

*A. K. Smith*  
**THE COMPANIES ACT 1985**

**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

of

**ROSYTH ROYAL DOCKYARD LIMITED**

**INTERPRETATION**



1 In these Articles unless the context otherwise requires:

(a) the following expressions shall bear the following respective meanings:

"A" Ordinary Shares" means the "A" Ordinary Shares of £1 each in the capital of the Company;

"these Articles" means these Articles of Association in their present form or as from time to time altered;

"Board" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present;

"Companies Acts" means every statute from time to time in force concerning companies insofar as the same applies to the Company (subject to Article 7(G)(2)).

"debenture" and "debenture holder" shall include debenture stock and debenture stockholder respectively;

"destruction" includes the demolition, infilling or alteration of an asset or any other action or process whereby an asset is rendered incapable of being used for any

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or the purposes for which it is being or has formerly been used other than any temporary incapacity for the purpose of maintaining, cleaning or repairing the asset in operation and "destroy" shall be construed accordingly;

"disposal" includes the sale, transfer and any other form of alienation of an asset or any interest in an asset, including by way of any option, trust, lease, licence, remuneration, parting with possession, or security and "dispose" and "disposed of" shall be construed accordingly;

"dividend" means any lawful form of distribution of profits (including by way of bonus);

"Director" means a director of the Company (and includes where appropriate any person occupying the position of director by whatever name called);

"Executive Director" means an Executive Chairman, Chief Executive Director, Joint Chief Executive Director, Managing Director, Joint Managing Director or Assistant Managing Director or a Director who is the holder of any other employment or executive office with the Company;

"Government Nominee" means the Secretary of State or his nominee, the Lords Commissioners of Her Majesty's Treasury or their nominee or any other Minister of the Crown or his nominee;

"Member" means a member of the Company;

"Non-Voting Ordinary Shares" means the Non-Voting Ordinary Shares in the capital of the Company referred to in Article 7;

"Office" means the registered office of the Company;

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

"Register" means the Register of Members of the Company;

"Seal" means the common seal of the Company;

"Secretary" includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

"Secretary of State" means the Secretary of State for Defence or any person for the time being authorised by him;

"Securities Seal" means an official seal of the Company kept under section 40, Companies Act 1985;

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"security" includes any interest or equity of any person including, without prejudice to the generality of the foregoing, any right to acquire, option or right of pre-emption or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement.

"Share" means a share in the capital of the Company.

"Special Share" means the Special Share in the capital of the Company referred to in Article 2.

"Special Shareholder" means the Government Nominee who is for the time being the registered holder of the Special Share;

"Transfer Office" means the place where the Register is kept;

"United Kingdom" means the United Kingdom of Great Britain and Northern Ireland,

(b) references to writing shall include typewriting, printing, lithography, photography and (subject as mentioned in Article 139) other modes of representing or reproducing words in a legible form; and any words or expressions defined in the Companies Acts in force at the date when these Articles or any part thereof are adopted shall bear the same meaning in these Articles or such part (as the case may be);

(c) references to the Special Shareholder being required to act "reasonably" or not to act "unreasonably" (or any cognate term) shall be construed as if the test of reasonableness was an objective test of the reasonableness (or otherwise) of the Special Shareholder, and the test shall take into account such questions of public policy, national interest, national security and the international treaty obligations of the United Kingdom which might properly be expected to form part of the judgment of the Special Shareholder;

(d) where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective; and

(e) no regulation set out in any schedule to any statute or statutory instrument concerning companies shall apply as regulations or articles of the Company

## SHARE CAPITAL

2 The authorised share capital of the Company at the date of the adoption of these Articles is £250,001 divided into 49,998 "A" ordinary Shares of £1 each, 200,002 Ordinary Shares of £1 each, and one Special Share of £1 having the rights and privileges set out in Articles 6 and 7.

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## REGISTERED OFFICE

7 The Office shall be at such place in Scotland as the Board shall from time to time appoint.

## SHARE RIGHTS

4 Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.

5 Subject to the Companies Acts and to Articles 6 and 7, any preference shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed. The terms and manner of redemption shall be provided for by alteration of these Articles.

5A The holders of "A" Ordinary Shares shall:

(A) not be entitled to receive notice of or attend or vote at general meetings of the Company save for meetings of the holders of the "A" Ordinary Shares as a class;

(B) not be entitled to receive any dividend or share in the capital or profits of the Company, save as described below;

(C) on a distribution of capital in a winding-up of the Company, be entitled to repayment of the capital paid up on the "A" Ordinary Shares, if and only if capital falling due to be paid to the holder of the Special Share and a payment of at least £100,000,000 has been paid on a winding-up to holders of Ordinary Shares.

## SPECIAL SHARE RIGHTS : GENERAL

6 (A) The Special Share may be held only by and transferred only to a Government Nominee.

(B) Notwithstanding anything elsewhere contained in these Articles each of the following matters shall be deemed to be an alteration of the rights attaching to the Special Share and accordingly shall only be effective with the prior written consent of the Special Shareholder and without such consent shall not be done or caused to be done:-

(i) a resolution being passed or other effective action being taken by or on behalf of the

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- (iii) the amendment, or removal, or alteration of the effect of (which, for the avoidance of doubt, shall be taken to include the ratification of any breach of) all or any of the following:-

- in Article 1, the definitions in paragraph (a) of the "Special Share", the "Special Shareholder", the "Secretary of State", "Government Securities", "Non-Voting Ordinary Shares", "destruction", "disposal" and "security", and the provisions of paragraph (c);

- (b) **Article 5**

- by this Article 6:

- (d) **Article 7.**

- (c) Article 8;

- (f) **Article 9:**

- (g) Article 36;

- (ii) Article 55;

- (i) Article 63;

- (j) Article 64;

- (j) Article 76, so far as it applies to the Special Shareholder;

- (k) the second sentence of Article 80 so far as it requires the prior written consent of the Special Shareholder to the appointment, election, re-appointment or re-election of a Director;

- (d) Article 83;

- (m) Article 84:

- (11) Article 85;

- (c) Article 86(i):

- (p) Article 91:

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(g) Article 95;

(h) Article 97A;

(i) Article 99(B);

(j) Article 100;

(k) Article 101;

(l) Article 112;

(m) Article 115;

(n) Article 136; and

(o) Article 139;

(iv) the disposal or destruction (or the entering into of an agreement to dispose or destroy) by the Company or any of its subsidiaries of any of their respective assets which the Company has agreed is a Strategic Asset and remains so; and

(v) the voluntary closure or cessation of all or a material part of the business or undertaking of the Company and whether by a single transaction or series of transactions related or not.

(C) The Special Shareholder shall be entitled to receive notice of and attend and speak at any general meeting of the Company or at any meeting of any class of shareholders of the Company but, save in the circumstances referred to in paragraph (E) of this Article, the Special Share shall carry no right to vote at any such meeting.

(D) On a distribution of capital in a winding-up of the Company, the Special Shareholder shall be entitled to repayment of the capital paid up on the Special Share in priority to any repayment of capital to any other Member. The Special Share shall confer no other right to participate in the capital or profits of the Company.

(E) From and after the service of a notice by the Special Shareholder under Article 7(D)(1)(a) and/or 7(D)(2)(a) (but only if in consequence of which there are then no ordinary Shares in issue in the capital of the Company and not otherwise), the Special Shareholder shall (whether present in person or by proxy) be entitled to one vote on a show of hands at any general meeting of the Company and at any such meeting the presence of the Special Shareholder in person or by proxy shall (notwithstanding the provisions of Article 57) constitute a quorum and he shall be entitled to propose any resolution which may be put to the meeting. The Special Shareholder shall also be entitled to appoint a chairman of any such meeting.

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(1)(f) Subject to the provisions of the Companies Acts, a Special Shareholder may, by notice in writing served on the Company at any time after the Relevant Event, require the Company to redeem the Special Share at par.

(2) If the Special Shareholder shall fail to exercise the right granted to it by Article 6(F)(1) above by the expiry of 28 days after the Relevant Event, the Company may, by notice in writing served on the Special Shareholder at any time after the expiry of such period, give notice to the Special Shareholder that it intends, subject to the provisions of the Companies Acts, to redeem the Special Share at par on a date to be specified in such notice, being not less than 28 days after the date thereof, and requesting the Special Shareholder's written consent thereto.

