

**SHANKS GROUP PLC**

**(Registered Number 77438)**

**ARTICLES OF ASSOCIATION**

**(Adopted by Special Resolution passed on 3rd August 1995 and  
amended by a Special Resolution dated 3 April 2000 and by a  
Special Resolution dated 28 July 2005)**



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**SHANKS GROUP PLC**  
**ARTICLES OF ASSOCIATION**  
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**THE COMPANIES ACT 1985**

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**A PUBLIC COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**of**

**SHANKS GROUP PLC**

**(Registered Number 77438)**

**(Adopted by Special Resolution passed on 3rd August 1995 and amended by a Special Resolution dated 3 April 2000 and by a Special Resolution dated 28 July 2005)**

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**PRELIMINARY**

1. The regulations set out herein shall apply as the articles of association of the Company to the exclusion of any regulations set out in any schedule to or made under any statute concerning companies.
2. In these presents (if not inconsistent with the subject or context) the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

**Words**

**Meanings**

The Act

The Companies Act 1985.

The Statutes

The Act and every other statute for the time being in force concerning companies and affecting the Company.

These presents

These Articles of Association as from time to time altered.

Office

The registered office of the Company for the time being.

Transfer Office	The place where the Register of Members is situate for the time being.
Seal	The Common Seal of the Company.
Securities Seal	An official seal kept by the Company by virtue of section 40 of the Act.
Subsidiary	A company which is a subsidiary (as that expression is defined for the purposes of section 736 of the Act) of the Company.
Directors	The Board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present.
The United Kingdom	Great Britain and Northern Ireland.
Month	Calendar month.
Year	Calendar year.
In writing	Written, or produced by any visible substitute for writing, or partly one and partly another.
Paid	Paid or credited as paid.
London Stock Exchange	The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.

The expressions "debenture" and "debenture-holder" shall include "debenture stock" and "debenture stockholder" respectively.

The expression "the Company's Bankers" means if more than one, such one of the Company's Bankers (being an institution authorised under the Banking Act 1987) as may be selected by the Directors.

The expression "Secretary" shall (subject to the provisions of the Statutes) include any deputy secretary, assistant secretary and any

other person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as joint secretaries shall include any one of those persons.

The expression "subsidiary" shall be construed to include "subsidiary undertaking" as that term is defined in sections 258 and 259 of the Act.

All of the provisions of these presents as are applicable to paid-up shares (other than those relating to share warrants) shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

Words denoting the singular shall include the plural and *vice versa*.

Words denoting the masculine gender shall include the feminine gender.

Words denoting persons shall include partnerships, companies and corporations.

References to any statute or statutory provision shall (if not inconsistent with the subject or context) include any statutory modification or re-enactment thereof for the time being in force.

Save as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meaning in these presents.

Where for any purpose an Ordinary Resolution of the Company is expressed to be required under the provisions of these presents, a Special or Extraordinary Resolution shall also be effective, and where an Extraordinary Resolution is so expressed to be required a Special Resolution shall also be effective.

### **BUSINESS**

3. Any activity or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and further may

be suffered by them to be in abeyance, whether such activity or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with the same.

### **CAPITAL**

4. At the date of adoption of these presents the authorised share capital of the Company is £30,000,000 divided into 30,000,000 Ordinary Shares of 10p each.
5. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued (which special rights may be varied or abrogated only in the manner provided by the next following Article), any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, failing any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue any shares which are, or at the option of the Company or the holder are to be liable, to be redeemed on such terms and in such manner as may be provided for by these Articles. Where the capital of the Company includes shares with different voting rights, the designation of each class of shares other than those with the most favourable voting rights will include the words "restricted voting" or "limited voting" and where the capital of the Company includes shares which do not carry voting rights the designation of such shares will include the words "non-voting".

### **VARIATION OF RIGHTS**

6. (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class

may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any one holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes.

- (B) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority

thereto.

### ALTERATION OF CAPITAL

7. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the Resolution shall prescribe.
8. All new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
9. (A) The Company may by Ordinary Resolution:-
  - (1) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
  - (2) Cancel any shares which, at the date of the passing of the Resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled.
  - (3) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the Resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.
- (B) Subject to any direction by the Company in general meeting, whenever as a result of any consolidation and division or sub-division of shares any members of the Company would become

entitled to any issued shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the shares to which members would become so entitled in fractions to any person (including, subject to the provisions of the Statutes, the Company) for the best price reasonably obtainable and pay and distribute to and amongst the members entitled to such shares, in due proportions, the net proceeds of the sale thereof provided that where the entitlement of a member is to a sum of less than £3.00 then such sum may be retained by the Company for its own benefit. For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the members so entitled in favour of the purchaser thereof and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

10. Subject to the provisions of the Statutes, the Company may purchase any of its own shares (including any redeemable shares).
11. The Company may reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner and with and subject to any incident authorisation or consent required by law.

### SHARES

12. (A) Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any Resolution of the Company in General Meeting passed pursuant thereto and of these presents, all unissued shares in the Company shall be at

the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

- (B) Pursuant to and in accordance with section 80 of the Act, the Company may, by Ordinary Resolution, generally and unconditionally authorise the Directors to exercise for each Section 80 Prescribed Period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 Amount.
- (C) Pursuant to and within the terms of the authority granted in accordance with section 80 of the Act (whether or not pursuant to Article 12(B)), the Company may, by Special Resolution, empower the Directors during each Section 89 Prescribed Period to allot equity securities wholly for cash (a) in connection with a rights issue and (b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 89 Amount as if section 89(1) of the Act did not apply to such allotment.
- (D) During each Section 80 Prescribed Period and/or Section 89 Prescribed Period the Directors by such authority and/or power may make offers or agreements which would or might require equity securities or other relevant securities to be allotted after the expiry of the relevant period and the Directors may allot equity securities or other relevant securities in pursuance of such offers or agreements as if such authority and/or power had not expired.
- (E) For the purpose of this Article 12:-
  - (a) "rights issue" means an offer of equity securities open



for acceptance for a period fixed by the Directors to holders of equity securities on the Register of Members on a fixed record date in proportion to their respective holdings of such securities in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory);

- (b) "Section 80 Prescribed Period" means any period (not exceeding on any occasion 5 years after the date on which the relevant Ordinary Resolution is passed) for which the authority conferred in the case of Article 12(B) is granted or renewed by Ordinary Resolution stating the Section 80 Amount and set out in such Ordinary Resolution;
- (c) "Section 89 Prescribed Period" means any period (not exceeding on any occasion 15 months after the date on which the relevant Special Resolution is passed) for which the power conferred in the case of Article 12(C) is granted or renewed by Special Resolution stating the Section 89 Amount and set out in such Special Resolution;
- (d) "the Section 80 Amount" shall for any Section 80 Prescribed Period be the aggregate nominal amount of the relevant securities authorised to be allotted, which is stated in the relevant Ordinary Resolution;
- (e) "the Section 89 Amount" shall for any Section 89

Prescribed Period be the aggregate nominal amount of the equity securities authorised to be allotted, which is stated in the relevant Special Resolution;

(f) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and

(g) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings herein.

13. In addition to all other powers of paying commissions, the Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted.
14. Any commissions as aforesaid may be paid in cash or in fully or partly paid shares of the Company, or partly in one way and partly in another, as may be arranged.
15. The Company may on any issue of shares pay such brokerage as may be lawful.
16. The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
17. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial

interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder or, in the case of a share warrant, in the bearer of the warrant for the time being.

18. The Company shall not give any financial assistance for the acquisition of shares in the Company except and in so far as permitted by the Statutes.
19. The shares of the Company shall not be allotted at a discount and, save as permitted by the Statutes, shall not be allotted except as paid up at least as to one-quarter of their nominal value and the whole of any premium thereon.

#### CERTIFICATES

20. Certificates for shares, warrants, debentures or other securities of the Company may (or, if required by the regulations for the time being in force of the London Stock Exchange, shall) be issued under the Seal (or under a Securities Seal or, in the case of shares on a branch register, an official seal for use in the relevant territory) and (subject as hereinafter provided) shall bear the autographic signatures of at least one Director and the Secretary. Provided that the Directors may by resolution determine, either generally or in any particular case or cases, that such signatures or either of them shall be dispensed with or shall be affixed by some method or system of mechanical signature or that certificates may be signed or authenticated by some other person or persons. Every such certificate shall specify the number and class and the distinguishing number (if any) of shares, debentures or other securities to which it relates and the amount paid up thereon. No certificate shall be issued representing shares, debentures or other securities of more than one class. Subject to the Statutes, no certificate need be issued in

respect of shares held by a recognised clearing house (within the meaning of the Financial Services Act 1986) or a nominee (duly designated in accordance with section 185 of the Act) of a recognised clearing house or of a recognised investment exchange (within the meaning of the Financial Services Act 1986).

