparagraphs (a) and (b) above shall not prejudice the right of either the member holding the default shares or, if different, any person having a power of sale over those shares to sell or agree to sell those shares under a market transfer.

- (E) If any dividend or other distribution is withheld under paragraph (D)(b) above, the member shall be entitled to receive it as soon as practicable after the restriction ceases to apply.

- (F) If, while any of the restrictions referred to above apply to a share, another share is allotted in right of it (or in right of any share to which this paragraph applies), the same restrictions shall apply to that other share as if it were a default share. For this purpose, shares which the company allots, or procures to be offered, *pro rata* (disregarding fractional entitlements and shares not offered to certain members by reason of legal or practical problems associated with issuing or offering shares outside the United Kingdom) to holders of shares of the same class as the default share shall be treated as shares allotted in right of existing shares from the date on which the allotment is unconditional or, in the case of shares so offered, the date of the acceptance of the offer.
- (G) For the purposes of this article:
- (a) a "market transfer" in relation to any share is a transfer pursuant to:
 - (i) a sale of the share on a recognised investment exchange (as defined in the Financial Services Act 1986) or on any stock exchange outside the United Kingdom on which shares of that class are listed or normally traded; or
 - (ii) a sale of the whole beneficial interest in the share to a person whom the board is satisfied is unconnected with the existing holder or with any other person appearing to be interested in the share; or
 - (iii) a takeover offer (as defined for the purposes of Part XIII A of the Companies Act 1985) which relates to the share;
 - (b) the percentage of the issued shares of a class represented by a particular holding shall be calculated by reference to the shares in issue at the time when the section 212 notice is given; and
 - (c) a person shall be treated as appearing to be interested in any share if the company has given to the member holding such share a section 212 notice and either (i) the member has named the person as being interested in the share or (ii) (after taking into account any response to any section 212 notice and any other relevant information) the company knows or has reasonable cause to believe that the person in question is or may be interested in the share.
- (H) The provisions of this article are without prejudice to the provisions of section 216 of the Act and, in particular, the company may apply to the court under section 216(1) whether or not these provisions apply or have been applied.

68. Objections or errors in voting

If:-

- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted;

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

69. Amendments to resolutions

If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution proposed as a special or extraordinary resolution no amendment to it (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

PROXIES

70. Execution of proxies

An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign it.

71. Proxies and representatives

- (A) An instrument of proxy and the power of attorney or other written authority (if any) under which it is signed, or an office or notarially certified copy of any such power or written authority, shall be deposited at the office (or at such other place as shall be specified in the notice of meeting or in any instrument of proxy or other document accompanying the same) not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll taken subsequently at the meeting or adjourned meeting, not less than twenty four hours before the time appointed for taking the poll, and (save as otherwise provided in this article) unless so deposited the instrument of proxy shall not be treated as valid. Where a poll is not taken forthwith but is taken less than forty eight hours after it was demanded, the instrument of proxy together with any other documents required to be deposited pursuant to the preceding sentence of this article shall be deemed to have been duly deposited if handed to the chairman of the meeting at which the poll is to be taken at any time prior to the commencement of such meeting and if so delivered the instrument of proxy shall be treated as valid. The deposit or delivery of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjourned meeting. When two or more valid but differing instruments of proxy are deposited or delivered in respect of the same share for use at the same meeting, the one which is deposited or delivered with the company (in accordance with the provisions of this article) last in time (regardless of its date or of the date of its execution) shall be treated as replacing and revoking any others as regards that share and if the company is unable to determine which of any such two or more valid but differing instruments of proxy was so deposited or delivered last in time, none of them shall be treated as valid in respect of that share. No instrument of proxy shall be valid after the expiration of twelve months from the date stated in it as the date

of its execution. The instrument of proxy shall, unless the contrary is stated, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

- (B) A corporation which is a member of the company may resolve by its directors or other governing body to authorise such person as it thinks fit to act as its representative at any meeting of the company or of the holders of any class of shares of the company. A certified copy of any resolution making such an appointment shall be deposited at the office not less than forty eight hours before the time appointed for the holding of the meeting or first meeting at which the person is so authorised to act or, in the case of a poll taken subsequent to the meeting or first meeting, not less than twenty four hours before the time appointed for the taking of the poll. Such a corporation may authorise more than one person to act as its representative in respect of any meeting or meetings, and if it holds different classes of shares may authorise one or more different persons for each class of share held.