(3) The Special Shareholder may refuse its consent to any request served by the Company in terms of Article 6(F)(2) above if, but only if, it determines that the Relevant Event has not taken place. Such determination shall be at the sole discretion of the Special Shareholder and shall not be subject to challenge on any ground by the Company.

(4) Any notice given pursuant to this Article 6(F) requiring or proposing the redemption of the Special Share shall specify the time and place at which such redemption, or proposed redemption, is to take place.

(5) For the purposes of this Article 6(F):-

(a) the expression "Relevant Event" shall mean the Programme Acceptance Date arising under the final Nuclear Submarine Refit Project Contract and/or the final DDLP Project Contract placed by the Secretary of State with Babcock Rosyth Defence Limited at Rosyth Royal Dockyard;

(b) the expressions "Project Contract", "DDLp" and "Programme Acceptance Date" shall have the meanings given to them in the Enabling Agreement entered into between (1) the Secretary of State and (2) Babcock Rosyth Defence Limited dated of even date with the Company's adoption of these Articles of Association and providing for the terms on which Babcock Rosyth Defence Limited is to carry out certain work placed (other than by competitive tender) at Rosyth Royal Dockyard on behalf of the Secretary of State; and

(c) the provisions of Article 7(G)(2) shall not apply.

#### **SPECIAL SHARE RIGHTS: UNDESIRABLE INFLUENCE ETC.**

7 (A) It is a cardinal principle that the Company is free from any ownership, influence or control (whether domestic or foreign) which the Special Shareholder in its absolute

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provide such evidence or give such further information as to the matters referred to in the Ownership Declaration as they think fit.

- (f) notwithstanding anything contained in paragraph (a) above, the Directors shall notify the Special Shareholder forthwith of any proposed transfer of Shares or any proposed registration of any person as a holder of a Share (and supply a copy of such Ownership Declaration(s), such evidence and of such further information as they receive pursuant to paragraph (a) and shall not register such transfer or effect such registration if, within the period of 28 days following their delivery of a copy of the Ownership Declaration to the Special Shareholder or (if later) their delivery of such evidence or further information as they may have requested as to the matters referred to in the Ownership Declaration (or such longer period as the Special Shareholder shall notify the Directors that it requires in order to consider whether to exercise its rights hereunder), the Company shall have received a written notification from the Special Shareholder in accordance with Article 7(D)(2)(e), and
- (g) each Member shall forthwith notify the Special Shareholder of any disposal or agreement to dispose of Shares together with full details thereof including, without limit, details of the number of Shares so disposed of (or to be disposed of) and the name and address of the donee or proposed donee
- (4) The Special Shareholder's rights under paragraphs (a) and/or (b) of Article 7(B)(1) and 7(B)(2) and (3) are cumulative and any failure to exercise or delay in exercising them or any of them will not constitute a waiver by the Special Shareholder of its rights contained in Articles 7(C), 7(D)(1), 7(D)(2), 7(E) and/or 86(1) or otherwise restrict its ability to exercise such rights by reference to the circumstances which had then given rise to such rights. Each Member shall promptly comply with any requests made by the Special Shareholder from time to time under paragraphs (a) and (b) of Article 7(B)(1).

(C) If at any time (regardless of whether such circumstances fall within the provisions of paragraphs (a) and (b) of Article 7(B)(1) or whether such rights to information therein contained have been exercised or not) either:

- (1) the number of Shares which are Foreign-held Shares together carry thirty (30) per cent or more of the votes which are (whether ordinarily or only in specified circumstances) eligible to be cast on a poll at general meetings of the Company (or such circumstances are deemed to have arisen by virtue of Article 7(D)(1)); or
- (2) thirty (30) per cent or more of the Directors are for the time being accustomed to act, directly or indirectly, in accordance with the suggestions, instructions or directions of Foreigners and/or Foreign Corporations and/or Entities under Foreign Control (or such circumstances are deemed to have arisen by virtue of Article 7(D)(1)); or
- (3) thirty (30) per cent or more of the voting rights exercisable by the Directors are for

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the time being exercisable or controlled by Foreigners and or Foreign Corporations and or Entities under Foreign Control or by persons accustomed to act, directly or indirectly, in accordance with the suggestions, instructions or directions of Foreigners and or Foreign Corporations and or Entities under Foreign Control (or such circumstances are deemed to have arisen by virtue of Article 7(D) or

- (4) the Special Shareholder in its sole and absolute opinion considers that any other circumstances whatsoever have arisen or may or will arise (whether or not such circumstances fall or may fall within the scope of any or all of Articles 7(C)(1), (2) or (3)) which do, will or may constitute unacceptable ownership, influence or control (whether domestic or foreign) over the Company;

and in any such case the Special Shareholder certifies at any time thereafter that in its sole and absolute opinion such circumstances are contrary to the essential security interests of the United Kingdom then the Special Shareholder shall have the rights specified in Articles 7(D)(2) and 86(i) below. The Special Shareholder shall in such circumstances also have the rights referred to in Article 7(D)(1)(a) to the extent that such rights have not already been exercised.

- (D)(1) (a) The Special Shareholder shall be entitled to assume, unless and until it is established to the contrary to the sole and absolute satisfaction of the Special Shareholder, that any of the circumstances set out in Articles 7(C)(1), (2), (3) or (4) have arisen (or will arise upon any transfer of Shares or in any other circumstances) and such circumstances shall accordingly then be deemed to have arisen and to continue for the purposes of these Articles from the time when a written notice to that effect has been given by the Special Shareholder to the Company identifying (if applicable and where possible) the Share or Shares to which the notice relates (the "Affected Shares") and/or the Directors to which the notice relates (the "Affected Directors") until the time when a further written notice is given by the Special Shareholder to the Company in relation to (as applicable) the Affected Shares and/or the Affected Directors confirming that (in relation to those Affected Shares and/or Affected Directors so specified) it had then been established to the absolute satisfaction of the Special Shareholder either that such circumstances had not arisen or (if they had) that they had subsequently ceased to apply.
- (b) The Special Shareholder shall be entitled to assume, unless and until the Owner of a Share establishes the contrary to the absolute satisfaction of the Special Shareholder, that any Share is a Foreign-held Share and any Share shall be deemed to be a Foreign-held Share for the purpose of these Articles from the time when a written notice to that effect has been given by the Special Shareholder to the Company until it is established to the absolute satisfaction of the Special Shareholder that such Share is not a Foreign-held Share as aforesaid.

- (2) In the circumstances described in Article 7(C) and/or on the occurrence of a Notifiable Event:-

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WITNESSED AND SIGNED BY THE SPECIAL SHAREHOLDER

- (a) the Special Shareholder may in its absolute discretion and without giving any reason therefor either in the notice given under Article 7(d)(1)(a) or at any time thereafter serve upon the Company at the Office a notice in writing requiring all or such part as may be specified in such notice of the Affected Shares to be converted into Non-Voting Ordinary Shares of the same nominal amount. Forthwith upon service of such notice, the Affected Shares so specified shall stand converted into, and be re-designated as, Non-Voting Ordinary Shares in the capital of the Company of the same nominal amount having attached thereto the rights and privileges and being subject to the restrictions set out or referred to in paragraph (f) of this Article 7;
- (b) without prejudice to its right to effect a conversion of Affected Shares into Non-Voting Ordinary Shares pursuant to paragraph (a) above, the Special Shareholder may at any time thereafter by written notice to the Company, request any of the Members or any Owners, or any of their respective directors, employees or agents to make such arrangements within such time limit as the Special Shareholder shall in its entire discretion consider appropriate to procure that such circumstances cease to apply (including, without limitation, the reduction of the number of Foreign-held Shares, the transfer of Shares to a third party acceptable to the Special Shareholder and/or the removal, appointment or substitution of any directors of the Company, any of the Members or any of the Owners). The Special Shareholder will endeavour to give to the Company, such Members and/or such Owners (as the case may be) at least three months in which to make or procure the making of the arrangements specified in the written notice referred to above commencing from the time when the Special Shareholder gives its written notice as aforesaid, but without prejudice to the right of the Special Shareholder to effect a conversion of Affected Shares into Non-Voting Ordinary Shares at any time (whether before or after any such notice has been given) pursuant to paragraph (a) above. The Special Shareholder shall be entitled to assume that the circumstances referred to above are continuing until such parties establish to the absolute satisfaction of the Special Shareholder either that such circumstances have not arisen or have ceased to apply. Any conversion of Affected Shares into Non-Voting Ordinary Shares pursuant to the above provisions shall be unaffected even if the circumstances or alleged circumstances by reason of which they were originally converted are subsequently shown not to have arisen or if having arisen have subsequently ceased to apply;
- (c) without prejudice to its rights pursuant to paragraphs (a) and/or (b) above and/or (d) below, the Special Shareholder may by written notice to the Company, direct that the Board refuse to register any transfer or proposed transfer of Shares (or Non Voting Ordinary Shares) to any particular transferee or transferees; and/or
- (d) without prejudice to its rights pursuant to paragraphs (a), (b) and/or (c) above, the Special Shareholder may require, by written notice to the Company, the

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transfer of Notified Affected Shares as deemed in and in accordance with the provisions of paragraph (E) below.