21. Every person (subject as aforesaid) whose name is entered as a member in the Register of Members shall be entitled without payment to receive one certificate for all the shares registered in his name or, in the case of shares of more than one class being registered in his name, a separate certificate for each class of shares so registered (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully paid shares) within one month after lodgment of a transfer or (in the case of a transfer of partly paid shares) within two months after lodgment of a transfer. Provided that the Company shall not be bound to register more than four persons as the joint holders of a share and in the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate for each class of share so held and delivery of a certificate to one of such persons shall be deemed sufficient delivery to all.
22. Where a member transfers part only of the shares comprised in a share certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.
23. (A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for all such shares issued in lieu subject to payment of such reasonable charge (if any) as the Directors think fit.  
(B) If any member shall surrender for cancellation a share certificate

representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may (upon payment of such reasonable charge (if any) as they think fit) comply with such request.

(C) If a share certificate shall be damaged, defaced, worn out, or alleged to have been lost, stolen or destroyed, it may be replaced by a new certificate on request subject to (in the case of damage, defacement or wearing out) delivery up of the certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions (if any) as to evidence and indemnity (with or without security) as the Directors think fit. Every certificate shall be issued without payment, save where the Company has in the opinion of the Directors incurred exceptional out-of-pocket expenses in connection with the request in which event the member in question shall reimburse the Company the amount of such expenses.

(D) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

24. Nothing in these presents shall prevent title to any securities of the Company from being evidenced or transferred without a written instrument in accordance with the Statutes and the regulations for the time being of the London Stock Exchange. The Directors shall have power to implement any arrangements and procedures as they may think fit for the evidencing, recording and/or transfer of title of uncertificated securities and for the regulation of those arrangements or procedures and the persons responsible for or involved in their operation, in each case in accordance with the Statutes and the regulations for the time being of the London Stock Exchange. The

provisions of Articles 20 to 23 (inclusive) shall be subject to this Article 24 and to any arrangements and procedures implemented pursuant to this Article 24.

### CALLS ON SHARES

25. The Directors 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 value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times. Each member shall (subject to being given at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person on whom a call is made remains liable for it notwithstanding the subsequent transfer of the shares in respect of which the call is made.
26. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
27. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
28. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding three per cent. per annum above the Base Rate of the Company's Bankers from time to time or in the absence of such a Base Rate, 14 per cent. per annum) as the Directors determine and all expenses that may have been incurred by the Company by reason of such non-payment, but the Directors shall be at liberty in any case or cases to waive payment of such interest and expenses wholly or in part.

29. Any sum (whether on account of the nominal value of the shares or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In cases of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
30. The Directors may at any time and from time to time differentiate between the holders as to the amount of calls to be paid and the times of payment.
31. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding three per cent. per annum below the Base Rate of the Company's Bankers from time to time or, in the absence of any such Base Rate, 14 per cent. per annum) as the member paying such sum and the Directors agree upon. No sum paid up in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.
32. Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible

liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by the Company on or in respect of any shares registered as aforesaid or for or on account or in respect of any member and whether in consequence of:-

- (a) the death of such member;
- (b) the non-payment of any income tax or other tax by such member;
- (c) the non-payment of inheritance tax or any estate, probate, succession, death, stamp, or other duty by the executor or administrator or other legal personal representative of such member or by or out of his estate; or
- (d) any other act or thing;

the Company in every such case:-

- (e) shall (so far as lawful) be fully indemnified by such member or his executor or administrator or his other legal representative from all liability; and
- (f) may (so far as lawful) recover as a debt due from such member or his executor or administrator or his other legal personal representative wherever constituted or residing any monies paid by the Company under or in consequence of any such law together with interest thereon at the rate of 15 per cent. per annum thereon (or such lower rate as the Directors may from time to time determine) from date of payment by the Company to date of repayment by the member or his executor or his



administrator or his other legal personal representative.

Nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such member as aforesaid, his executor, administrator or other legal personal representative and estate wheresoever constituted or situated, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

#### **FORFEITURE, SURRENDER AND LIEN**

33. If any member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.
34. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls, interest, costs, charges and expenses due in respect thereof has been received by the Company, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
36. When any share has been forfeited in accordance with these presents,

notice of the forfeiture shall forthwith be given to the holder of the share, or the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register opposite to the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

37. A share so forfeited or surrendered shall become the property of the Company and may (subject to the provisions of the Statutes) be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and whether with or without all or any part of the amount previously paid on the share being credited as paid and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit; provided that the Company shall not exercise any voting rights in respect of such share. Any such share not disposed of within a period of three years from the date of its forfeiture or surrender shall thereupon be cancelled in accordance with the provisions of the Statutes. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.
38. A member, all or any of whose shares have been forfeited or surrendered shall cease to be a member in respect of the forfeited or surrendered shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at three per

cent. per annum above the Base Rate of the Company's Bankers from time to time or, in the absence of any such Base Rate, 14 per cent. per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment but the Directors may waive payment of such interest either wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender.

39. The Directors may, at any time before any share so forfeited or surrendered shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as they think fit.
40. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and the Company shall also, insofar as is permitted by the Statutes, have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a member for all the debts and liabilities of such member or his estate to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or joint liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Directors may waive any lien which has arisen and may declare any share to be exempt wholly or partially from the provisions of this Article.
41. The Company may sell in such manner as the Directors think fit any

share on which the Company has a lien, but no sale shall be made unless any sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of death or bankruptcy.

42. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are presently 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) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.
43. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share, and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the

forfeiture, surrender, sale, re-allotment or disposal of the share and the remedy of any person aggrieved in respect thereof shall be in damages only and against the Company exclusively.

#### TRANSFER OF SHARES

44. Except as may be provided by any arrangements or procedures implemented pursuant to Article 24, all transfers of shares shall be effected by instrument in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
45. The registration of transfers may be suspended and the Register of Members closed at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares: provided that the Register of Members shall not be closed for more than 30 days in any year.
46. The Directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of a share (not being a fully paid share) unless any such share is listed on the London Stock Exchange in which case the Directors may impose only such restrictions on the transfer of partly paid shares as are permitted by the London Stock Exchange. The Directors may also decline to register any transfer of a share on which the Company has a lien or any transfer of a share, whether fully paid or not, in favour of more than four persons jointly.
47. If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the

Company send to the transferee notice of the refusal.

48. The Directors may decline to register any instrument of transfer unless the instrument of transfer is in respect of only one class of share, is duly stamped and is deposited at the Transfer Office, or at such other place as the Directors may from time to time determine, accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). All instruments of transfer which are registered may be retained by the Company.
49. In the case of a transfer by a recognised clearing house (within the meaning of the Financial Services Act 1986) or a nominee (duly designated in accordance with section 185 of the Act) of a recognised clearing house or of a recognised investment exchange (within the meaning of the Financial Services Act 1986) the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.
50. No fee will be charged by the Company in respect of the registration of any instrument of transfer or confirmation or probate or letters of administration or certificate of marriage or death or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.
51. Nothing in these presents shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
52. The Company shall be entitled to destroy (a) all share certificates which have been cancelled at any time after the expiration of one year from

the date of such cancellation, and (b) all notifications of change of name and address and all dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of two years from the date of the recording of such notification or, as the case may be, the date of such cancellation or cessation, and (c) all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration thereof, and (d) any other documents on the basis of which any entry in the Register of Members has been made at any time after the expiration of six years from the date of the first entry in the Register of Members in respect thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-

- (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the

absence of this Article;

- (iii) References herein to the destruction of any document include references to the disposal thereof in any manner.

### **TRANSMISSION OF SHARES**

- 53. In case of the death of a registered shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- 54. Subject to the provisions of the preceding Article any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon such evidence being produced as may from time to time properly be required by the Directors either (a) be registered as the holder of the share in a representative capacity or (b) be registered himself as the holder of the share or (c) transfer such share to some other person. The Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the shares by that member before his death or bankruptcy, as the case may be.
- 55. The intimation to the Company, by or on behalf of any person becoming entitled to a share in accordance with the preceding Article, of the evidence therein required shall be deemed to be a request by such person to be registered as the holder of the share in a representative capacity unless such person shall otherwise elect as after mentioned, provided always that such registration shall not impose any personal liability upon such person in respect of the share. If the



person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing in a form acceptable to the Directors signed by him stating that he so elects and if he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.

56. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a registered share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share, but he shall not be entitled (except with the authority of the Directors) to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he shall have become a member in respect of the share.