72. Form of proxy

Instruments of proxy shall be in any usual form or in such other form as the board may approve. Forms of instrument of proxy shall be sent by the company to all persons entitled to notice of and to attend and vote at any meeting and shall provide for voting both for and against all resolutions to be proposed at that meeting other than resolutions relating to the procedure of the meeting. The signature on such instrument of proxy need not be witnessed. The instrument of proxy shall be deemed to confer authority 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. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

73. Cancellation of proxy's authority

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the company at the office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) before the commencement of the meeting or adjourned meeting at which the proxy is used or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, the time appointed for taking the poll.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

74. Number of directors

Unless otherwise determined by ordinary resolution of the company, the directors (disregarding alternate directors) shall be not less than two nor more than twenty in number.

75. Power of company to appoint directors

Subject to the provisions of these articles, the company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles.

76. Power of board to appoint directors

Without prejudice to the power of the company in general meeting pursuant to any of the provisions of these articles to appoint any person to be a director, the board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

77. Number to retire by rotation

At every annual general meeting one-third of the directors who are subject to retirement by rotation or, if their number is not three or any multiple of three, then the number nearest to one-third shall retire from office. If there is only one director who is subject to retirement by rotation, he shall retire.

78. Identity of directors to retire

Subject to the provisions of the Companies Acts and of these articles, the directors to retire by rotation on each occasion shall be those who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at start of business on the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time on the date of the notice but before the close of the meeting.

79. Filling rotation vacancies

Subject to the provisions of these articles, the company at the meeting at which a director retires by rotation may fill the vacated office and in default the retiring director shall, if willing to continue to act, be deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill the vacated office or unless a resolution for the re-appointment of that director has been put to the meeting and lost.

80. Power of removal by special resolution

In addition to any power of removal conferred by the Companies Acts, the company may by special resolution remove any director before the expiration of his period of office and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. Any person so appointed shall be treated, for the purpose of determining the time at which he or any other director is to retire, as if he had become a director on the day on which the person in whose place he is appointed was last appointed or re-appointed a director. Any removal under this article shall be without prejudice to any claim which the director may have for damages for breach of any service contract.

81. **Persons eligible as directors**

No person other than a director retiring (or, if appointed by the board, vacating office) at the meeting shall be appointed or re-appointed a director at any general meeting unless:

- (a) he is recommended by the board; or
- (b) not less than seven nor more than forty two clear days before the day appointed for the meeting, notice executed by a member entitled to be present and vote at the meeting (not being the person to be proposed) has been given to the secretary of the intention to propose that person for appointment or re-appointment and stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors together with notice executed by that person of his willingness to be appointed or re-appointed.

82. **Position of retiring directors**

A director who retires (whether by rotation or otherwise) at an annual general meeting may, if willing to continue to act, be re-appointed. If he is not re-appointed or deemed to be re-appointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

83 **Vacation of office by directors**

Without prejudice to the provisions for retirement by rotation or otherwise contained in these articles, the office of a director shall be vacated if:-

- (a) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board; or
- (b) he is, or may be, suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonus or other person to exercise powers with respect to his property or affairs; or
- (c) he is absent without the permission of the board from meetings of the board (whether or not an alternate director appointed by him attends) for six consecutive months and the board resolves that his office is vacated; or
- (d) he is sequestrated, becomes bankrupt makes or proposes any arrangement or composition with his creditors generally or becomes apparently insolvent; or
- (e) he is prohibited by law from being a director; or

- (f) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles; or
- (g) he receives written notice signed by three quarters or more of the other directors removing him from office which notice shall be without prejudice to any claim which he may have for damages for breach of any contract for service between him and the company; or
- (h) in the case of a director who holds any executive office, he ceases to hold such office (whether because his appointment is terminated or expires) and the majority of other directors resolve that his office is vacated.