- (3) The Special Shareholder's rights under paragraphs (a), (b), (c) and/or (d) of Article 7(D)(2) are cumulative. Any exercise of or failure to exercise or delay in exercising the right of the Special Shareholder to serve a notice pursuant to paragraph (D)(2) of this Article on the occurrence of a Notifiable Event and/or those circumstances set out in paragraphs (C) and/or (D)(1) of this Article shall not in any way constitute a waiver of or otherwise prejudice or affect its right to serve such notice on the occurrence of any other such Notifiable Event or circumstance or on any re-occurrence of that Notifiable Event or circumstance or (in the case of any such delay as aforesaid) in relation to that Notifiable Event or circumstance.
- (4) No notification, statement or certificate issued by the Special Shareholder for any purpose of this Article 7 shall be required to contain any reasons and any such notification, statement or certificate shall be conclusive evidence for all purposes that circumstances have arisen entitling the Special Shareholder to issue such notification, statement or certificate and accordingly any such notification, statement or certificate shall be binding and the validity thereof shall not be called into question by any person in any proceedings or otherwise howsoever.
- (E)(1) At any time after any Shares shall have been converted into Non-Voting Ordinary Shares, or, in the case of any other Shares, at any time on the occurrence of a Notifiable Event or in the circumstances described in paragraph (C) of this Article, the Board shall, if the Special Shareholder so requests, serve upon the registered holder (such registered holder being hereinafter referred to as the "Holder") of such Shares (such Shares being hereinafter referred to as the "Notified Affected Shares") a notice requiring him to transfer the Notified Affected Shares to such person as shall be specified in such notice and as the Special Shareholder shall previously have specified in writing including, for the avoidance of doubt, a Government Nominee (such person being hereinafter referred to as the "Approved Transferee") within 24 hours (or such other period as the Special Shareholder may agree in writing) from the time at which such notice is served by virtue of these Articles and for a consideration equal to the Price (as hereinafter defined).
- (2) For the purposes of deciding whether or not to exercise the right contained in paragraph (1) the Special Shareholder may at any time and at the Company's expense, require the Board to appoint an international firm of chartered accountants selected by the Special Shareholder (the "Valuers") to determine what in their view they consider to be a fair value for the Notified Affected Shares (the "Price") on the basis (whether or not this be the case) (i) of a sale of the Notified Affected Shares between a willing seller and a willing purchaser, (ii) that the conversion of any Notified Affected Shares into Non-Voting Ordinary Shares had not taken place, (iii) that the Notified Affected Shares were being sold free of all liens, charges and encumbrances, (iv) that no discount or premium be granted by virtue of the fact (if such be the case) that the Notified Affected Shares constituted a minority or controlling stake in the Company

and on such other assumptions as the Valuers consider reasonable and appropriate in all the circumstances. The Valuers shall deliver a copy of their determination of such Price to the Board and the Special Shareholder and in the event that any transfer is required to be made pursuant to paragraph (1) not later than six months from the date of the notice set out in paragraph (1) requiring the Holder to transfer the Notified Affected Shares.

- (3) Before the Special Shareholder exercises its right contained in paragraph (1) the Approved Transferee must confirm in writing to the Board and to the Special Shareholder that it is willing to purchase the Notified Affected Shares at the price to be determined in accordance with paragraph (2) and that upon exercise of the right conferred by paragraph (1) it will become bound to do so.
- (4) Upon exercise of the Special Shareholder's right contained in paragraph (1) the Holder shall thereupon become obliged to sell and the Approved Transferee shall be obliged to purchase the Notified Affected Shares at the Price. Completion of the sale and purchase shall take place as directed by the Special Shareholder where in return for a banker's draft drawn on a London or Scottish Clearing Bank in favour of the Holder (or as it may direct) for the Price the Holder shall be obliged to execute a transfer of the Notified Affected Shares in favour of the Approved Transferee together with the relevant share certificates or an acceptable indemnity in lieu thereof.
- (5) If in any case a Holder having become bound to transfer any Notified Affected Shares in accordance with paragraph (4) of this Article shall make default in so doing, the Board shall authorise some person to execute on behalf of such Holder any necessary transfer and/or indemnity and shall (following payment of stamp duty) thereupon cause the name of the Approved Transferee to be entered in the Register as the holder of such Notified Affected Shares and the Company may receive the Price in trust for the Holder (which it shall pay into a separate bank account in the Company's name). The receipt of the Company for the Price shall be a good discharge to the Approved Transferee (who shall not be bound to see to the application thereof). After the name of the Approved Transferee shall have been entered in the Register in the exercise or purported exercise of the powers conferred by this Article, the title of the approved transferee to such shares shall not be affected by any irregularity or invalidity in the proceedings.
- (6) Forthwith upon any transfer of Notified Affected Shares which are Non-Voting Ordinary Shares pursuant to the provisions of this paragraph (6) the same shall be forthwith converted into and redesignated as Shares of the same class as, having the same rights and restrictions as, and of the same nominal amount as, immediately prior to their conversion into, and redesignation as, Non-Voting Ordinary Shares.
- (7) The rights, privileges and restrictions attaching to the Non Voting Ordinary Shares shall be the same as those attaching to the ordinary Shares in the capital of the Company save as follows:-

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## (i) Voting

The holders of the Non-Voting Ordinary Shares are not entitled to receive notice of or to attend or vote at any general meeting of the Company.

## (iii) Redemption

The Company may at its option subject to the Companies Acts and without obtaining the consent or sanction of the holders of the Non-Voting Ordinary Shares at any time and from time to time redeem all or any of the Non-Voting Ordinary Shares then in issue at the Price (as defined in Article 7(E)(2)) upon giving to the registered holders of such share or shares not less than 28 days' previous notice in writing of its intention so to do fixing a time and place for such redemption.

## (iii) Cancellation

The Company may subject to the Companies Acts and without obtaining the consent or sanction of the holders of the Non-Voting Ordinary Shares cancel all or any of the Non-Voting Ordinary Shares on payment of the Price (as defined in Article 7(E)(2)).