#### **UNTRACED SHAREHOLDERS**

57. (A) The Company shall be entitled to sell, in such manner and for such price as it thinks fit, any share of a member or any share to which a person is entitled by virtue of transmission on death or bankruptcy or any other event giving rise to its transmission by operation of law (such member or other person being referred to for the purposes of this Article as the "Untraced Shareholder") if and provided that:-

- (i) for a continuous period of 12 years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Untraced Shareholder at his address on the Register of Members or if otherwise the last known address given by him to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Untraced Shareholder provided that in any such continuous period of 12 years at least three dividends whether interim or final in respect of the shares in question have become payable, and no such dividend during that period has been claimed;
- (ii) the Company has on or after the expiry of the said period of twelve years, by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (i) of this Article is located, given notice of its intention to sell such share;
- (iii) the Company has not during the further period of three months following the publication of the advertisements referred to in paragraph (ii) (or, if published on different dates, the first thereof) and prior to the exercise of the power of sale, received any communication from the Untraced Shareholder; and
- (iv) the Company has first given notice in writing to the London Stock Exchange of its intention to sell such share; and
- (v) if during the 12 year period referred to in paragraph

(i), further shares have been issued to the member in right of those shares held at the beginning of such period or of any shares previously issued during such period and the Company is entitled to sell the shares held at the beginning of the period then, notwithstanding that three dividends have not become payable on such further shares, the Company may also sell those further shares.

- (B) To give effect to any such sale the Directors may appoint any person to execute as transferor an instrument of transfer of the said share and such instrument of transfer shall be as effective as if it had been executed by the Untraced Shareholder and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the Untraced Shareholder for an amount equal to such proceeds and shall enter the name of the Untraced Shareholder in the books of the Company as a creditor for such amount. No trust shall be created in respect of the same and no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

### STOCK

58. Subject to the provisions of these presents, the Company may from time to time by Ordinary Resolution convert any fully paid shares into stock or reconvert any stock into fully paid shares of any

denomination. If and whenever any shares of any class in the capital of the Company for the time being shall have been issued and be fully paid and at that time the shares of that class previously issued stand converted into stock such further shares upon being fully paid shall *ipso facto* be converted into stock transferable in the same units as the existing stock of that class.

59. The holders of stock may transfer the same or any part thereof, unless otherwise directed by Ordinary Resolution of the Company, in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Company may from time to time by Ordinary Resolution determine (or, failing any such determination, as the Directors may determine).
60. The holders of stock shall according to the amount of the stock held by them have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose; but no such right, privilege or advantage (except as regards participation in the dividends, profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares: have conferred such right, privilege or advantage.

#### GENERAL MEETINGS

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

called Extraordinary General Meetings.

62. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, the Directors in the United Kingdom capable of acting, or if there are no Directors capable and willing to act, any two members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

### NOTICE OF GENERAL MEETINGS

63. An Annual General Meeting and any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a Resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least, and any other General Meeting by 14 days' notice in writing at the least (exclusive in either case of the day on which it is served or deemed to be served and of the day for which it is given or on which the meeting is to be held) given in manner hereinafter mentioned and to such persons as are, under these presents or under the terms of issue of any shares or pursuant to the Statutes, entitled to receive such notices from the Company: Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-
- (A) In the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and
  - (B) In the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per

cent. in nominal value of the shares giving that right.

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

64. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In cases where instruments of proxy are sent out with the notices, the accidental omission to send such instruments of proxy to, or the non-receipt of such instruments of proxy by, any person entitled to receive notice shall not invalidate the proceedings at any General Meeting.
- (D) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.
65. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-
  - (A) Sanctioning or declaring dividends;
  - (B) Considering and/or adopting and/or receiving the accounts, the reports of the Directors and Auditors and other documents required to be annexed to the accounts;
  - (C) Appointing or re-appointing the retiring Auditors (unless they

were last appointed otherwise than by the Company in General Meeting);

- (D) Fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed;
- (E) Appointing or re-appointing Directors to fill vacancies arising at the meeting;
- (F) Granting, renewing or varying authority under section 80 of the Act and/or disapplying section 89 of the Act;
- (G) Granting or renewing a general authority for the Company to purchase its own shares;
- (H) Renewing or regranting any existing authority for a scrip dividend alternative.

66. The Directors shall on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided:-

- (A) Give to the members entitled to receive notice of the next Annual General Meeting, notice of any Resolution which may properly be moved and is intended to be moved at that meeting;
- (B) Circulate to the members entitled to have notice of any General Meeting, any statement of not more than one thousand words with respect to the matter referred to in any proposed Resolution or the business to be dealt with at that meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

67. No business other than the appointment of a chairman of the meeting shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, three members present in person or by proxy and entitled to vote shall be a quorum provided that where a corporate member appoints more than one corporate representative only one such corporate representative shall be deemed to be present for the

purpose of determining whether a quorum is present.

68. If within 15 minutes from the time appointed for a General Meeting (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the chairman of the meeting may determine, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the members present in person or by proxy and entitled to vote shall be a quorum.
69. The Chairman of the Directors, failing whom one of the Deputy Chairmen failing whom one of the Vice-Chairmen (to be chosen, if more than one are present and in default of agreement amongst themselves, by lot) shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman or Vice-Chairman, or if at any meeting none of them be present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present, or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.
70. The chairman of the meeting may with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place. In addition, the Chairman may at any time without the consent of the meeting adjourn any meeting to another time or place if it appears to him that:-
  - (A) the number of persons wishing to attend cannot be conveniently



accommodated in the place(s) appointed for the meeting; or

- (B) the unruly conduct of persons attending the General Meeting prevents or is likely to prevent the orderly continuation of its business; or
- (C) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

- 71. When a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or *sine die* not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 72. The Directors shall be entitled to make all arrangements which in the opinion of the Directors are necessary for the security and/or orderly conduct of any meeting of the Company or any meeting of the holders of any class of shares of the Company and without prejudice to the generality of the foregoing shall be entitled to prevent any person, but for this Article 72 entitled to attend any such meeting, from so attending or to remove any such person in attendance if, in the reasonable opinion of the Directors, such prevention or removal is necessary for the security and/or orderly conduct of such meeting.
- 73. (A) The provisions of this Article shall apply if any General Meeting or any meeting of the holders of any class of shares in the Company is to be convened at or is adjourned to more than one place.

- (B) The notice of such meeting or adjourned meeting shall specify the place ("the Specified Place") at which the Chairman shall preside and the Directors shall make arrangements for the simultaneous attendance and participation by the members at the Specified Place and at such other places as they in their absolute discretion consider appropriate, provided that persons attending at any particular place shall be able to see and hear and be seen and heard by means of audio-visual links by persons attending at the other places at which the meeting is held.
- (C) The Directors may from time to time make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some geographical or regional means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them. A member who, by virtue of any provision in this Article, is not entitled to attend in person or by proxy at any particular place, shall be entitled so to attend at one of the other places. The entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements for the time being in force and, by the notice of the meeting or adjourned meeting, stated to apply to the meeting.
- (D) For the purposes of all other provisions of these presents any such meeting shall be treated as being held at the Specified Place.
- (E) If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other

provision of these presents.

74. In the case of a Resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon. In the case of a Resolution of which the Company has been given special notice pursuant to the Statutes or which has been requisitioned by members in accordance with the provisions of the Statutes no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon. In the case of a Resolution duly proposed as an Ordinary Resolution, and subject as aforesaid, no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon unless, at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such Resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office. If an amendment shall be proposed to any Resolution under consideration but shall in good faith be ruled out of order by the Chairman, the proceedings on the substantive Resolution shall not be invalidated by any error in such ruling.
75. At any General Meeting a Resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll as hereinafter mentioned) demanded by either:-
- (A) the chairman of the meeting; or
  - (B) not less than five members present in person or by proxy and entitled to vote; or
  - (C) a member or members present in person or by proxy and representing not less than one tenth of the total voting rights of

all the members having the right to vote at the meeting; or

- (D) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right.

76. A demand for a poll may be withdrawn at any time before the conclusion of the meeting or the taking of the poll, whichever is the earlier. Unless a poll be duly demanded (and the demand be not withdrawn) a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
77. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes to which he may be entitled as a member or as a representative or proxy of a member.
78. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other

question shall be taken either immediately or at such subsequent time (being not more than 30 days after the date of the meeting at which the poll was demanded) and place as the chairman may direct. No notice need be given of a poll not taken immediately.

79. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

### VOTES OF MEMBERS

80. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any class of shares, on a show of hands every member present or deemed by these presents to be present in person and entitled to vote shall have one vote, and on a poll every member present or so deemed present in person or by proxy and entitled to vote shall have one vote for every share held by him.
81. 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 of Members in respect of the joint holding.
82. A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, whether on a show of hands or on a poll, by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or *curator bonis* appointed by such court, and any such committee, receiver or *curator bonis* or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at

the Transfer Office, or at such other place (if any) as is specified for the delivery of instruments of proxy in accordance with these presents, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting) for the taking of the poll at which it is desired to vote.