84. **Age of directors**

No person shall be disqualified from being appointed or re-appointed a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary by reason of his age to give special notice in connection with the appointment or re-appointment of such person and no director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age and section 293 Companies Act 1985 shall not apply to the company. Where the board convenes any general meeting of the company at which (to the knowledge of the board) a director will be proposed for appointment or re-appointment who at the date for which the meeting is convened will have attained the age of seventy years or more, the board shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any appointment or re-appointment of that director, at that meeting.

85. **Directors' shareholding qualification**

No shareholding qualification for directors shall be required.

86. **Alternate directors**

- (A) Each director (other than an alternate director) may appoint any person to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a director, the appointment, unless previously approved by the board, shall have effect only upon and subject to its being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointor and delivered to the office or tendered at a meeting of the board, or in any other manner approved by the board. If his appointor so requests, an alternate director shall be entitled to receive notice of all meetings of the board or of committees of the board of which his appointor is a member. He shall also be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of these articles shall apply as if he were a director.
- (B) Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these articles relating to directors and shall alone be responsible to the company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the company to the same extent as if

he were a director but shall not be entitled to receive from the company any fee in his capacity as an alternate director.

- (C) Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director. Execution by an alternate director of any resolution in writing of the board or a committee of the board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.
- (D) An alternate director shall automatically cease to be an alternate director if his appointor ceases for any reason to be a director except that, if at any meeting any director retires by rotation or otherwise but is re-appointed or deemed to be re-appointed at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired. The appointment of an alternate director shall also automatically cease on the happening of any event which, if he was a director, would cause him to vacate office.

87. **Executive directors**

- (A) The board may from time to time appoint one or more of their body to be holder of any executive office (including where considered appropriate the office of chairman or deputy chairman) on such terms and for such period (subject to the provision of the Companies Acts) as they may determine and without prejudice to the terms of any contract entered into in any particular case may at any time revoke any such appointment.
- (B) The appointment of any director to the office of chairman or deputy chairman or managing or joint managing or deputy or assistant managing director shall automatically determine if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between him and the company.
- (C) The appointment of any director to any other executive office shall not automatically determine if he ceases from any cause to be a director unless the contract or resolution under which he holds office shall expressly state otherwise in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the company.
- (D) A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may decide, and either in addition to or in lieu of his remuneration as a director.

FEEs, REMUNERATION, EXPENSES AND PENSIONS

88. **Additional remuneration**

Any director who, by request, goes or resides abroad for any purposes of the company or who performs services which in the opinion of the board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may determine in addition to any remuneration provided for by or pursuant to any other article.

89. **Directors' fees**

Each of the directors (other than alternate directors) shall be paid a fee at such rate as may from time to time be determined by the board provided that the aggregate of all fees so paid to directors (excluding amounts payable under any other provision of these articles) shall not exceed £250,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the company.

90. **Expenses**

Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the board or committees of the board or general meetings of the company or any other meeting which as a director he is entitled to attend and shall be paid all expenses properly and reasonably incurred by him in the conduct of the company's business or in the discharge of his duties as a director.

91. **Pensions and gratuities for directors**

The board may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director provided that no benefits (except such as may be provided for by any other article) may be granted to or in respect of a director or former director who has not been employed by, or held an executive or other office or place of profit under, the company or any body corporate which is or has been its subsidiary or any predecessor in business of the company or any such body corporate without the approval of an ordinary resolution of the company. No director or former director shall be accountable to the company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company.

DIRECTORS' INTERESTS

92. (a) **Permitted interests and voting**

Subject to the provisions of the Companies Acts, and provided that he has disclosed to the board the nature and extent of any material interest of his, a director notwithstanding his office:-