(G) For the purposes of this Article 7 and Article 6, unless the context otherwise requires, the following words and expressions shall have the following meanings -

- (i) "Entity under Foreign Control" means any legal entity or structure of any kind wheresoever formed and whether having a separate legal personality or not (other than a Foreign Corporation)
  - (a) of which Foreigners and/or Foreign Corporations for the time being hold or are otherwise interested in shares or other securities carrying thirty per cent or more of the votes which are eligible to be cast on a poll at general meetings of that entity (whether ordinarily or only in specified circumstances); and/or
  - (b) of which thirty per cent or more of the directors (or persons occupying the position of directors by whatever name called) are Foreigners and/or Foreign Corporations or are for the time being accustomed to act, directly or indirectly, in accordance with the suggestions, instructions or directions of Foreigners and/or Foreign Corporations; and/or
  - (c) in respect of which thirty per cent or more of the voting rights exercisable by its directors (or persons occupying the position of such directors by whatever name called) are for the time being exercisable or controlled by Foreigners and/or Foreign Corporations and/or

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persons accustomed to act, directly or indirectly, in accordance with the suggestions, instructions or directions of Foreigners and/or Foreign Corporations; and/or

- (d) where the person or persons entitled to receive or to direct or to allocate (ordinarily or only in specified circumstances) or are otherwise interested, directly or indirectly, in thirty per cent or more of the revenues, profits, assets, capital and/or voting rights of such entity and/or are to meet or contribute, directly or indirectly, towards thirty per cent or more of the losses or liabilities of such entity are or are accustomed to act, directly or indirectly, in accordance with the suggestions, instructions or directions of Foreigners and/or Foreign Corporations; and/or
- (e) (whether or not any of the circumstances referred to in any or all of paragraphs (a), (b), (c) or (d) above apply) which the Special Shareholder certifies at any time is or is deemed to be an Entity under Foreign Control for the purposes of these Articles;
- (ii) "Foreigner" means any individual who is not a British citizen, a British Dependent Territories citizen or a British Overseas citizen by virtue of the British Nationality Act 1981;
- (iii) "Foreign Corporation" means:
  - (a) any body corporate other than a body corporate which is incorporated under the laws of any part of and which has its principal place of business or central management and control in the United Kingdom and any subsidiary undertaking of any such first mentioned body corporate; or
  - (b) a government or government department or government agency or body other than of the United Kingdom or any part thereof; or
  - (c) any quasi governmental agency, authority or body (whether supranational, national, regional, inter-governmental or otherwise) other than of or including the United Kingdom or any part thereof; or
  - (d) any municipal, local, statutory or other authority or any undertaking or body established in any country other than the United Kingdom;
- (iv) "Foreign-held Share" means any Share of which any Owner is a Foreigner or a Foreign Corporation or an Entity under Foreign Control and shall include (without limitation) any Share which by virtue of Article 7(D)(1)(b) is deemed to be a Foreign-held Share;

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(v) "Interest" means (a) in connection with a body corporate, an interest (of any size) in any of the shares of the body corporate in question (which, without prejudice to the generality of the foregoing and for the avoidance of doubt, shall include the Company and/or any body corporate referred to in Article 7(G)(i)(iii)) which would be taken into account or (where the body corporate in question is not a public company) would if such body corporate were a public company be taken into account in deciding whether a notification to the body corporate in question would be required under Part VI of the Companies Act 1985 if such shares formed part of the relevant share capital of such body corporate within the meaning of Section 198(2) of the Companies Act 1985 but shall for all purposes include the interests referred to in Section 209(1)(a), (b), (c), (e) and (g) of the Companies Act 1985 (except those of a bare or custodian trustee under the laws of England, or of a simple trustee under the laws of Scotland)); Provided that in determining whether a person is taken to be interested in shares, (1) if a body corporate is interested in them pursuant to Sections 203(2) and/or 203(3) of the Companies Act 1985, the references in Sections 203(2)(b) and 203(3) to the words "one-third" shall be treated as if they were references instead to the words "thirty per cent.", and (2) a person is to be taken to be interested in shares if an undertaking in which that person has an interest is interested in them; or (b) in connection with an undertaking, an interest (direct or indirect) of whatever kind and of whatever size in any right to share in the capital, profits, or liabilities or to contribute to the losses of such undertaking or giving rise to an obligation to contribute to the debts or expenses of the undertaking in the event of a winding up of such undertaking; and "interested" shall be construed accordingly;

(vi) "Notifiable Event" means a default by or on behalf of the Company or any Member in the observance of any of the special rights attached to the Special Share (including, without limit, the special rights attaching to the Special Share set out in paragraphs B(i) to B(v) (inclusive) of Article 6) and the issue by the Special Shareholder of a certificate stating that (a) such event is to be regarded as a Notifiable Event and (b) in the Special Shareholder's sole and absolute opinion, the occurrence of such event is contrary to the essential security interests of the United Kingdom;

(vii) "Owner" means:-

- (a) any person who holds, whether alone or jointly with any other person, any Share; or
- (b) any person on whose behalf any Share is, directly or indirectly, held or with or to whom any holder of any Share has agreed or committed himself or become obliged (whether or not in a manner which is legally binding) to exercise or to refrain from exercising voting rights attaching thereto in accordance with that person's suggestions, instructions or directions; or



(c) any person who is otherwise howsoever interested directly or indirectly in any Share.

(viii) "person" includes an individual, a partnership, a body of trustees, an unincorporated association, any other undertaking or body which is not a body corporate, a body corporate, a government, a government department, a government agency or body, a quasi governmental agency, authority or body (whether supra-national, national, regional, inter-governmental or otherwise), and a municipal, local or statutory body but does not include the Government of the United Kingdom or any department thereof or anyone acting on behalf of such Government or department including any minister or official thereof in his ministerial or official capacity;

(ix) "subsidiary undertaking" shall have the meaning ascribed to it in Section 258 of the Companies Act 1985; and

(x) "undertaking" means an unincorporated association or any other undertaking or body which is not a body corporate.

(2) References in this Article 7 or Article 6 to any provision of the Companies Act 1985 or to any expression defined therein shall be to that provision or expression as defined at the date of the adoption of this Article notwithstanding any subsequent repeal, modification or re enactment of such provision.

### MODIFICATION OF RIGHTS

8. Subject to the Companies Acts, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares or, in the case of the Special Share, with the written consent of the Special Shareholder. To any such separate general meeting, all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any meeting of such holders adjourned through want of a quorum one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and, for the purposes of this Article, one holder present in person or by proxy may constitute a meeting.

9. Subject to the provisions of Articles 6 and 7, the special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation

END ARTICLE

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or issue of further shares ranking pari passu therewith.

## SHARES

10. Subject to the provisions of the Companies Acts and these Articles the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and upon such terms and conditions as the Board may determine.

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

12. Except as ordered by a Court of competent jurisdiction or 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 be required 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 otherwise provided by these Articles or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

## CERTIFICATES

13. Every person whose name is entered as a holder of any share in the Register shall be entitled, without payment, to receive within two months after allotment or lodgment of the transfer to him of the shares in respect of which he is so registered (or within such other period as the terms of issue shall provide) one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the Board may from time to time determine: Provided always that the Company shall not be bound to issue more than one certificate in respect of a share held jointly by several persons and delivery thereof to one of several joint holders shall be sufficient delivery to all. A Member who has sold or transferred part of the shares comprised in his holding shall be entitled to a certificate for the balance without charge. Delivery of a certificate to the broker or agent acting in regard to the purchase, sale or transfer of shares to whom it relates shall be sufficient delivery to the purchaser, transferee, or, as the case may be, the Member. The Company shall in no case be bound to register more than four persons as the joint holders of any share.

14. If a share certificate is defaced, worn out, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and out-of-pocket expenses of the Company of investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement or wearing out, on delivery of the old certificate to the Company.

15. Every certificate for shares or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal (unless the Board shall resolve not to have a Seal pursuant to Article 121(B)) or the Securities Seal and (subject as hereinafter provided) shall bear the autographic signatures of at least one Director and of the Secretary or some other person appointed by the Board for the purpose, provided always that the Board may by resolution determine, either generally or in any particular case or cases, that any of such signatures as aforesaid need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

### LIEN

16. 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 date fixed by or in accordance with the terms of issue of such share in respect of such share; and, subject to the provisions of the Companies Acts, the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Member (whether singly or jointly with any other person or persons) for all the debts and liabilities of such Member or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Member, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be wholly or in part exempt from the provisions of this Article.

17. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable and until after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share and default in payment shall have been made for fourteen days after the service of such notice.

18. The net proceeds of the sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale, the Board may authorise some person to transfer the share sold to or in accordance with the directions of the purchaser thereof. Subject to such of the restrictions of these Articles as may be applicable and subject to Article 35, the purchaser shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money, nor shall his title

to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### CALLS ON SHARES

19. The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the terms of issue thereof made payable at the date fixed by or in accordance with such terms of issue, and each Member shall (subject to the Company serving upon him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine. A Member shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

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

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

22. If a sum called in respect of a share or an instalment thereof shall not be 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 (unless the Company by ordinary resolution shall otherwise direct) 25 per cent per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

23. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal value of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum has become payable by virtue of a call duly made and notified.