83. (A) No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of shares in the Company remains unpaid.
- (B) If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 212 of the Act (a "Statutory Notice") and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter serve a notice (a "Direction Notice") upon such member or any such person as follows:-
  - (1) a Direction Notice may direct that, in respect of the shares in relation to which the default occurred and any other shares held by the member in question (the "Default Shares"), the member (or any transferee to whom any such shares are transferred, other than pursuant to an approved transfer (as defined in these presents)) shall not be entitled to vote at any General Meeting or meeting of the holders of any class of

shares of the Company either personally or by proxy (or, in the case of a corporation, by a duly authorised representative) or to exercise any other rights conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company; and

(2) where the Default Shares represent at least 0.25 per cent. of the class of shares concerned as at the date of the Direction Notice, then the Direction Notice may additionally direct that:-

(a) in respect of the Default Shares, any cash dividend or other money or money's worth which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member and the member shall not be entitled to exercise the rights conferred by Article 148 but any dividend or money withheld shall be paid immediately following receipt by the Company of the information required by the Statutory Notice; and/or

(b) no transfer other than an approved transfer (as defined in Article 83(D)(3)) of any of the shares held by such member shall be registered unless:-

(i) the member is not himself in default as regards supplying the information requested; and

- (ii) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

- (C) Any Direction Notice shall cease to have effect in accordance with its terms seven days after the earlier of:
  - (a) receipt by the Company of notice that the Default Shares have been transferred by such member by means of an approved transfer (as defined in Article 83(D)(3)); and
  - (b) due compliance to the satisfaction of the Directors with the Statutory Notice.

The Directors may at any time give notice cancelling a Direction Notice. If, while any of the restrictions referred to in this Article apply to a Default Share, another share is allotted in right of it, the same restrictions shall apply to that share as if it were a Default Share.



(D) For the purposes of this Article:-

- (1) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said section 212 which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (2) the prescribed period in respect of any particular member is 14 days from the date of service of the Statutory Notice;
- (3) a transfer of shares is an approved transfer if, but only if:-
  - (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer for a company (as defined in section 428 of the Act); or
  - (b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a *bona fide* party unconnected with a member and with other persons appearing to be interested in such shares; or
  - (c) it results from a sale through a recognised investment exchange (as defined in section 207 of the Financial Services Act 1986) or any

stock exchange outside the United Kingdom on which the Company's shares are normally traded.

(E) Nothing contained in this Article shall limit the power of the Directors under section 216 of the Act.

84. If (i) any objection shall be raised to the qualification of any person to vote or to the admissibility of any vote or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) 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 the same 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 raised or pointed out in due time 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 matter shall be final and conclusive.
85. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
86. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion provided that he may appoint only one proxy in respect of the same shares. In the event that two or more proxies have been appointed in respect of the same shares, the one which is deposited at the Transfer Office (or at such other place as is specified pursuant to Article 88) last in time shall, and shall be deemed to, replace and revoke those proxies deposited

earlier in time. If such proxies are deposited simultaneously, then they shall be invalid. The deposit of an instrument of proxy shall not preclude a member (duly entitled) from attending and voting in person at the meeting or at any adjournment thereof.

87. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may prescribe or accept and:-

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

The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer. The signature on such instrument need not be witnessed.

88. An instrument appointing a proxy (together with any evidence of authority required by the Directors pursuant to the immediately preceding Article) must be delivered to such place or one of such places (if any) as may be specified for that purpose in, or by way of note to, or in any documents accompanying, the notice convening the meeting or any notice of any adjournment (or, if no place is so specified, to the Transfer Office) not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered in

relation to any subsequent meetings to which it relates. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date stated in it as the date of its execution except a power of attorney containing a power to act and vote for a member at meetings of the Company, and which power, if once duly intimated to the Company shall not require to be again deposited at the Transfer Office of the Company.

89. Subject to the provisions of the Statutes, the Directors may, if they think fit, at the expense of the Company, issue forms of proxy for use by the members with or without prepaid postage and with or without inserting therein the names of any of the Directors or any other person or proxies.
90. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting, and shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
91. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the instrument of proxy or of the authority under which the instrument was executed provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office or such other place (if any) as is specified for the delivery of instruments of proxy in accordance with these presents prior to one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or on the same day as, the meeting or

adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

92. Subject to the provisions of the Statutes, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings or meetings of the holders of any class of shares in the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company or a meeting of the holders of any class of shares (as the case may be) duly convened and held, and may consist of one or more documents in like form each signed by one or more of the members.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

93. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or of any class of members of the Company. The person or persons so authorised shall be entitled to exercise the same powers (in respect of that part of the corporate member's holding to which his or their authorisation relates) on behalf of such corporation which he represents as that corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person or persons so authorised is present thereat and the Board shall be entitled but not bound to require evidence of such authorisation.

#### **DIRECTORS**

94. Subject as hereinafter provided the Directors shall not be less than two in number and there shall be no maximum number. The Company may by Ordinary Resolution from time to time vary the minimum

and/or maximum number of Directors.

95. A Director shall not be required to hold any shares of the Company by way of qualification for office. A Director who is not a member of the Company shall nevertheless be entitled to receive notice of and attend and speak at General Meetings and all separate meetings of the holders of any class of shares in the capital of the Company or other securities of the Company.
96. The aggregate ordinary remuneration of the Directors as such shall not exceed £400,000 per annum or such other sum as may from time to time be determined by the Company in General Meeting and shall be divisible among the Directors as they may by resolution agree or, failing agreement, equally except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of the remuneration related to the period during which he has held office. The provisions of this Article shall not apply to the remuneration of any Executive Director (whether part time or full time) which shall be established pursuant to the provisions of Article 98 of these presents.
97. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee or General Meetings or otherwise in or about the business of the Company.
98. Any Director who is appointed to any executive office or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outwith the scope of the ordinary duties of a Director or who makes any special exertions in going or residing abroad or otherwise, in or about the business of the Company, may be paid such extra remuneration by way of salary, commission or

otherwise as the Directors may determine.

99. Without prejudice to the general power of the Directors under these presents to exercise on behalf of the Company (by establishment or maintenance of schemes or otherwise) all the powers of the Company to give or procure the giving of pensions or other retirement, superannuation, death or disability benefits, annuities or other allowances, emoluments or benefits to or for the benefit of any person and without restricting the generality of their other powers, the Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits, annuities or other allowances, emoluments or benefits to any Director, ex-Director, officer or ex-officer of the Company or of any company which is a subsidiary of the Company or is allied to or associated with the Company or any such subsidiary or of any predecessor in business of the Company or any other company as aforesaid and to the husbands, wives, widowers, widows, children, families, dependants and personal representatives of any such Director, ex-Director, officer or ex-officer and for the purpose of providing any such pensions or other benefits to establish or contribute to any trust, scheme, association, arrangement or fund or to pay premiums, and shall have power to establish trusts, schemes, associations, arrangements or funds considered to be for the benefit of any such persons aforesaid. A Director, ex-Director, officer or ex-officer shall not be accountable to the Company or the members for any such pension, allowance or other benefit and the receipt of the same shall not disqualify any person from being or becoming a director of the Company.
100. (A) Subject to the provisions of the Statutes, a Director or alternate Director may be a party to or in any way interested in any contract or arrangement or transaction to which the Company is

a party or in which the Company is in any way interested and he may hold and be remunerated (in addition to any other remuneration provided for by or pursuant to any other Article) in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (unless otherwise agreed) the Director may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

- (B) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and (unless otherwise agreed) shall not be accountable to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of, or from his interest in, such other company. The Directors may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing themselves or any of them to be directors, officers or servants of such other company, or voting or providing for the payment of remuneration to the directors, officers or servants of such other company.

101. (A) The Directors may from time to time appoint one or more of



their number to be the holder of any executive office or make any appointment by them of a director conditional upon his accepting any executive office (including, where considered appropriate, the office of Chairman, Executive Chairman, Deputy Chairman or Vice-Chairman, Managing, Joint Managing, Deputy or Assistant Managing Director or Chief, Deputy Chief or Assistant Chief Executive) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary any such appointment.

(B) The appointment of any Director to any of the executive offices specially mentioned in paragraph (A) above 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 the termination of his office if he ceases to be a Director shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

102. The Directors may entrust to and confer upon any Director any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## APPOINTMENT AND RETIREMENT OF DIRECTORS

103. No person shall be appointed or re-appointed a Director if at the time of his proposed appointment or re-appointment he has attained the age of 65 years. A Director shall vacate his office at the conclusion of the Annual General Meeting taking place next after he attains the age of 65 years: Provided that acts done by a person as Director shall be valid notwithstanding that it is afterwards discovered that his appointment had terminated by virtue of this Article.
104. The office of a Director shall be vacated in any of the following events, namely:-
- (A) If pursuant to any provisions of the Statutes he is removed or prohibited from being a Director.
  - (B) If he shall resign by writing under his hand left at the Office or if he shall tender his resignation and the Directors shall resolve to accept the same.
  - (C) If he shall have a receiving order made against him, become bankrupt, apparently insolvent, execute a trust deed for behoof of his creditors or shall compound with his creditors generally.
  - (D) If he shall become of unsound mind or otherwise *incapax*.
  - (E) If he shall be absent from meetings of the Directors for six months without leave and his alternate Director (if any) shall not during such period have attended in his stead and the Directors shall resolve that his office be vacated.
  - (F) If he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that in the case of a Director holding an executive office which automatically determines on his ceasing to be a Director such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent

termination of his executive office.