- (i) may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the company or in which the company is otherwise interested;
- (ii) may be or become a member or director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested;
- (iii) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate

and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

- (iv) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director of the company.
- (b) Save as otherwise provided by these articles, a director shall not vote at a meeting of the board or of a committee of the board on any resolution concerning a matter in which he has, directly or indirectly, an interest (other than by virtue of his interests in shares or debentures or other securities of or in or otherwise through the company) which is material or a duty which conflicts or may conflict with the interests of the company unless his interest or duty arises only because one of the following subparagraphs applies (in which case he may vote and be counted in the quorum):-
- (i) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the company or any of its subsidiary undertakings;
 - (ii) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the company or any of its subsidiary undertakings for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (iii) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures, or other securities by the company or any of its subsidiary undertakings for subscription, purchase or exchange;
 - (iv) the resolution relates to 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 or beneficially interested in one 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 of 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) and for the purpose of calculating the said percentage there shall be disregarded any shares held by the director as a bare or custodian trustee and in which he has no beneficial interest and any shares comprised in any authorised unit trust scheme in which the director is interested only as a unit holder;
 - (v) the resolution relates in any way to 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 Inland Revenue for taxation purposes;
 - (vi) the resolution concerns any scheme or arrangement for the benefit of employees of the company or any of its subsidiary undertakings under which

the director benefits in a similar manner to such employees which has been approved by or is subject to and conditional upon approval by the Inland Revenue for taxation purposes and which does not accord to any director any privilege or advantage not generally accorded to the employees to which such scheme or arrangement relates;

- (vii) the resolution relates to any proposal concerning any insurance which the company is empowered to purchase and/or maintain for or for the benefit of any directors of the company or for persons who include directors of the company provided that for the purposes of this sub-paragraph, "insurance" means only insurance against liability incurred by a director in respect of any act or omission by him as is referred to in article 142 or any other insurance which the company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including directors.

(c) For the purposes of this article:-

- (i) an interest of a person who is, for any purpose of the Act (excluding any such modification thereof not in force when these articles became binding on the company), connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director otherwise has;
- (ii) a general notice given to the board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (iii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

(d) The board may exercise the voting power conferred by the shares in any company held or owned by the company in such manner in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing the directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

(e) A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.

(f) Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not by the proviso to paragraph (b)(iv) above or for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

- (g) If a question arises at a meeting of the board or of a committee of the board as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or if the director concerned is the chairman, to the other directors at the meeting) and his ruling in relation to any director (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and conclusive.

POWERS AND DUTIES OF THE BOARD

93. General powers of company vested in board

Subject to the provisions of the Companies Acts, the memorandum of association of the company and these articles and to any directions given by the company in general meeting by special resolution, the business of the company shall be managed by the board which may exercise all the powers of the company whether relating to the management of the business of the company or not. No alteration of the memorandum of association or these articles and no special resolution shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that resolution had not been passed. The powers given by this article shall not be limited by any special power given to the board by any other article.

94. Business Branches

The directors may arrange that any branch of the business carried on by the company or any other business in which the company may be interested shall be carried on as or through one or more subsidiary companies and they may on behalf of the company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as directors, managing directors or managers of any such company or any other company in which the company may be interested and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any persons so appointed and any director of this company may retain any remuneration so payable to them.

95. Local boards

The board may establish local or divisional 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 the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of its powers, authorities and discretions (with power to sub-delegate) and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. Any appointment or delegation made pursuant to this article may be made upon such terms and subject to such conditions as the board may decide and the board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

96. **Powers of attorney**

The board may, by power of attorney or otherwise, appoint any person to be the agent of the company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to sub-delegate). The board may remove any person appointed under this article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

97. **Delegations to individual directors and to a committee**

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

98. **Employment Titles**

The board may from time to time appoint any person to an office or employment having a designation or title including the word "director" or attach to any existing office or employment with the company such a designation or title. The inclusion of the word "director" in the designation or title of any office or employment with the company shall not imply that the holder thereof is a director of the company nor shall such holder thereby be empowered in any respect to act as a director of the company or be deemed to be a director for any of the purposes of these presents.

99. **Registers**

Subject to the provisions of the Companies Acts, the company may keep an overseas or local or other register in any place, and the board may make and vary such regulations as it may think fit respecting the keeping of the register.

100. **Provision for employees**

The board may exercise any power conferred by the Companies Acts to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

101. **Borrowing powers**

- (A) The board may exercise all the powers of the company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company and, subject to the Companies Acts, 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.
- (B) The board 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 subsidiaries (if any) so as to

secure (but as regards subsidiaries only in so far as by the exercise of the rights or powers of control the board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the group (exclusive of borrowings owing by one member of the group to another member of the group) shall not at any time without the previous sanction of an ordinary resolution of the company exceed an amount equal to two times the adjusted capital and reserves.