24. The Board may, on the issue of shares, differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

25. The Board may, if it thinks fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and, upon all or any of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 12 per cent per annum as may be agreed upon between the Board and the Member paying such sum in advance. Except in a liquidation, sums paid in

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COMPANY SECRETARY

advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up on the shares in respect of which they have been paid.

## FORFEITURE OF SHARES

26. If a Member or a person entitled to a share by transmission fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.

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

28. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

29. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share or the person entitled to the share by transmission, as the case may be, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

30. Until cancelled in accordance with the requirements of the Companies Acts a forfeited share shall be deemed to be the property of the Company and may, subject to the provisions of the Companies Acts and these Articles, be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit and, at any time before a sale, re allotment or other disposition, the forfeiture may be cancelled on such terms as the Board may think fit.

31. A person whose shares have been forfeited shall thereupon cease to be a member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the share with interest thereon at the rate of 12 per cent. per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and

the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.

32. 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 on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or other disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon, subject to such of the restrictions of these Articles as may be applicable, 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 relating to the forfeiture, sale, re-allotment or disposal of the share. The person who becomes registered as the holder of the share shall be discharged from all calls made before such sale, re-allotment or disposal of the share.

33. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Companies Acts given or imposed in the case of past Members.

### TRANSFER OF SHARES

34. (A) Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of its shares by an instrument of transfer in the usual common form or in any other form which the Board may approve.

(B) Any authority to sign an instrument of transfer granted by a Member for the purpose of transferring shares which may be lodged, produced or exhibited with or to the Company at the Transfer Office shall, as between the Company and the grantor of such authority, be taken and deemed to continue and remain in full force and effect and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the Transfer Office at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notice, the Company shall be entitled to give effect to any instrument signed under the authority to sign and certified by any officer of the Company as being in order before the giving and lodging of such notice. The Company shall not be bound to allow the exercise of any act or matter by an agent for a Member, unless a duly certified copy of such agent's authority be deposited at the Transfer Office.

35. The instrument of transfer of a share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in

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Notwithstanding, All instruments of transfer, when registered, may be retained by the Company

76. The Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any ordinary Share or Non Voting Ordinary Share which is not a fully paid share. The Board may not decline to register and shall register any transfer of the Special Share to a Government Nominee or any transfer of Notified Affected Shares pursuant to Article 71(E) above.

37. No transfer of any share shall be made to a minor, bankrupt or person who is mentally disordered or a patient for any purpose of any statute relating to mental health.

38. Subject to Article 36, the Board may also decline to register any transfer unless:

- (a) the instrument of transfer, duly stamped, is lodged with the Transfer Office or such other place as the Board may determine, accompanied by the certificate for the shares to which it relates, (except, if the transfer is made by a Stock Exchange Nominee, to the extent only that certificates have been issued to such nominee) and such other evidence as the Board 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, if not previously deposited with the Company);
- (b) the instrument of transfer is in respect of only one class of share, and
- (c) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

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

(B) The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

40. No fee shall be charged by the Company for registering any transfer, confirmation, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, arrestment, order of court or other instrument relating to or affecting the title to any share, or otherwise making any entry in the Register relating to any share.

## TRANSMISSION OF SHARES

41 In the case of the death of a Member, where the deceased was a joint holder, the survivor or survivors and, where he was a sole holder, the executors or administrators of the deceased shall be the only persons recognised by the Company as having any title to his

herein contained shall release the estate of a deceased holder whether sole or joint, from any liability in respect of any share which had been solely or jointly held by him.

42. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may, subject as hereinafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the holder thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a written notice signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing an instrument of transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Member.

43. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof. Provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within sixty days, the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

## STOCK

44. The Company may from time to time by ordinary resolution convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class in the capital of the Company into stock any shares of that class which subsequently become fully paid up and rank pari passu in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.

45. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the



transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.

46. The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such rights (except as to participation to dividends and in assets on a reduction of capital or a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.

47. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" herein shall include "stock" and "stockholder" respectively.

### INCREASE OF CAPITAL

48. Subject to such of the restrictions of these Articles as shall be applicable, the Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts and with such rights and privileges annexed thereto as the resolution shall prescribe.

49. Subject to the provisions of the Companies Acts and these Articles, the Company may, by the resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Acts) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to the issue of the new shares.

50. Subject to the provisions of these Articles, the new shares shall be subject to all the provisions of these Articles with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise.

### ALTERATIONS OF CAPITAL

51. Subject to the provisions of these Articles, the Company may from time to time by ordinary resolution:-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) 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 Companies Acts) and

so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from the sub-division one or more of the shares may have any such preferred or other special rights over, or may have such qualified or deferred rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares.

(c) 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 authorised share capital by the amount of the shares so cancelled.

and may also by Special Resolution:

(d) subject to any confirmation or consent required by law, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner

Subject to compliance with the terms of any such resolution as is referred to in this Article, where any difficulty arises in regard to any consolidation and division under paragraph (a) of this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

## GENERAL MEETINGS

52. The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.

53. The Board may, whenever it thinks fit, and in accordance with the Companies Acts, convene an extraordinary general meeting.

## NOTICE OF GENERAL MEETINGS

54. (A) An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice in writing. Any other meeting shall be called by not less than fourteen days' written notice.

(B) The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, day and time of meeting

END Articles

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and, in the case of special business, the general nature of that business

(C) The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or, as the case may be, extraordinary resolution.

(D) Subject to the provisions of the Companies Acts, notice of every general meeting shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to each of the Directors and to the Auditors for the time being of the Company.

(E) In every notice convening a meeting, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him and that a proxy need not be a Member.

Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Article, it shall be deemed to have been duly called if it is so agreed

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

55. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice (other than the Special Shareholder) shall not invalidate the proceedings of that meeting. Any omission (whether accidental or not) to give or send, or any non-receipt of, any such notice or instrument as aforesaid to or by the Special Shareholder shall (unless the Special Shareholder agrees otherwise) invalidate the proceedings of the meeting in question.

## PROCEEDINGS AT GENERAL MEETINGS

56. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of:

- (a) the declaration of dividends;