105. (A) At each Annual General Meeting any Director bound to retire under Article 109 and one-third of the other Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to, but (except where less than three Directors are subject to retirement by rotation) not greater than, one-third) shall retire from office and any other Director may at any Annual General Meeting retire from office and offer himself for re-election.
- (B) The Directors bound to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors bound to retire on each occasion shall be determined (both as to number and identity) by the composition of the Board of Directors of the Company at 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 the date of such notice but before the close of the meeting. A retiring Director (whether being bound to retire or retiring voluntarily) shall be eligible for re-election.
- (C) The Company at the meeting at which a Director retires under any provision of these presents may (subject to Article 107) by

Ordinary Resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:-

- (i) Where at such meeting it is expressly resolved not to fill up each office or a resolution for the re-election of such Director is put to the meeting and lost.
- (ii) Where such Director has given notice in writing to the Company that he is unwilling to be re-elected.
- (iii) Where the default is due to the moving of a resolution in contravention of the next following Article.
- (iv) Where such Director ceases to be a Director by virtue of Article 103 of these presents or by virtue of any provision of the Statutes.
- (v) Where, if such Director was re-elected, he would be required to vacate the office of Director pursuant to Article 104.

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

- 106. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
- 107. No person other than a Director retiring at the Meeting (whether being

bound to retire or retiring voluntarily) shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than 14 days before the day appointed for the meeting there shall have been left at the Office, addressed to the Secretary, notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

108. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement, and by Ordinary Resolution appoint another person in place of a Director so removed from office. In default of such appointment the vacancy arising upon the removal of a Director *from office may be filled by the Directors as a casual vacancy.*
109. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto, the Directors shall have power at any time so to do, but so that the total number of Directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with these presents. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election provided that any Director appointed pursuant to this Article 109 at any time after the date of the notice convening the relevant Annual General Meeting shall hold office until the next succeeding Annual General Meeting and shall be eligible for re-election

at such Annual General Meeting.

### **ALTERNATE DIRECTORS**

110. (A) Any Director may at any time by writing under his hand and deposited at the Office, or received by the Secretary or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. If such alternate Director is not another Director, such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.
- (B) The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointer ceases to be a Director or if the approval of the Directors to his appointment is withdrawn. An alternate Director may by writing under his hand left at the Office resign such appointment.
- (C) An alternate Director shall (except when absent from the United Kingdom) be entitled, if his appointor so requests, to receive notices of meetings of the Directors to the same extent as, but in lieu of, the Director appointing him and shall be entitled to attend and vote as a Director and be counted for the purposes of a quorum at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he were a Director. If he shall himself be a Director or shall attend any such meeting as an alternate for more than one Director his

voting rights shall be cumulative. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees formed under Article 119 the foregoing sentences shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these presents.

- (D) An alternate Director may be repaid expenses, and shall be entitled to be indemnified, by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any remuneration except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

#### PROCEEDINGS OF DIRECTORS

111. Subject to the provisions of these presents, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Seven days' written notice shall be given for all regular meetings of Directors but this requirement shall be without prejudice to the operation of Article 118 provided that meetings of the Directors may be convened at short

notice with the consent of all other Directors (including alternate Directors) present within the United Kingdom. A Director absent or intending to be absent from the United Kingdom may request the Directors that notice of meetings of Directors shall, during his absence be sent in writing to him at his last known address or any other address given by him to the Company for this purpose but in the absence of any such request, it shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

112. A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote. Any such authority must be in writing or by cable, telegram, telex or facsimile which must be produced at the meeting at which the same is to be used and be left with the Secretary for retention.
113. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
114. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract (or any transaction or arrangement whether or not constituting a contract) with the Company shall declare the nature of his interest in accordance with section 317 of the Act.
115. (A) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever



in which he has an interest which (together with any interest of any person connected with him within the meaning of section 346 of the Act) is a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Save as herein provided a Director shall not be counted in the quorum at a meeting in relation to any Resolution on which he is debarred from voting.

(B) Subject to the provisions of the Statutes a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any Resolution concerning any of the following matters, namely:-

- (i) The giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its Subsidiaries.
- (ii) The giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its Subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security.
- (iii) Any contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its Subsidiaries for subscription or purchase in which offer he may be entitled to participate in the underwriting or sub-underwriting thereof.
- (iv) Any contract, arrangement, transaction or proposal concerning any other company in which he does not

hold an interest in shares (as that term is used in Part VI of the Act) representing one per cent. or more of either any class of the equity share capital or of the voting rights available to members of the relevant company.

- (v) Any contract, arrangement, transaction or proposal concerning or relating to a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which has been approved by the Board of Inland Revenue or is conditional upon such approval, or does not award him any privilege or benefit not awarded to the employees to whom such scheme relates.
  - (vi) Any proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.
- (C) A Director shall not vote or be counted in the quorum on any Resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof. In the case of an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director in addition to any interest which the alternate Director would otherwise have.
- (D) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the

Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (B)(iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(E) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of such Director has not been fairly disclosed.

(F) The Company may by Ordinary Resolution suspend or relax the provisions of this Article or ratify any transaction not duly authorised by reason of a contravention of this Article.

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

117. The Directors may elect a Chairman (or make any appointment by them of a Director conditional upon his becoming the Chairman) and one or more Deputy Chairman and one or more Vice-Chairman and

determine the period for which each is to hold office. The Chairman or, in his absence, one of any Deputy Chairmen, or in his or their absence one of any Vice-Chairmen shall preside at meetings of the Directors, but if no Chairman or Deputy Chairman or Vice-Chairman shall have been appointed, or if at any meeting none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. If at any time there is more than one Deputy Chairman or Vice-Chairman the right to preside at a meeting of Directors shall be determined as between the Deputy Chairman or Vice-Chairman (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

118. A resolution in writing signed or approved by letter, facsimile, telegram or telex by all the Directors for the time being in the United Kingdom and all the alternate Directors (if any) for the time being in the United Kingdom whose appointors are for the time being absent from the United Kingdom (provided that their number is sufficient to constitute a quorum) or by all the members of a committee formed under the next following Article for the time being shall be as valid and effective as a resolution passed at a meeting of the Directors or, as the case may be, of such committee duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors or alternate Directors or members of the committee concerned provided that such a resolution need not be signed by an alternate Director, if it is signed by the Director who appointed him.
119. The Directors may delegate any of their powers or directions (including, without limitation, any powers under Articles 99 and 101) to committees consisting of one or more members of their body and (if

thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (i) the number of co-opted members shall be less than one half of the total number of members of the committee and (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.

120. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these presents regulating the meeting and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
121. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Director (or their alternate), or member of the committee, or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director (or alternate Director) or member of the committee and had been entitled to vote.
122. The Directors may appoint any person to any office or employment having a designation or title including (without limitation) the words "Regional Director" or "Director of" or attach to any existing office or

employment with the Company such a designation or title and may terminate any such appointment or the use of any such designation or title. The inclusion of the words "Regional Director" or "Director of" (or similar words) in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these presents, nor shall he be entitled to attend or be present at any meeting of the Directors or of any committee thereof unless the Directors shall require him to be in attendance.

### **BORROWING POWERS**

123. Subject as herein provided the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future) and uncalled capital or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Unless otherwise sanctioned by an Ordinary Resolution of the Company the Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to Subsidiaries to secure (as regards Subsidiaries so far as by such exercise they can secure) that the aggregate principal amount for the time being outstanding of all borrowings of the Group (being the Company and all Subsidiaries) (exclusive of intra-Group borrowings) together with any fixed or minimum premium payable on final redemption or repayment thereof (or, in the case of an index-linked stock or other index-linked obligation, the highest amount that would be repayable thereon under the provisions of the instrument constituting or regulating such stock or obligation if such stock or

obligation were to be redeemed on the date on which the calculation falls to be made) after deducting the amount of cash deposited shall not exceed at the time of borrowing 3 times the adjusted total of capital and reserves (such amount being "the Borrowing Limit").