For the purposes of this article:-

- (i) "adjusted capital and reserves" means the aggregate from time to time of:-
 - (a) the amount paid up on the issued share capital of the company; and
 - (b) the amount standing to the credit of the reserves including any share premium account, capital redemption reserve and credit balance on profit and loss account;

all as shown by the then latest audited balance sheet but after:-

 - (c) deducting from the aggregate any debit balance on profit and loss account subsisting at the date of that audited balance sheet except to the extent that a deduction has already been made on that account; and
 - (d) making such adjustments as may be appropriate to reflect any variation in the amount of the paid up share capital, share premium account or capital redemption reserve since the date of the audited balance sheet;
- (ii) "borrowings" include not only borrowings incurred by a member of the group but also the following except in so far as otherwise taken into account:-
 - (a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which is not for the time being owned by a member of the group, of any person and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the group;
 - (b) the outstanding amount raised by a member of the group by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of a member of the group;
 - (c) the principal amount of any debenture (whether secured or unsecured) of a member of the group owned otherwise than by a member of the group;
 - (d) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the group; and
 - (e) any fixed or minimum premium payable by a member of the group on final repayment of any borrowing or deemed borrowing;

but do not include:-

- (f) borrowings incurred by a member of the group for the purpose of repaying within six months of the borrowing the whole or any part of any borrowings of that or any other member of the group for the time being outstanding, pending their application for that purpose within that period; or
 - (g) borrowings incurred by a member of the group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured;
- (iii) when the aggregate principal amount of borrowings by a member of the group required to be taken into account on any particular date is being ascertained, any particular borrowing by any member of the group then outstanding which is denominated or repayable in a currency other than sterling shall be notionally converted into sterling at the rate of exchange prevailing in London on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the last business day six months before that date and so that for these purposes the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank, selected by the board, as being the most appropriate rate for the purchase by the company of the currency in question for sterling on the day in question;
- (iv) where under the terms of any borrowing by any member of the group the amount of money that would be required to discharge the principal amount of the borrowing in full if it fell to be repaid by reason of an event of default on the date as at which the calculation is being made is less than the amount that would otherwise be taken into account in respect of that borrowing, the amount of that borrowing to be taken into account shall be the smaller amount;
- (v) "audited balance sheet" means the audited balance sheet of the company prepared for the purposes of the Companies Acts or, if an audited consolidated balance sheet dealing with the state of affairs of the company and all its subsidiaries to be dealt with in group accounts has been prepared for those purposes for the same financial year, that audited consolidated balance sheet, in which event all references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and any amounts attributable to outside interests in subsidiaries shall be excluded;
- (vi) the company may from time to time change the accounting conventions on which the audited balance sheet is based provided that any new convention adopted complies with the requirements of the Companies Acts: if the company should prepare its main audited balance sheet on the basis of one convention, but a supplementary audited balance sheet on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet;
- (vii) "group" means the company and its subsidiaries (if any);
- (viii) a certificate or report by the auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by this

paragraph of this article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact;

- (ix) for the purpose of these articles the board may act in reliance on a bona fide estimate of the amount of the adjusted capital and reserves at any time and if in consequence such limit is inadvertently exceeded an amount of moneys borrowed equal to the excess may be disregarded until the expiration of sixty days after the day on which (by reason of determination of the auditors or otherwise) the board becomes aware that such a situation has or may have arisen.
- (C) Notwithstanding the foregoing no lender or other person dealing with the company shall be concerned to see or inquire whether the limit imposed by this paragraph of this article is observed and no borrowing incurred or security given in excess of that limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit had been or was thereby exceeded.

PROCEEDINGS OF THE BOARD

102. Board meetings

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary on the requisition of a director at any time shall, summon a board meeting.

103. Notice of board meetings

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. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during his absence be sent in writing to him at an address given by him to the company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and if no request is made to the board it shall not be necessary to give notice of a board meeting to any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

104. Quorum

The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, shall be two. Subject to the provisions of these articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.