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1999-2000-2001-2002-2003-2004-2005-2006-2007-2008-2009-2010-2011-2012-2013-2014-2015-2016-2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-2544-2545-2546-2547-2548-2549-2550-2551-2552-2553-2554-2555-2556-2557-2558-2559-2560-2561-2562-2563-2564-2565-2566-2567-2568-2569-2570-2571-2572-2573-2574-2575-2576-2577-2578-2579-2580-2581-2582-2583-2584-2585-2586-2587-2588-2589-2590-2591-2592-2593-2594-2595-2596-2597-2598-2599-2600-2601-2602-2603-2604-2605-2606-2607-2608-2609-2610-2611-2612-2613-2614-2615-2616-2617-2618-2619-2620-2621-2622-2623-2624-2625-2626-2627-2628-2629-2630-2631-2632-2633-2634-2635-2636-2637-2638-2639-2640-2641-2642-2643-2644-2645-2646-2647-2648-2649-2650-2651-2652-2653-2654-2655-2656-2657-2658-2659-2660-2661-2662-2663-2664-2665-2666-2667-2668-2669-2670-2671-2672-2673-2674-2675-2676-2677-2678-2679-2680-2681-2682-2683-2684-2685-2686-2687-2688-2689-2690-2691-2692-2693-2694-2695-2696-2697-2698-2699-2700-2701-2702-2703-2704-2705-2706-2707-2708-2709-2710-2711-2712-2713-2714-2715-2716-2717-2718-2719-2720-2721-2722-2723-2724-2725-2726-2727-2728-2729-2730-2731-2732-2733-2734-2735-2736-2737-2738-2739-2740-2741-2742-2743-2744-2745-2746-2747-2748-2749-2750-2751-2752-2753-2754-2755-2756-2757-2758-2759-2760-2761-2762-2763-2764-2765-2766-2767-2768-2769-2770-2771-2772-2773-2774-2775-2776-2777-2778-2779-2780-2781-2782-2783-2784-2785-2786-2787-2788-2789-2790-2791-2792-2793-2794-2795-2796-2797-2798-2799-2800-2801-2802-2803-2804-2805-2806-2807-2808-2809-2810-2811-2812-2813-2814-2815-2816-2817-2818-2819-2820-2821-2822-2823-2824-2825-2826-2827-2828-2829-2830-2831-2832-2833-2834-2835-2836-2837-2838-2839-2840-2841-2842-2843-2844-2845-2846-2847-2848-2849-2850-2851-2852-2853-2854-2855-2856-2857-2858-2859-2860-2861-2862-2863-2864-2865-2866-2867-2868-2869-2870-2871-2872-2873-2874-2875-2876-2877-2878-2879-2880-2881-2882-2883-2884-2885-2886-2887-2888-2889-2890-2891-2892-2893-2894-2895-2896-2897-2898-2899-2900-2901-2902-2903-2904-2905-2906-2907-2908-2909-2910-2911-2912-2913-2914-2915-2916-2917-2918-2919-2920-2921-2922-2923-2924-2925-2926-2927-2928-2929-2930-2931-2932-2933-2934-2935-2936-2937-2938-2939-2940-2941-2942-2943-2944-2945-2946-2947-2948-2949-2950-2951-2952-2953-2954-2955-2956-2957-2958-2959-2960-2961-2962-2963-2964-2965-2966-2967-2968-2969-2970-2971-2972-2973-2974-2975-2976-2977-2978-2979-2980-2981-2982-2983-2984-2985-2986-2987-2988-2989-2990-2991-2992-2993-2994-2995-2996-2997-2998-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3999-4000-4001-4002-4003-4004-4005-4006-4007-4008-4009-4010-4011-4012-4013-4014-4015-4016-4017-4018-4019-4020-4021-4022-4023-4024-4025-4026-4027-4028-4029-4030-4031-4032-4033-4034-4035-4036-4037-4038-4039-4040-4041-4042-4043-4044-4045-4046-4047-4048-4049-4050-4051-4052-4053-4054-4055-4056-4057-4058-4059-4060-4061-4062-4063-4064-4065-4066-4067-4068-4069-4070-4071-4072-4073-4074-4075-4076-4077-4078-4079-4080-4081-4082-4083-4084-4085-4086-4087-4088-4089-4090-4091-4092-4093-4094-4095-4096-4097-4098-4099-4100-4101-4102-4103-4104-4105-4106-4107-4108-4109-4110-4111-4112-4113-4114-4115-4116-4117-4118-4119-4120-4121-4122-4123-4124-4125-4126-4127-4128-4129-4130-4131-4132-4133-4134-4135-4136-4137-4138-4139-4140-4141-4142-4143-4144-4145-4146-4147-4148-4149-4150-4151-4152-4153-4154-4155-4156-4157-4158-4159-4160-4161-4162-4163-4164-4165-4166-4167-4168-4169-4170-4171-4172-4173-4174-4175-4176-4177-4178-4179-4180-4181-4182-4183-4184-4185-4186-4187-4188-4189-4190-4191-4192-4193-4194-4195-4196-4197-4198-4199-4200-4201-4202-4203-4204-4205-4206-4207-4208-4209-4210-4211-4212-4213-4214-4215-4216-4217-4218-4219-4220-4221-4222-4223-4224-4225-4226-4227-4228-4229-4230-4231-4232-4233-4234-4235-4236-4237-4238-4239-4240-4241-4242-4243-4244-4245-4246-4247-4248-4249-4250-4251-4252-4253-4254-4255-4256-4257-4258-4259-4260-4261-4262-4263-4264-4265-4266-4267-4268-4269-4270-4271-4272-427

- (b) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the accounts;
- (c) the election of Directors in place of those retiring;
- (d) the appointment of Auditors where special notice of the resolution for such appointment is not required by the Companies Acts; and
- (e) the fixing, or the determining of the method of the fixing, of the remuneration of the Directors and of the Auditors.

57. No business, other than the appointment of a chairman, shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as otherwise provided by these Articles, at least two Members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of these Articles to be present in person if represented by proxy or in accordance with the provisions of the Companies Acts.

58. If within fifteen minutes after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to such other day (not being less than seven thereafter) and at such time and place as the chairman of the meeting may determine and, at any such adjourned meeting, the Members present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Notice of any meeting adjourned through want of a quorum shall state that the Members present in person or by proxy at the adjourned meeting (whatever the number of shares held by them) shall be a quorum.

59. Each Director shall be entitled to attend and speak at any general meeting of the Company.

60. The chairman (if any) of the Board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing or able to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present decline to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman of the meeting.

61. The chairman may with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

62. Whenever a meeting is adjourned, not less than seven days' notice in writing of the

#### END ARTICLES

at different meetings shall be given

## VOTING

63. Subject to the provisions of Article 6 and Article 7 and to any special terms as to voting upon which any shares may be issued or may for the time being be held on a show of hands every Member who is present in person (including any corporation represented by proxy or in accordance with the Companies Acts) at a general meeting of the Company shall have one vote, and on a poll every Member who is present in person or by proxy shall have one vote for every £1 in nominal amount of share capital of which he is the holder.

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

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

Unless a poll is demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost, and an entry to that effect in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

65. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

66. 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 in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll which is not taken forthwith.

SEE ARTICLE

1. THE COMPANY SHALL BE

67. 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, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

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

69. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

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

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

72. A Member who is mentally disordered or a patient for the 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 receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings.

73. No Member shall, unless the Board otherwise determines, be entitled to be present or vote at any general meeting or to exercise any privilege as a Member in relation to meetings of the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or if he or any person appearing to be interested in such shares has been duly served with a notice under the Companies Acts and is in default in supplying to the Company the information thereby required within the period specified in such notice. For the purpose of this Article, a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under the Companies Acts which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

74. If (i) any objection shall be raised to the qualification of any voter 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

shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

## PROXIES

75. (A) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

(B) A proxy need not be a Member. An instrument appointing a proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

76. The instrument appointing a proxy and (if granted by any Member other than the Special Shareholder and if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Transfer Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any document sent therewith) not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

77. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well as for any adjournment of the meeting as for the meeting to which it relates.

78. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it 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 in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

79. Any corporation which is a Member may by instrument under seal or under the hand

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of the directors or a director and the secretary of the corporation or, in the case of the Secretary of State or any other Minister of the Crown, by instrument under seal or under the hand of the Secretary of State or such other Minister of the Crown as the case may be lodged at the Transfer Office or produced at the meeting or by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

## APPOINTMENT AND REMOVAL OF DIRECTORS

80. Unless and until otherwise determined by ordinary resolution of the Company, the Directors shall be not less than two in number and there shall be no maximum number of Directors. Notwithstanding any other provision of these Articles no person shall be capable of being appointed or elected or re-appointed or re-elected as a Director unless the Company has received the prior written consent of the Special Shareholder to such appointment or election or re-appointment or re-election.

81. The Directors may give any person performing any duties on behalf of the Company such title as they think fit for such period as they think fit (which title may include, but shall not consist solely of, the word "Director") and may change any such title. Any such person (notwithstanding that the word "Director" may be included in his title) shall not (unless he has been appointed a Director of the Company in accordance with the provisions of the Companies Acts and these Articles) be a Director of the Company for any of the purposes of the Companies Acts or of these Articles or for any other purpose nor shall he have any powers of, or be entitled to any of the rights or privileges of, or be subject to any of the duties of, a Director.

82. No shareholding qualification for Directors shall be required.

83. Subject to the provisions of these Articles, without prejudice to the power of the Company in general meeting to appoint (with the prior written consent of the Special Shareholder) any person to be a Director, the Board shall have power with the prior written consent of the Special Shareholder at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

84. The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with the Companies Acts, remove any Director before the expiration of his period of office and may (subject to the provisions of these Articles) with the prior written consent of the Special Shareholder by ordinary resolution appoint another person

END Articles

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55. Subject, in the case of a Director who is over the age of 70, to a resolution (of which special notice has been given) being passed as required by any applicable provision of the Companies Acts and to any other provision in these Articles, a retiring Director shall be eligible for re-appointment and shall be deemed to offer himself for re-appointment unless he gives to the Company notice in writing of a contrary intention or unless the Special Shareholder by written notice to the Company refuses consent to his re-appointment.