For the purposes of these presents:-

- (I) The expression "the adjusted total of capital and reserves" means the aggregate of (i) the nominal amount of the share capital of the Company issued and paid-up or credited as paid-up and (ii) the amounts standing to the credit of any of the capital or revenue reserves (including share premium account, capital redemption reserve fund, capital reserve, revaluation or other reserve) of the Group and any credit balance on the profit and loss account all as shown in a consolidation of the then latest audited balance sheet of the Group but after:
  - (a) making such adjustments as may be necessary in respect of any variation in the paid-up share capital, share premium account or capital redemption reserve fund of the Group since the date of the relevant Balance Sheet;
  - (b) deducting the gross amount of any distribution in cash or *in specie* declared, recommended or made by the Company or by any Subsidiary (otherwise than to the Company or to another Subsidiary) out of profits earned on or prior to the date of the latest audited Balance Sheet of the Company except insofar as provided for in such Balance Sheet;
  - (c) making such adjustments as may be necessary in respect of any Subsidiary which was not a Subsidiary at the date of the latest audited Balance Sheet of the

Company but which would be a Subsidiary if an audited Balance Sheet was prepared at the relevant time (and as if such time was the end of the Company's financial year) and/or any Subsidiary which was a Subsidiary at the date of the latest audited Balance Sheet of the Company but would no longer be so if a Balance Sheet was to be prepared at such relevant time;

- (d) making such adjustments as may be necessary in respect of any variation in the interest of the Company in any company in the Group since the date of the latest audited Balance Sheet;
  - (e) deducting any debit balance on the profit and loss account or other reserve account at the date to which the latest audited Balance Sheet is made up;
  - (f) deducting therefrom a sum equivalent to the book value of any intangible assets (excluding goodwill) as shown in the latest audited Balance Sheet;
  - (g) excluding therefrom amounts attributable to minority interests and any provision made or which ought to be made for taxation (whether deferred or otherwise); and
  - (h) making such other adjustments as the Auditors of the Company consider appropriate.
- (II) There shall be included as borrowings:-
- (a) all amounts outstanding of acceptances under any acceptance credit or similar arrangement opened on behalf of and in favour of the Company or any Subsidiary excluding acceptances of trade bills relating



- to goods purchased in the ordinary course of trading;
- (b) all amounts outstanding in respect of any debenture, as defined by section 744 of the Act together with any fixed or minimum premium payable on final redemption or repayment thereof (or, in the case of an index-linked stock or other index-linked obligation, the highest amount that would be repayable thereon under the provisions of the instrument constituting or regulating such stock or obligation if such stock or obligation were to be redeemed on the date on which the calculation falls to be made) notwithstanding that the same be issued in whole or in part for a consideration other than cash;
  - (c) all amounts outstanding under or in respect of any instrument creating or evidencing indebtedness in the nature of borrowing;
  - (d) all amounts recoverable from the Company or any Subsidiary in respect of bills discounted other than contingent sums which the Auditors certify as being unlikely to become payable in the foreseeable future;
  - (e) the nominal amount of any share capital and all amounts of any borrowings, the beneficial interest wherein is not for the time being owned by the Group and the redemption or repayment whereof is for the time being guaranteed or underwritten by the Company or by a Subsidiary, except to the extent that the amount guaranteed or underwritten otherwise falls to be included as borrowings together in either case with any fixed or minimum premium payable on final

redemption or repayment (or, in the case of an index-linked stock or other index-linked obligation, the highest amount that would be repayable thereon under the provisions of the instrument constituting or regulating such stock or obligation if such stock or obligation were to be redeemed on the date on which the calculation falls to be made); and

- (f) the nominal amount of any share capital, not being equity share capital, of a Subsidiary not for the time being in the beneficial ownership of the Group;
- (g) any fixed amount in respect of a finance lease payable by the Company or by a Subsidiary which is or would be shown as an obligation in an audited Balance Sheet of the Company (as if the Balance Sheet was prepared at the relevant time and in accordance with the accounting principles used in the preparation of the latest audited Balance Sheet of the Company) and for this purpose "finance lease" means a contract between a lessor and the Company or any Subsidiary as lessee or sub-lessee where substantially all the risks and rewards of ownership of the asset leased or sub-leased are to be borne by the lessee or sub-lessee;

(III) Provided that:-

- (a) borrowings of a partly-owned Subsidiary (excluding any amount for the time being owing to the Company or any Subsidiary) shall be deemed to be reduced by an amount equal to the minority proportion of such borrowings;
- (b) borrowings owing to a partly-owned Subsidiary by the

Company or another Subsidiary which might otherwise fall to be excluded shall nevertheless be included; and

- (c) the "minority proportion" shall mean the proportion of the equity share capital of the partly-owned Subsidiary which is not attributable to the Company;

but "borrowings" shall exclude:-

- (a) any amounts borrowed by the Company or any Subsidiary for the purpose of repaying, within six months of the date on which such amounts were borrowed, all or part of any borrowings (other than as referred to in this paragraph (a)) by the Company or any Subsidiary, provided that such amounts borrowed are applied for that purpose within such period;
- (b) borrowings incurred by the Company or any Subsidiary to finance a contract where part of the price receivable under the contract by the Company or any Subsidiary is guaranteed or insured by the Export Credits Guarantee Department or any other agency fulfilling a similar function up to an amount equal to that part of the price which is guaranteed or insured; and
- (c) amounts payable under any hire-purchase agreement, credit sale agreement, operating lease or similar agreement which is not a finance lease for the purposes of Article 123 (II)(g) above.

- (IV) In computing the amounts to be taken into account in terms of this Article, an amount which could be counted as a borrowing by more than one company shall in no case be so counted for the

purpose of the same limit. Any such amount shall be treated (if it can be so treated) as follows:-

- (a) as a borrowing by the Company or a wholly-owned Subsidiary rather than as a borrowing by a partly-owned Subsidiary; and
- (b) as between two or more partly-owned Subsidiaries as a borrowing by that Subsidiary in which the minority proportion is the smallest.

(V) For the purpose of calculating the aggregate amount of all borrowings, any amount expressed in a currency other than sterling shall be translated into sterling at the latest establishable rate of exchange ruling in London prior to the date on which the calculation falls to be made (and so that for that purpose the rate of exchange shall be taken as the spot rate of any bank (being an institution authorised under the Banking Act 1987) in London, approved by the Directors, at 11.00 a.m., London time, on the date on which such latest rate of exchange can be established) and, for the purpose of calculating the amount of the adjusted total of capital and reserves, any amount so expressed in a currency other than sterling shall be translated into sterling at the rate of exchange used for the purposes of the relevant audited Balance Sheet of the Company.

(VI) For the purposes, and notwithstanding any other provision, of this Article, where, under the terms on which moneys are borrowed, the amount of money that would be required to discharge the principal amount in full if it fell to be repaid (at the option of the borrower or by reason of default) on the date at which the Borrowing Limit is being calculated is less than the amount that would otherwise be taken into account in respect of

such borrowing for the purpose of this Article, the amount of the borrowings shall be, and be deemed to be, the lesser amount.

- (VII) For the purpose of this Article "cash deposited" means an amount equal to the aggregate for the time being of all cash deposits with any building society (registered under the Building Societies Act 1986), bank or any other institution authorised under the Banking Act 1987 whether on current account or otherwise, and the realisable value of certificates of governments owned by the Company or any Subsidiary provided that, in the case of a partly-owned Subsidiary, there shall be excluded the minority proportion (as defined in Article 123(III)(c) above) of such items.
- (VIII) Notwithstanding any other provision of these Articles, the Borrowing Limit shall be deemed not to have been breached until the aggregate amount of borrowings has exceeded the Borrowing Limit for 30 consecutive days.
- (IX) The certificate or report of the Auditors as to the amount of the adjusted total of capital and reserves or as to the Borrowing Limit or as to the aggregate amount of borrowings falling to be taken into account for the purposes of or as to compliance with the Borrowing Limit at any particular time shall be conclusive evidence of such amount or fact for the purposes of this Article.
- (X) No lender or other person dealing with the Company or any Subsidiary shall be concerned to see or inquire whether the said Borrowing Limit is observed and no debt incurred or security given in excess of the Borrowing 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 debt was incurred or security given that the Borrowing Limit has been or

would thereby be exceeded.

- (XI) If at any time the Company has no Subsidiaries references in this Article to the consolidation of the Balance Sheet of the Company and its Subsidiaries shall have effect as if they were references to the Balance Sheet of the Company itself.
- (XII) "Equity share capital" bears the meaning assigned to it by section 744 of the Act.

### **GENERAL POWERS OF DIRECTORS**

- 124. The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.
- 125. All or any of the Directors or any member of a committee of the Directors may participate in a meeting of the Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and communicate with each other simultaneously and provided two or more Directors are participating as aforesaid such meeting shall be quorate and, subject to the provisions of these Articles, the meeting shall constitute a meeting of the Directors or a committee of the Directors as the case may be. 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 or the relevant committee then is.

126. The Directors may make such arrangements as they think fit for the management and transaction of the Company's affairs in any specified locality whether in the United Kingdom or elsewhere and without prejudice to the generality of the foregoing may at any time and from time to time establish any regional, divisional or local boards, committees or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any one or more of the Directors or any other person or persons to be members of such regional, divisional or local boards or committees, or any managers or agents, and may fix their remuneration, and may delegate to any regional, divisional or local board or committee, manager or agent any of the powers, authorities and discretions vested in the Directors with power to sub-delegate and may authorise the members of any regional, divisional or local boards or committees or any of them, to fill any vacancies therein, and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, may fix the quorum of the said regional, divisional or local boards or committees, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
127. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any

fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such Attorney as the Directors may think fit, and may also authorise any such Attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may delegate all or any of their powers under this Article.

128. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.
129. Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory outside the United Kingdom a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.
130. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors or any duly authorised committee shall from time to time determine.

#### SECRETARY

131. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may



at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Deputy Secretaries and Assistant Secretaries. Anything by the Statutes or by these presents required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any Deputy or Assistant Secretary, or if there is no Deputy or Assistant Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors.

#### SEALS

132. (A) The Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or a committee authorised by the Directors in that behalf.
- (B) Every deed, contract, document, instrument or other writing to which the Seal shall be affixed shall (except as permitted by Article 20) be signed by a Director or by some other person appointed by the Directors for the purpose and countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose. Such signature and counter-signature shall not require to be witnessed.
- (C) The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

### AUTHENTICATION OF DOCUMENTS

133. Any Director or the Secretary or any person appointed by the Directors or by a duly authorised committee for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, 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, servant or agent of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.

### DIVIDENDS

134. The Company may by Ordinary Resolution declare dividends but no dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Statutes, or in excess of the amount recommended by the Directors. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article

no amount paid on a share in advance of calls shall be treated as paid on the share.

135. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.
136. Subject to the provisions of the Statutes, where any asset, business or property is bought by, transferred to or vested in the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased *cum* dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
137. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
138. The Directors may deduct from any dividend or other moneys payable to any member, whether alone or jointly with any other member, on or in respect of a share all sums of money (if any) presently payable by him, whether alone or jointly with any other member, to the Company on account of calls or otherwise in relation to shares of the Company.
139. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or

engagements in respect of which the lien exists.

140. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
141. All dividends or other moneys payable on or in respect of a share unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until, subject as provided by these presents, claimed. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.
142. Any dividend unclaimed after a period of 12 years from the date such dividend became due for payment shall be forfeited and shall revert to the Company.
143. All dividends and interest shall belong and be paid (subject to any lien of the Company) to those members whose names shall be on the Register of Members at the date at which such dividend shall be declared or at the date on which such interest shall be payable or at the Record Date (as defined in Article 149) (as the case may be) notwithstanding any subsequent transfer or transmission of shares.
144. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think

expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend and may vest any such specific assets in trustees as may seem expedient to the Directors.

145. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque, warrant or similar financial instrument sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons), or to such person and such address as such member or person or persons may by writing direct. Every such cheque, warrant or instrument shall be made payable to the person entitled thereto or to such person as the holder or joint holders or person or persons entitled to the shares in consequence of the death or bankruptcy of the holder, may in writing direct. Any such dividend or other moneys may also be paid by any bank or other funds transfer system (including by electronic media) as the Directors may consider appropriate and to or through such person as the member or the person entitled thereto in consequence of the death or bankruptcy of the holder (or, if two or more persons are registered as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy of the holder, any one of such persons) may in writing direct and the Company shall have no responsibility for any such dividend or other moneys lost or delayed in the course of any such transfer or when it has acted on any such direction. Payment of the cheque, warrant or instrument by the banker upon whom it is drawn or transfer of the funds by the bank instructed

to make the same shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If any such cheque, warrant or instrument has, or shall be alleged to have been, lost, stolen or destroyed, the Directors may, at the request of the person entitled thereto, issue a replacement cheque, warrant or instrument subject to compliance with such conditions as to evidence and indemnity and the payment of such out-of-pocket expenses incurred by the Company in connection with the request as the Directors may think fit. If on two or more consecutive occasions cheques, warrants or instruments in payment of dividends or other moneys payable on or in respect of any share have been sent through the post in accordance with the provisions of this Article but have been returned undelivered or left uncashed during the periods for which the same are valid or any other method of payment permitted by this Article has failed or if, following one such occasion, reasonable enquiries have failed to establish any new address for the member or other person entitled thereto, the Company need not thereafter despatch further cheques, warrants or instruments or use any other method of payment in payment of dividends or other moneys payable on or in respect of the share in question until the member or other person entitled thereto shall have communicated with the Company and supplied in writing to the Transfer Office an address or bank account for the purpose.

146. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.
147. The Directors may withhold payment of all dividends, bonuses and

other monies payable upon or in respect of shares in respect of which any person is, under the provisions of these presents as to transmission of shares, entitled to become a member or entitled to transfer those shares, until such person shall have become a member in respect of such shares or shall have elected to transfer and have transferred such shares.

148. (A) The Directors may, with the prior sanction of an Ordinary Resolution of the Company and subject to the provisions of this Article, operate a plan or plans for the benefit of the holders of shares under which the Directors may offer such holders one or more of the following options, in such manner and on such terms and conditions as the Directors may think fit:-

(a) the right to elect to receive additional shares of the same class credited as fully paid in lieu of receiving the net cash amount due to them in respect of all or any part of any dividend declared or payable on all or any part of their holdings of shares, on the terms and conditions of any such plan; or

(b) in lieu of accepting the net cash amount due to them in respect of all or any part of any dividend declared or payable on all or any part of their holdings of shares, the right to elect either to invest such cash in subscribing for unissued shares of the same class in the capital of the Company payable in full or by instalments, or in paying up in full or by instalments any partly paid or unpaid shares of the same class issued by the Company and held by them from time to time, on the terms and conditions of any such plan; or

(c) any other option in respect of the whole or any part of

any dividend on all or any shares held by them as the Directors may in their absolute discretion determine.

The Ordinary Resolution shall confer the said power on the Directors in respect of all or part of a particular dividend or in respect of all or any dividends (or any part of such dividends) declared or paid within a specified period.

- (B) The Directors shall notify holders of shares of the terms and conditions of any such plan applicable to them and shall make available to or provide such holders with forms of election (in such form as the Directors may approve) whereby such holders may exercise any rights under any such plan. The Directors may determine that an election by a holder may be specified, or must be specified, to be a continuous mandate which need not be renewed annually or otherwise, and shall take effect until the mandate is revoked by the holder, in accordance with any procedure decided upon from time to time by the Directors.
- (C) Each holder of shares who elects to receive or subscribe for additional shares of the same class shall be entitled to receive or subscribe such whole number of additional shares, valued at the Issue Price (as defined below) for each share and ignoring any fraction of an additional share, as is as nearly as possible equal to (but not in excess of) the net cash amount of the dividend which such holder would otherwise have received, provided that the number of such additional shares so valued may, with the prior sanction of an Ordinary Resolution of the Company, exceed such cash amount. For the purpose of this Article the "Issue Price" of an additional share shall either be such price as is equal to the average of the middle market quotations for the shares of the same class of the Company as derived from the



Daily Official List of the London Stock Exchange during the period of five dealing days commencing on the day when such shares are first quoted "ex-dividend" or to the par value of a share (whichever is the higher) or shall be calculated in such other manner as may be determined by or in accordance with the Ordinary Resolution. A certificate or report by the Auditors as to the amount of the Issue Price in respect of any dividend, if required by the terms of the Ordinary Resolution or obtained for any other reason, shall in the absence of manifest error be conclusive evidence of that amount.

- (D) Following election by the holders of shares in accordance herewith, the Directors shall appropriate out of such of the sums standing to the credit of any of the Company's reserves (including any share premium account, capital redemption reserve or any other undistributable reserve) or any of the profits of the Company available for distribution in accordance with the Statutes an amount equal to the aggregate nominal value of the number of shares required to be allotted to such holders who have given notice of election as aforesaid and shall apply such amount in paying up in full such number of additional shares. The power conferred under this Article and by any authority given by the members shall not be exercised unless the Company shall then have, in order to give effect to the terms of any plan under which shares are to be allocated other than for cash, sufficient profits available for distribution or reserves or funds standing to the credit of an appropriate account. The obligation of the Directors to make such appropriation in respect of the shares of a particular member shall be subject to the right of the Directors under these Articles

to retain any dividend or other moneys payable on or in respect of the shares of such member.

- (E) The shares so allotted credited as fully paid shall not be entitled to participate in the dividend then being declared or paid but shall in all other respects rank *pari passu* with the fully paid shares of the same class then in issue.
- (F) The Directors may on any occasion determine that the rights of election hereunder shall be subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory. In addition, the Directors may, in their absolute discretion, suspend or terminate any plan which is in operation, notwithstanding that there may be elections outstanding pursuant to such plan.
- (G) The Directors may undertake and do such acts and things as they may consider necessary or expedient for the purpose of giving effect to the provisions of this Article, including (without limiting the foregoing) making such provisions as they may think fit in relation to any fraction of a share which may or would arise pursuant to the application of Article 148(C), including provisions whereby the benefit of fractional entitlements in whole or in part is disregarded or accrues to the Company and/or under which the benefit of fractional entitlements is accumulated on behalf of any holder of shares without entitlement to interest on terms that the relevant amount may subsequently be applied to the allotment by way of bonus or cash subscription on behalf of such holder of fully paid shares of the same class (or in payment to such holder in cash).

Any such allotment shall be made in accordance with the terms and conditions of any plan as if the amount applied were part of the cash amount of the dividend which the holder of shares would otherwise have received.

- (H) Any communication by the Directors to the members concerning any such plan, or any amendment thereto, including the notices referred to in this Article, may be by advertisement published in accordance with Article 168.
- (I) The provisions of this Article shall not apply so as to restrict or curtail the operation of any plan established prior to the date of adoption of these presents.

#### **RECORD DATE**

149. Notwithstanding any other provision of these presents the Company or the Directors may by Resolution specify any date (the "Record Date") as the date at the close of business on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and the Record Date may be on or at any time before the date on which the same is paid or made or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced. In the absence of a Record Date, entitlement to any dividend, distribution, interest, allotment or issue shall be determined by reference to the date on which the dividend or interest is declared or the distribution, allotment or issue is made. Nothing contained in this Article shall prejudice the rights *inter se* of transferors and transferees of any such shares or other securities.

#### **REVENUE RESERVES**

150. The Directors may from time to time before recommending any

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

#### **CAPITALISATION OF PROFITS AND RESERVES**

151. The Company may upon the recommendation of the Directors by Ordinary Resolution and subject as hereinafter provided, resolve to capitalise any part of the undistributed profits of the Company (whether or not the same are available for distribution) or any part of the sum standing to the credit of any of the Company's reserves (including share premium account and capital redemption reserve) or otherwise representing retained earnings, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend, and authorise the Directors to appropriate the profits or sum resolved to be capitalised to the Ordinary Shareholders in the proportion in which such profits or sum would have been divisible amongst them had the same been applied or been applicable in paying dividends on the Ordinary Shares and to apply such profits or sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by them respectively or in paying up in full unissued shares or

debentures or other securities or obligations of the Company of a nominal amount equal to such profits or sum, such shares or debentures or other securities or obligations to be allotted and distributed credited as fully paid up to and amongst them in the proportion aforesaid or partly in one way and partly in the other: Provided that any share premium account and capital redemption reserve and any profits which are not available for distribution may only be applied hereunder in the paying up of unissued shares to be allotted as fully paid.

152. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the profits or sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or documents or other securities (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions as they think fit for the case of shares or debentures or other securities becoming distributable in fractions (including provisions whereby any fractional entitlements which would arise on the basis aforesaid are disregarded or the benefit thereof accrues to the Company rather than to the members concerned) and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and for matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

153. (A) This Article (which is without prejudice to the generality of the provisions of the immediately preceding two Articles) applies:-
- (a) where a person is granted, pursuant to an employees' share scheme, a right to subscribe for shares in the Company in cash at a subscription price less than their

nominal value; and

- (b) where, pursuant to an employees' share scheme, the terms on which any person is entitled to subscribe in cash for shares in the Company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price is less than their nominal value.

(B) In any such case the Directors:

- (a) shall transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the shares ("the cash deficiency") from the profits or reserves of the Company which are available for distribution and not required for the payment of any preferential dividend; and
- (b) (subject to Article 153(D) below) shall not apply that reserve account for any purpose other than paying up the cash deficiency upon the allotment of those shares.

(C) Whenever the Company is required to allot shares pursuant to such a right to subscribe, the Directors shall (subject to the Statutes) appropriate to capital out of the reserve account an amount equal to the cash deficiency applicable to those shares, apply that amount in paying up the deficiency on the nominal value of those shares and allot those shares credited as fully paid up to the person entitled to them.

(D) If any person ceases to be entitled to subscribe for shares as described above, the restrictions on the reserve account shall cease to apply in relation to such part of the account as is equal to the amount of the cash deficiency applicable to those shares.

(E) No right shall be granted under any employees' share scheme

under Article 153(A)(a) and no adjustment shall be made as mentioned in Article 153(A)(b) unless there are sufficient profits or reserves of the Company available for distribution and not required for the payment of any preferential dividend to permit the transfer to a reserve account in accordance with this Article of an amount sufficient to pay up the cash deficiency applicable to the shares concerned.

### **MINUTES AND BOOKS**

154. The Directors shall cause Minutes to be made in books to be provided for the purpose:-

- (A) Of all appointments of officers made by the Directors;
- (B) Of the names of the Directors or their alternates and any other persons present at each meeting of Directors and of any committee formed under Article 119; and
- (C) Of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees formed under Article 119.

Any such Minute shall be conclusive evidence of any such proceedings if it purports to be signed by the chairman of the meeting at which the proceedings were had, or by the chairman of the next succeeding meeting.

155. Any register, index, minute book, book of account or other book required by these presents or the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

### **ACCOUNTS**

156. Accounting records sufficient to show and explain the Company's

transactions and otherwise complying with the Statutes shall be kept at the Office, or, subject to the Statutes, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.

157. The Directors shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

158. Subject to Article 159 a copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be attached or annexed thereto) and of the Directors' and the Auditors' reports shall not less than 21 days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these presents: Provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. Whenever a listing or quotation on any stock exchange for all or any of the shares or debentures or other securities of the Company shall for the time being be in force, there shall be forwarded to the appropriate office of such stock exchange such number of copies of such documents as may



for the time being be required under its regulations or practice.

159. The Company need not, subject to the provisions of the Statutes and the regulations for the time being of the London Stock Exchange so permitting and if the Directors so decide, send copies of the documents specified in Article 158 to those persons mentioned in that Article as being entitled to receive such document, but may instead send them a summary financial statement derived from the Company's annual accounts and the Directors' report, in such form and containing such information as may be required by the Statutes and the regulations of the London Stock Exchange and provided further that copies of the Company's annual accounts (together with the Directors' report and the Auditors' report on those accounts) shall be sent to any such person who wishes to receive them and the Company shall comply with any provisions of the Statutes as to the manner in which it is to ascertain whether such person (or any person proposing to become a holder of shares, debentures or other securities of the Company) wishes to receive them.

### AUDITORS

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

## NOTICES

162. Any notice or 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 in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of 24 hours (or where second class mail is employed, 48 hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
163. In respect of joint holdings all notices shall be given to that one of the joint holders whose name stands first in the Register of Members and notice so given shall be sufficient notice to all the joint-holders in their capacity as such. For such purposes a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.
164. A person entitled to a share in consequence of the death or bankruptcy of a member, upon such evidence being produced as may from time to time properly be required by the Directors to show his title to the share and upon supplying an address within the United Kingdom for the service of notices, shall, save as herein otherwise expressly provided,

be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company have notice of his death or bankruptcy or liquidation be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or joint holder.

165. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notice shall not be entitled to receive notice from the Company. If on three consecutive occasions notices have been sent through the post to any member at his registered address or his address for the service of notice but have been returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Transfer Office a new registered address or address within the United Kingdom for the service of notices.
166. The signature of any notice required to be given by the Company may be typed or printed or otherwise written.
167. Any notice required to be given by the Company to the members or any of them, and not expressly provided for by or pursuant to these presents, shall be sufficiently given if given by advertisement inserted

once in at least one national newspaper.

168. 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 notices sent through the post, a General Meeting may be convened by a notice advertised in at least one leading Scottish and one leading London daily newspaper published on the same date and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
169. The holders of share warrants shall not, unless otherwise expressed therein, be entitled in respect thereof to receive notices from the Company.
170. Nothing in any of the preceding eight Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.
171. Any notice or other document may be served or delivered by the Company by reference to the Register of Members as it stands at any time not more than 15 days before the date of service or delivery. No change in the Register of Members after that time shall invalidate that service or delivery.

#### **PROVISION FOR EMPLOYEES**

172. The Directors may by resolution exercise any power conferred by the Statutes 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.

## INDEMNITY

173. (A) Subject to the provisions of and so far as may be consistent with the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties and/or powers of office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which decree or judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which release is granted to him by the Court.
- (B) The Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company or any other company which is its holding company or subsidiary 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 or any such other holding company or subsidiary.

### WINDING UP

174. The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

175. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties or different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members of different classes of members. The Liquidator may, with like authority, vest any part of the assets in trustees upon such trust for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any share or other property in respect of which there is a liability.