105. Directors below minimum through vacancies

The continuing directors or a sole continuing director may act notwithstanding any vacancy in their number 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, notwithstanding that the number of directors is below the number fixed by or in accordance with these articles as the quorum or that there is only one continuing director, may act for the

purpose of filling vacancies or of summoning general meetings of the company but not for any other purpose.

106. Appointment of chairman

The board may appoint a director to be the chairman or the deputy chairman of the board, and may at any time remove him from that office. Unless he is unwilling to do so, the chairman or failing him the deputy chairman shall act as chairman at every meeting of the board. But if no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting and willing to act, the directors present may choose one of their number to be chairman of the meeting.

107. Competence of meetings

A meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the board.

108. Voting

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

109. Delegation to committees

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit, provided that the majority of the members of the committee are directors of the company and that no meeting of the committee shall be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are directors of the company. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the board. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these articles for regulating the meetings and proceedings of the board so far as the same are applicable and are not superseded by any regulations imposed by the board.

110. Participation in meetings by telephone

All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is. Subject to the Companies Acts, all business transacted in such manner by the board or committee of the board shall be deemed to be validly and effectively transacted at a meeting of the board or a committee of the board notwithstanding that fewer than two directors or alternate directors are physically present at the same place.

111. Resolution in writing

A resolution in writing executed by all the directors for the time being entitled to receive notice of a meeting of the board (if that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the board or, as the case may be, of the committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned.

112. Validity of acts of board or committees

All acts done by the board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board or committee or person so acting or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee.

113. Minutes

The board shall cause minutes to be kept of:-

- (a) all appointments of officers made by the board;
- (b) the names of directors present at each meeting of the board and of any committee of the board; and
- (c) all normal proceedings at meetings of the company or of holders of any class of shares in the company.

Any such minutes, if purported to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

SECRETARY

114. The secretary shall be appointed by the board on such terms and for such period as it may think fit. Any secretary so appointed may at any time be removed from office by the board but without prejudice to any claims for damages for breach of any contract between him, or them, and the company.

SEALS

115. Use of seals

- (A) The company may have a seal and the board shall provide for the safe custody of such seal. The seal shall only be used by the authority of the board or of a committee of the board authorised by the board. The board shall determine who may sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by two directors or one director and the secretary.

(B) The company may have:-

- (i) an official seal kept by virtue of section 40 of the Companies Act 1985; and
- (ii) an official seal for use abroad under the provisions of the Act, where and as the board shall determine;

and an official seal shall only be used by the authority of the board or of a committee of the board authorised by the board.

Any instrument to which an official seal is applied need not, unless the board for the time being otherwise decides or the law otherwise requires, be signed by any person.

The company may by an instrument executed by the company appoint any agent or committee abroad to be the duly authorised agent or committee of the company for the purpose of affixing and using any official seal for use abroad and may impose such restrictions on the use thereof as it may think fit.

DIVIDENDS AND OTHER PAYMENTS

116. Declaration of dividends by company

Subject to the provisions of the Companies Acts, the company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board.

117. Payment of interim dividends by board

Subject to the provisions of the Companies Acts, the board may pay such interim dividends as appear to the board to be justified by the financial position of the company and may also pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the company, in the opinion of the board, justifies its payment. 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. Dividends paid according to amount and period shares paid-up

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:-

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share; and
- (b) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date, such share shall rank for or be entitled to dividends accordingly.

119. Amounts due on shares may be deducted from dividends

The board may deduct from any dividend or other moneys payable to a member by the company on or in respect of any shares all sums of money (if any) presently payable by him to the company on account of calls or otherwise in respect of shares of the company.

120. No interest on dividends

No dividend or other moneys payable by the company on or in respect of any share shall bear interest against the company.

121. Payment procedure

Any dividend or other sum payable by the company in respect of a share may be paid by cheque or warrant sent by post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the register in respect of the shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of the shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the company. In addition, any such dividend or other sum may be paid by any bank or other funds, transfer system or such other means and to or through such person as the holder or joint holders may in writing direct, and the company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the company in respect of the share may be paid as if he was a holder of the share and his address noted in the register was his registered address.