80. The office of a Director shall be vacated:

- (a) if (not being an Executive Director whose contract of service precludes resignation) he resigns his office by written notice delivered to the Office or tendered at a meeting of the Board;
- (b) if (being an Executive Director) his appointment as an Executive Director is terminated and the Board resolve that his office is vacated;
- (c) if he becomes of unsound mind or a patient for the purpose of any statute relating to mental health and the Board resolves that his office is vacated;
- (d) if, without leave, he is absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for twelve consecutive months and the Board resolves that, by reason of such absence, his office is vacated;
- (e) if he becomes apparently insolvent, is sequestrated, enters into a trust deed for his creditors, becomes bankrupt or compounds with his creditors;
- (f) if he is prohibited by law from being a Director;
- (g) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Articles;
- (h) if he is requested to resign by a notice in writing signed by all the other Directors; or
- (i) if the Special Shareholder in its sole and absolute opinion, considers that any of the circumstances set out in Article 7(C) have been met (or are deemed to have been met pursuant to Article 7(D)(1)(a)) and the Special Shareholder shall serve notice upon the Company at the Office stating that such Director is thereby removed from office.

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87 [Not used]

88 [Not used]

89 [Not used]

90 [Not used]

### ELIGIBILITY FOR ELECTION AS DIRECTOR

91. No person shall, unless recommended by the Special Shareholder, or by the Board and previously approved by the Special Shareholder, be eligible for election to the office of Director at any general meeting unless, not less than six and not more than twenty-eight clear days before the day appointed for the meeting, there has been given to the Secretary notice in writing by some Member (not being the person to be proposed) entitled 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 provided that no such person shall be elected as aforesaid unless and until the prior written consent of the Special Shareholder has been given to such election.

### REMUNERATION AND EXPENSES

92. The Directors shall be entitled to such remuneration as shall from time to time be determined by the Company in general meeting and such remuneration shall, subject to any special directions of the Company in general meeting, be divided among the Directors as they may by resolution determine or, failing such determination, equally except that, in such latter event, any Director holding office for less than a year shall only rank in such division in proportion to the period during which he has held office during such year.

93. Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by, or pursuant to, any other Article.

94. Without prejudice to the provisions of Article 149 the Board shall have the power to purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time Directors, officers or employees of the Company, or of any other company which is its holding company or in which the company or such holding company or any of the predecessors of the Company or of such holding company has any interest (whether direct or

insurance or which is in any way allied to, or associated with, the Company or to any subsidiary undertaking of the Company, or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company, or of any other such company or subsidiary undertaking, are interested including, without limitation, 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 the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any other such company, subsidiary undertaking or pension fund.

### EXECUTIVE DIRECTORS

95. The Board may from time to time appoint, with the prior written consent of the Special Shareholder, such persons as may be nominated from time to time by the Chairman of the Board as Executive Directors up to any maximum number of Directors fixed by or in accordance with these Articles and may remove the same or any of them and appoint another or others in their place.

96. An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and either in addition to or in lieu of his remuneration as a Director.

### ALTERNATE DIRECTORS

97. (A) Each Director shall have the power to appoint any person to be his alternate Director and may at his discretion remove such alternate Director. If such alternate Director is not another Director, such appointment unless previously approved by the Board and by the Special Shareholder shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate Director shall be effected by written notice signed by the appointor and delivered to the Office or tendered at a meeting of the Board. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of a committee of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.

(B) Every person acting as an alternate Director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and

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shall not be deemed to be the agent of or for the Director appointing him. An alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate Director.

(C) Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote, if he is also a Director). The signature of an alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

(D) An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director provided that, if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which is in force immediately before his retirement shall remain in force as though he has not retired.

### DIRECTORS' INTERESTS

98 (A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

(B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(C) 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 so required by the Board, shall not be liable to account to the Company or the Members for any remuneration, profits or other benefits received by him as a director or officer of or from his interest in such other company. The Board 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 he thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

SEE ART. 100

100. 101. 102. 103. 104. 105.

(F) Subject to the provisions of the Companies Acts and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows he is or has become interested. A general notice to the Board given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

(H) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but subject to the provisions of the Companies Acts and in the absence of some other material interest, this prohibition shall not apply to any of the following matters namely:

- (i) any transaction for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;
- (ii) any transaction for the giving by the Company of any security or indemnity to

[illegible]

a third party in respect of a debt or obligation of the Company in respect of which the Director has himself given an indemnity or that he has guaranteed or secured in whole or in part;

- (iii) any transaction by a Director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any such shares, debentures or other securities;
- (iv) any transaction in which such Director is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
- (v) any transaction concerning any other company (not being a company in which the Director owns 1 per cent. or more within the meaning of paragraph (I) below) in which he is interested, directly or indirectly, whether as an officer, shareholder, creditor or otherwise howsoever;
- (vi) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company and does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom such scheme or fund relates; and
- (vii) any arrangement for the benefit of employees under which the Director benefits in a similar manner as the employees and which does not accord to any Director as such any privilege not generally accorded to the employees to whom the arrangement relates.

(I) A company shall be deemed to be a company in which a Director owns 1 per cent. or more if and so long as (but only if and so long as) the Director together with any person connected with him within the meaning of the Companies Acts (a "connected person") is the holder of or beneficially interested in, either directly or indirectly, 1 per cent. or more of its ordinary share capital or of the voting rights available to members of such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in a recognised unit trust scheme in which the Director is interested only as a unit holder

(J) Where a company in which a Director holds 1 per cent. or more is materially interested in a transaction then that Director shall also be deemed materially interested in such transaction.

(K) If any question shall arise at any meeting of the Board as to the materiality of

#### FRD Articles

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the interest of a Director other than the chairman of the meeting or as to the entitlement of any Director other than such chairman to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, 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 interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

(L) The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

(M) The word "transaction" in this Article shall include any transaction, contract, arrangement or agreement or any proposed transaction, contract, arrangement or agreement.

### POWERS AND DUTIES OF THE BOARD

99. (A) The business of the Company shall be managed by the Board, which may pay all expenses incurred in forming and registering the Company and which may exercise all such powers of the Company as are not by the Companies Acts or by these Articles required to be exercised by the Company in general meeting subject, nevertheless, to the provisions of the Companies Acts and of these Articles and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations 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 Board by any other Article.

(B) The provisions of Sections 212 and 213 Companies Act 1985 shall be deemed to apply to the Company, notwithstanding that it is not a public company, in like manner as if it were a public company.

(C) The power of the Company to serve notices pursuant to Article 99(B) shall be exercisable by either the Directors or the Special Shareholder or both.

99A. For so long as the Company holds a nuclear site licence issued pursuant to the Nuclear Installations Act 1965 (as amended) or until the end of its period of responsibility, whichever is the later, the Directors shall in their conduct of the management of the Company in terms of the safety of operations conducted at Rosyth Royal Dockyard have due regard to the requirements of that Act and the terms of any nuclear site licence granted in respect of that site.

### END ARTICLES

100. Subject to the provisions of the Companies Acts and to the provisions of Articles 6 and 7 the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

101. The Board may establish 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 persons to be members of such local boards, or to be managers or agents, and may fix their remuneration. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation shall be subject to the prior written consent of the Special Shareholder and may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

102. The Board may by power of attorney appoint any company, firm or persons or any fluctuating body of persons, whether nominated directly or indirectly by the Board, 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 Board under these Articles) and for such period and subject to such conditions as it 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 Board 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.

103. The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

104. The Company may exercise the powers conferred by the Companies Acts with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

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

106. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, 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 Board shall from time to time by resolution determine.

END Article



107. The Board shall cause minutes to be made in books provided for the purpose

- (a) of all appointments of officers made by the Board;
- (b) of the names of the Directors present at each meeting of the Board or committee of the Board; and
- (c) of all resolutions and proceedings at all meetings of the Company, of the holders of any class of shares in the Company, and of the Board and of any committee of the Board.

Any such minute of any meeting of the Board or of any committee appointed by the Board or of the Company shall be signed by the chairman of such meeting or by the chairman of the next succeeding meeting and, if purporting to be so signed, shall be sufficient evidence without any further proof of the facts therein stated.

108. The Board on behalf of the Company may, subject to the provisions of the Companies Acts, exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependents of any Director or former Director provided that no pension, annuity or other allowance benefit (except such as may be provided for by any other Article) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company (or to a person who has no claim on the Company except as a relation, connection or dependent of such a Director or former Director) without the approval of an ordinary resolution of the Company. A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

## PROCEEDINGS OF THE BOARD

109. (A) The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks 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 an additional or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.

(B) A meeting of Directors or a committee of Directors may be validly held notwithstanding that such Directors may not be in the same place provided that

- (i) they are in constant communication with each other throughout by telephone, television or other form of communication; and
- (ii) all Directors entitled to attend such meeting so agree.

## PPP Articles

110. Notice of a Board meeting shall be deemed to be duly given to a Director if the same is given to him personally or by word of mouth or sent to him at his last known address or any other address given by him to the Company for this purpose, provided that it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

111. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

112. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director may act for the purpose of appointing sufficient Directors to bring the Board up to the requisite number (subject to any appointee or appointees being previously approved in writing by the Special Shareholder) or of summoning general meetings of the Company but not for any other purpose.

113. The Board may elect a chairman and deputy chairman of its meetings and determine the period for which they are respectively to hold office. If no such chairman or deputy chairman is elected, or if at any meeting neither the chairman nor the deputy chairman is 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.

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

115. The Board may delegate any of its powers, authorities and discretions (with or without power to sub-delegate) to committees, consisting of two or more Members of the Board and such other person or persons as it thinks fit, subject to any such person or persons being previously approved in writing by the Special Shareholder. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board and, subject thereto, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board.

116. A resolution in writing signed by all the Directors (or their duly appointed alternates) for the time being entitled to receive notice of a meeting of the Board, or by all the members of a committee for the time being, shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form.

#### RED ARTICLES

shall be signed by one or more of the Directors or members of the committee concerned

117. All acts done by the Board, by any committee or by any person acting as a Director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

## SECRETARY

118. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board.

119. A provision of the Companies Acts or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

## THE SEAL

120. The Board shall provide for the safe custody of the Seal (if any) and the Securities Seal (if any), which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall (subject as otherwise provided in these Articles) be signed by one Director and the Secretary or by two or more Directors. The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Such securities and documents, if sealed with the Securities Seal, shall not require to be signed.

121. (A) The Company may exercise all the powers conferred by the Companies Acts with regard to having official seals and such powers shall be vested in the Board.

(B) The Board may resolve that the Company shall not have a Seal.

122. Not used.

## DIVIDENDS AND OTHER PAYMENTS

123. Subject to the provisions of the Companies Acts, the Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights and

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interests in the profits, but no dividend shall be declared in excess of the amount recommended by the Board.

124. Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide -

- (a) all dividends shall be declared and paid according to the amounts paid up on the share, in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and
- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

125. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the position of the Company; the Board may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates whenever such position, in the opinion of the Board, justifies such payment. A resolution of the Board declaring any interim dividend shall (once announced) be irrevocable and have the same effect in all respects as if such dividend had been declared upon the recommendation of the Board by an ordinary resolution of the Company.

126. (A) The Board may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

(B) The Board may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or that any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

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

128. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his registered address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in

#### END ARTICLES

120 Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, interest or other sum payable on, or in respect of, a share into a separate account shall not constitute the Company a trustee in respect thereof.

130. Any general meeting declaring a dividend may by ordinary resolution, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

131. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

12. (A) The Company in general meeting may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution; provided that, for the purposes of this Article, a share premium account and a capital redemption reserve fund may only be applied

3. John W. L. Hill, 345 Madison Ave.

in the paying up of unissued shares to be issued to such Members credited as fully paid.

(11r) The Company in general meeting may on the recommendation of the directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid bonus shares to those Members of the Company who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions) and the Directors shall give effect to such resolution.

133. Where any difficulty arises in regard to any distribution under the last preceding Article, the Board may settle the same as it thinks expedient and, in particular, may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

## RECORD DATES

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

## ACCOUNTS

135. The Board shall cause proper accounting records to be kept in accordance with the Companies Acts.

136. The books of account shall be kept at the Office or, subject to the Companies Acts, at such other place or places as the Board may think fit and shall always be open to inspection by each Director. No Member (other than a Director or the Special Shareholder) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board.

137. A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the Auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts, and copies shall also be sent in appropriate numbers to The Stock Exchange in accordance with the terms of any

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Listing Agreement for the time being binding on the Company

## AUDIT

138. Auditors shall be appointed and their duties regulated in accordance with the Companies Acts.

## SERVICE OF NOTICES AND OTHER DOCUMENTS

139. Notwithstanding the provisions of Articles 140 to 144 (inclusive), any notice or other document (including a share certificate) required to be served on or delivered to the Special Shareholder by the Company or by any Member shall be delivered by hand to the Special Shareholder at his registered address as appearing in the register marked "The Secretary of State for Defence, Ministry of Defence, Whitehall, London" and shall be in writing (which for the avoidance of doubt shall not for this purpose include any mode of representing or reproducing words in a legible form other than by manuscript, typewriting, printing, lithography or photography) or in such other manner or to such other place as the Special Shareholder may from time to time designate for this purpose and shall not (unless the Special Shareholder agrees otherwise) be effective unless delivered in such manner as aforesaid.

140. Any notice or other document (including a share certificate) may be served on or delivered to any Member (other than the Special Shareholder) by the Company either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. All notices or other documents served on or delivered to joint holders shall, unless such holders otherwise in writing direct, be served on or delivered to that one of the joint holders whose name stands first in the Register and such service or delivery shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

141. A Member described in the Register by an address not within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address but, save as aforesaid, no Member other than a member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.

142. Subject to Article 139, any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day next after that on which the envelope containing the same is put in the post, if sent by first-class mail, and on the day next but one after that on which the envelope containing the same is put into the post, if sent by second-class mail, and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Subject as aforesaid, a notice or document given or served by exhibition or advertisement shall be

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143. NOTICE OF AGING OF THE

deemed to be given or served on the day on which the same is first exhibited or advertised.

143. Subject to Article 139, any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, 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 unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, 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.

144. Subject to Article 139, if at any time by reason of the total 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 on the same day in at least two leading daily newspapers (at least one of which shall be a national newspaper) 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 before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

145. The signature to any notice required to be given by the Company may be written or printed.

### DESTRUCTION OF DOCUMENTS

146. The Company may destroy:

- (a) all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration;
- (b) all share certificates and dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of one year from the date of such cancellation or cessation; and
- (c) all notifications of change of name or address after the expiration of one year from the date they were recorded.

It shall conclusively be presumed in favour of the Company that every entry in the Register which purports to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every share certificate so destroyed was a valid certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars

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therein in the books or records of the Company. Provided always that:

- (i) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (ii) references to an instrument of transfer shall be deemed to include references to any document constituting the renunciation of an allotment of any shares in the Company by the allottee in favour of some other person;
- (iii) nothing contained in this Article 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 case where the conditions of proviso (i) above are not fulfilled; and
- (iv) references in this Article to the destruction of any document include references to its disposal in any manner.

### EMPLOYEES

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

### WINDING UP

148. Subject to the provisions of Article 6 and Article 7, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Acts, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other assets upon which there is any liability.

### INDEMNITY

149. Subject to the provisions of the Companies Acts every Director, alternate Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the

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Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings 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 relief is granted by the Court.

END ARTICLES

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 1st day of May 1974.

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**NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS**

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A.G. MAXFIELD  
"Stormer Hill",  
North Road,  
Bath,  
Avon, BA2 6HY

Civil Servant

DEREK PIPER  
6 Ravensbourne Road,  
East Twickenham,  
Middx TW1 2DH

Civil Servant

B.M. DAY  
As nominee for the Secretary of State for Defence  
2 Farnleigh Grove,  
Walton-on-Thames,  
Surrey, KT12 5BU

Civil Servant

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DATED the 11th day of November 1986

Witness to the above signatures:

A.P. NEIL  
Solicitor  
Simmons & Simmons  
14 Dominion Street  
London EC2

RED APPLICANT

DATA NOT FOR PUBLICATION