122. Dividends not in cash

Any general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, 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 assets to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the board.

123. Scrip dividends

The board may, if authorised by an ordinary resolution of the company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the board) of any dividend specified by the ordinary resolution in which case the following provisions shall apply:-

- (a) The ordinary resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period, but such period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the ordinary resolution is passed.
- (b) The entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the company's ordinary shares on the London Stock Exchange as derived from the Daily Official List, on the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution but shall never be less than the par value of the new ordinary shares. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount.
- (c) On or as soon as practicable after announcing that it is to declare or recommend any dividend, the board, if it intends to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment, if it decides to proceed with the offer, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which elections must be lodged in order to be effective. The basis of allotment shall be such that no shareholder may receive a fraction of a share.
- (d) The board shall not proceed with any election unless the company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (e) The board may exclude from any offer any holders of ordinary shares where the board believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- (f) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made ("the elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose the board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis.
- (g) The additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully-paid ordinary shares then in issue except that they will not be entitled to participation in the relevant dividend.

- (h) If the amount of the cash dividend remaining payable to a holder on the elected ordinary shares is less than £2 in aggregate, the Board may resolve that any such amount shall not be paid and shall be retained by and for the benefit of the company.
- (i) The board may do such acts and things which it considers necessary or expedient to give effect to any such capitalisation and may authorise any person to enter on behalf of all the members interested into an agreement with the company providing for such capitalisation and any incidental matters and any agreement so made shall be binding on all concerned.

124. **Untraced shareholders**

- (A) 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 London Stock Exchange to sell them at the best price reasonably obtainable if:-
 - (i) the shares have been in issue throughout the qualifying period 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 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 London Stock Exchange of its intention to make the sale and shall have obtained the approval of quotations department to the proposed form of the advertisements.

For the purpose of this article:

"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

"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.

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

125. **Uncashed dividends**

If:

- (a) a payment for a dividend or other sum payable in respect of a share sent by the company to the person entitled to it in accordance with article 121 is left uncashed or is returned to the company and, after reasonable enquiries, the company is unable to establish any new address or, with respect to a payment to be made by a funds transfer system, a new account, for that person; or
- (b) such a payment is left uncashed or returned to the company on two consecutive occasions

the company shall not be obliged to send any dividends or other sums payable in respect of that share to that person until he notifies the company of an address or, where the payment is to be made by a funds transfer system, details of the account, to be used for the purpose.

126. **Forfeiture of unclaimed dividends**

Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall be forfeited and shall revert to the company and the payment by the board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the company a trustee in respect of it.

CAPITALISATION OF RESERVES

127. Power to capitalise reserves and funds

The company may, upon the recommendation of the board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amounts for the time being unpaid on any shares in the company held by those members respectively or in paying up in full unissued shares, debentures or other obligations of the company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, for the purposes of this article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the company. The board may authorise any person to enter into an agreement with the company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any shares, debentures or other obligations of the company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

128. Settlement of difficulties in distribution

Where any difficulty arises in regard to any distribution of any capitalised reserve or fund the board may settle the matter as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the board.

RECORD DATES

129. Power to choose any record date

Notwithstanding any other provision of these articles the company or the board 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 the dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTING RECORDS, BOOKS AND REGISTERS

130. Records to be kept

The board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the company's affairs and to show and explain its transactions, in accordance with the Companies Acts.

131. Inspection of Records

The accounting records shall be kept at the office or, subject to the provisions of the Companies Acts, at such other place or places as the board may think fit and shall always be open to inspection by the officers of the company. No member in his capacity as such shall have any right of inspecting any accounting record or book or document of the company except as conferred by law or authorised by the board or by ordinary resolution of the company.

SERVICE OF NOTICES AND OTHER DOCUMENTS

132. Service of notices

Any notice or other document (including a share certificate) may be served on or delivered to any member by the company either personally or by sending it through the post addressed to the member at his registered address or by leaving it at that address addressed to the member. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Any notice to be given to a member may be given by reference to the register as it stands at any time within the period of fifteen days before the notice is given and no change in the register after that time shall invalidate the giving of the notice.

133. Members resident abroad

Any member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at that address but, unless he does so, shall not be entitled to receive any notice from the company.

134. When notice by post deemed served

Any notice or other document, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post (or where second-class mail is employed the second day following that on which it was put in the post) and, in proving service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or other document not sent by post but left at a registered address shall be deemed to have been served or delivered on the day it was so left.

135. Service of notice on person entitled by transmission

Where a person is entitled by transmission to a share, any notice or other document shall be served upon or delivered to him, as if he was the holder of that share and his address noted in the register was his registered address. Otherwise, any notice or other document served on or delivered to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the company has notice of the death, bankruptcy or other event, be deemed to have been properly served or delivered in respect of any share registered in the name of that member as sole or joint holder unless, before the day of posting (or, if it is not sent by post, before the day of service or delivery) of the notice or document, his name has been removed from the register as the holder of the share. Service or delivery in the foregoing manner shall be deemed for all purposes a sufficient service or

delivery of the notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

136. Notice when post not available

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 one newspaper 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 has appeared in at least one such paper. 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 shall send confirmatory copies of the notice by post to the persons entitled to receive them.

137. Members present at meetings deemed to have received valid notice

Any member present, either personally or by proxy or (in the case of a corporate member) by representative, at any general meeting of the company or of the holders of any class of shares in the company shall for all purposes be deemed to have received due notice of such meeting, and, where requisite, of the purposes for which such meeting was called.

138. Members bound by notices to prior holders of their shares

Every person who becomes entitled to a share:-

- (a) except as mentioned in sub-paragraph (b) below, shall be bound by any notice in respect of that share which, before his name is entered in the register has been duly given to a person from whom he derives his title; but
- (b) shall not be bound by any such notice given by the company under section 212 of the Act or under article 67.

DESTRUCTION OF DOCUMENTS

139. Presumptions where documents destroyed

If the company destroys

- (a) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation; or
- (b) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the company; or
- (c) any instrument of transfer of shares which has been registered at any time after a period of six years has elapsed from the date of registration; or

- (d) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it,

and the company destroys the document in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrebuttably in favour of the company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument of transfer and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the company were correctly recorded. Nothing contained in this article shall be construed as imposing upon the company any liability by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this article to the destruction of any document include references to its disposal in any manner. Notwithstanding the foregoing, the company may destroy such documents prior to the stated dates provided a permanent copy is kept and in respect of which the company takes adequate precautions for guarding against falsification and provides adequate means for reproduction.

WINDING UP

140. Distribution of assets otherwise than in cash

If the company commences liquidation, the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Statutes:-

- (a) divide among the members in kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members; or
- (b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit,
- (c) sell any property or assets of the company wholly or partly for shares or debentures, or other securities or obligations of another company, either then already constituted, or about to be constituted and either distribute such shares, debentures, securities or obligations to members or realise the same for cash or in accordance with this paragraph;

but no member shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY AND INSURANCE

141. Indemnity of officers

Subject to the provisions of and so far as may be permitted by the Companies Acts every director, auditor, secretary or other officer or servant 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 and (unless the same shall happen through his own wilful default) he shall not be liable for any act, default or omission of any other officer or servant of the company or by reason of his having joined in any receipt for money not received by him personally or for any loss on account of defect of title to any property acquired by the company or on account of any insufficiency of any security in or upon which any moneys of the company have been invested or for any loss incurred through any bank, broker or other agent or for any loss occasioned by any error of judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of his duties or in relation thereto.

142. Directors' and Officers' liability insurance

Subject to the provisions of the Companies Acts the board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers, employees or auditors of the company or of any company or body which is its holding company or in which the company or such holding company has an interest whether direct or indirect which is in any way allied to or associated with the company or who were at any time trustees of any pension fund in which any employees of the company or of any other such company or body are interested including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the company and/or any such other company, body or pension fund.

DOCUMENTS

143. Authentication of documents

Any director or secretary or any person appointed by the board for the purpose shall have power to authenticate any documents affecting the constitution of the company and any resolutions passed by the company or the board 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 officer of the company having the custody thereof shall be deemed to be a person appointed by the board as aforesaid.

A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the company or of the board or of any committee of the board which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the company and on the face thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting.