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**MEMORANDUM AND  
ARTICLES OF ASSOCIATION  
OF  
London Electricity Group plc**



No. 2366852

THE COMPANIES ACT 1985  
PUBLIC COMPANY LIMITED BY SHARES

**RESOLUTIONS**

**OF**

**LONDON ELECTRICITY plc**  
**(passed on 8th March, 1990)**

At an Extraordinary General Meeting of the Company duly convened and held at 1, Palace Street, London SW1E 5HE on 8th March, 1990 the following special resolution was duly passed:-

**SPECIAL RESOLUTION**

That the objects clause of the Company's Memorandum of Association be amended by the deletion of the existing sub-clause (2) of clause 4 and its substitution by the following:-

- "(2) To acquire and hold an interest in shares and other securities in the successor to or owner, whether directly or indirectly, of the property, rights and liabilities of the Central Electricity Generating Board vested in the company known as The National Grid Company plc by Section 66(5) of the Electricity Act 1989 by virtue of the allocation set out in the Transfer Scheme made by the Central Electricity Generating Board pursuant to Section 66(1) of that Act."



.....  
Chairman of the meeting

Registered No. 2366852

THE COMPANIES ACT 1985

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A PUBLIC COMPANY LIMITED BY SHARES

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SPECIAL RESOLUTION

OF

LONDON ELECTRICITY PLC

PASSED ON 29th MARCH 1990

The following resolution was passed as a special resolution in writing by all the members of the Company, pursuant to regulation 53 of Table A which is incorporated in the Company's Articles of Association:-

SPECIAL RESOLUTION

That the objects clause of the Company's Memorandum of Association be amended by:-

- (i) the insertion in Clause 4(1) after the words "as amended by the Electricity Act 1957)" of the words "pursuant to the Electricity Act 1989"; and
- (ii) the deletion in Clause 4(4) of the words "any enactment" and the substitution therefor of the words "the Electricity Act 1989 or any statutory instrument made thereunder or any statutory modification or re-enactment thereof".

*Malcolm Jones*  
 .....  
 Secretary

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*This is a true copy*  
*Malcolm Jones*  
 12/4/90

Number of Company: 2366852

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

OF

LONDON ELECTRICITY plc

At an Extraordinary General Meeting of the Company held at Clements House, Gresham Street, London EC2 on 19th November 1990 the following resolutions were passed as Special Resolutions of the Company:-

SPECIAL RESOLUTIONS

1. THAT the Company's Memorandum of Association be amended by inserting after the existing clause 4 (34) a new clause 4 (35) as follows, and by re-numbering the remainder of the existing clause 4 appropriately:-

"(35) Subject to such terms and conditions as may be thought fit, to undertake interest rate and currency swaps, options (including traded options), swap option contracts, forward exchange contracts, futures contracts or other financial instruments including hedging agreements of any kind all or any of which may be on a fixed and/or floating rate basis and/or in respect of Sterling (and any other currencies or basket of currencies including but not limited to European Currency Units (as the same may from time to time be designated or constituted)) or commodities of any kind and in the case of such swaps, options, swap option contracts, forward exchange contracts, futures contracts or other financial instruments including

hedging agreements of any kind they may be undertaken by the Company on a speculative basis or otherwise."

2. THAT conditionally on all the shares comprised in the ordinary share capital of the Company, issued and to be issued, being admitted to The Official List of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") and such admission becoming effective by the announcement of the decision of The Council of The Stock Exchange to admit such shares to listing in accordance with Rule 520 of the Rules of The Stock Exchange by no later than 11th January 1991:-

- (A) The authorised share capital of the Company be increased to £150,000,001 by the creation of 149,950,000 ordinary shares of £1 each, such shares to rank pari passu in all respects with the existing ordinary shares of the Company, and by the creation of one special rights redeemable preference share of £1 bearing the rights and restrictions set out in the new Articles of Association to be adopted pursuant to paragraph (E) of this resolution.
- (B) Each ordinary share of £1 in the capital of the Company be sub-divided into two ordinary shares of 50p each.
- (C) The Directors shall have general and unconditional authority to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) of the Company on and subject to such terms as the Directors may determine. The authority hereby conferred shall be for a period expiring five years from the date of this resolution unless renewed, varied or revoked by the Company in general meeting and the maximum nominal amount of relevant securities which may be allotted pursuant to such authority shall be £145,322,000.

- (D) The Directors shall be entitled under the authority conferred by (C) of this resolution or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.
- (E) The Directors shall be empowered, pursuant to Section 95 of the Companies Act 1985, for a period expiring at the earlier of 15 months from the date of this resolution and the conclusion of the second annual general meeting of the Company, to allot equity securities (within the meaning of Section 94 (2) of the Companies Act 1985) of the Company for cash pursuant to the authority conferred by paragraph (C) of this resolution, as if Section 89 (1) of that Act did not apply to such allotment and the Directors shall be entitled to make at any time prior to the expiry of the power conferred by this paragraph any offer or agreement which would or might require equity securities to be allotted after the expiry of such power: Provided that such power shall be limited:
- (i) to the allotment of equity securities to or at the direction of the Secretary of State for Energy;
  - (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities in connection with a rights issue in favour of the holders of ordinary shares where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held or deemed to be held by them, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to

deal with fractional entitlements, legal or practical problems arising in any overseas territory or by virtue of shares being represented by depository receipts, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

(iii) to the allotment (otherwise than pursuant to sub-paragraph (i) or (ii) above) of equity securities up to an aggregate nominal value of £5,451,000.

Notwithstanding that this resolution shall have ceased to have effect, the Directors are hereby authorised to allot equity securities pursuant to any agreement or option made or quoted before this resolution ceases to have effect as if Section 89 (1) of the Companies Act 1985 did not apply to such allotment.

(E) The Company's Articles of Association be amended by the adoption of Articles of Association in the form produced to the meeting and initialled by the Chairman for identification, to the exclusion of the current Articles of Association of the Company.

.....  
J. L. W. L.  
CHAIRMAN

Number of Company: 2366852

Companies Act 1985  
and  
Companies Act 1989

Public Company Limited by Shares

Special Resolution

of

London Electricity plc

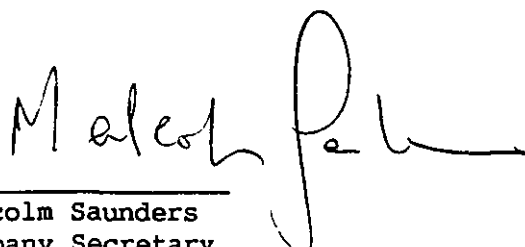
At the Second Annual General Meeting of the Company held at Earls Court Two Warwick Road London SW5 9TA on 23 September 1991 the following resolution was passed as a Special Resolution of the Company:-

SPECIAL RESOLUTION

THAT the directors be hereby empowered pursuant to Section 95 of the Companies Act 1985 (the Act) until the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months from the date of this resolution to allot equity securities (within the meaning of Section 94 of the Act) of the company for cash, pursuant to the general authority conferred by a Special Resolution of the Company passed on 19 November 1990, as if Section 89 (1) of the Act did not apply to such allotment and the directors shall be entitled to make at any time prior to the expiry of the power conferred by this resolution any offer or agreement which would or might require equity securities to be allotted after the expiry of such power; provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue to or for the benefit of ordinary shareholders where the interests of all ordinary shareholders are proportionate (as nearly as may be) having regard to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, or by virtue of shares being represented by depository receipts, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £ 5,451,000.

Certified a true extract

  
Malcolm Saunders  
Company Secretary



Number of Company: 2366852

Companies Act 1985  
and  
Companies Act 1989

Public Company Limited by Shares

Special Resolution

of

London Electricity plc

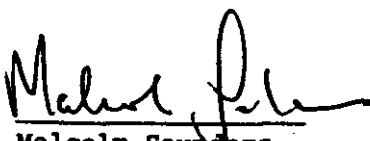
At the Third Annual General Meeting of the Company held at The Queen Elizabeth II Conference Centre Broad Sanctuary Westminster London SW1P 3EE on 7 August 1992 the following resolution was passed as a Special Resolution of the Company:-

SPECIAL RESOLUTION

" THAT the directors be hereby empowered pursuant to Section 95 of the Companies Act 1985 (the Act) until the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the date of this resolution to allot equity securities (within the meaning of Section 94 of the Act) of the Company for cash, pursuant to the general authority conferred by a Special Resolution of the Company passed on 19 November 1990, as if Section 89 (1) of the Act did not apply to such allotment and the Directors shall be entitled to make at any time prior to the expiry of the power conferred by this resolution any offer or agreement which would or might require equity securities to be allotted after the expiry of such power; provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue to or for the benefit of ordinary shareholders where the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held or deemed to be held by them having regard to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, or by virtue of shares being represented by depository receipts, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £ 5,451,600".

Certified a true extract



Malcolm Saunders  
Company Secretary

Number of Company: 2366852

Companies Act 1985  
and  
Companies Act 1989

Public Company Limited by Shares

Special Resolution

of

London Electricity plc

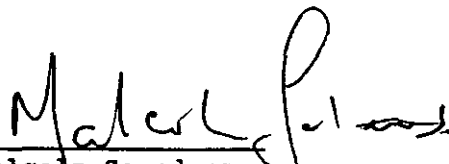
At the Fourth Annual General Meeting of the Company held at The Queen Elizabeth II Conference Centre Broad Sanctuary Westminster London SW1P 3EE on 6 August 1993 the following resolution was passed as a Special Resolution of the Company:-

SPECIAL RESOLUTION

" THAT the directors be hereby empowered pursuant to Section 95 of the Companies Act 1985 ("the Act") until the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the date of this resolution to allot equity securities (within the meaning of Section 94 of the Act) of the Company for cash, pursuant to the general authority conferred by a Special Resolution of the Company passed on 19 November 1990, as if Section 89 (1) of the Act did not apply to such allotment and the Directors shall be entitled to make at any time prior to the expiry of the power conferred by this resolution any offer or agreement which would or might require equity securities to be allotted after the expiry of such power; provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue to or for the benefit of ordinary shareholders where the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held or deemed to be held by them having regard to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, or by virtue of shares being represented by depository receipts, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £ 5,456,000".

Certified a true extract

  
Malcolm Saunders  
Company Secretary

**Company Number: 2366852**

**Companies Act 1985  
and  
Companies Act 1989**

**Public Company Limited by Shares**

**Special Resolutions**

**of**

**London Electricity plc**

**At the fifth Annual General Meeting of the Company held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 5 August 1994 the following resolutions were passed as Special Resolutions of the Company:-**

**Resolution 8**

'That the directors be hereby empowered pursuant to Section 95 of the Companies Act 1985 ('the Act') until the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the date of this resolution to allot equity securities (within the meaning of Section 94 of the Act) of the Company for cash, pursuant to the general authority conferred by a Special Resolution of the Company passed on 19 November 1990, as if Section 89 (1) of the Act did not apply to such allotment and the directors shall be entitled to make at any time prior to the expiry of the power conferred by this resolution any offer or agreement which would or might require equity securities to be allotted after the expiry of such power; provided that this power shall be limited to:

**a** the allotment of equity securities in connection with a rights issue to or for the benefit of ordinary shareholders where the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held or deemed to be held by them having regard to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, or by virtue of shares being represented by depository receipts, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

**b** the allotment (otherwise than pursuant to sub-paragraph a above) of equity securities up to an aggregate nominal value of £5,477,064'.

**Company Number: 2366852**

**Resolution 9**

'That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985 of ordinary shares of the Company provided that:

a the maximum number of ordinary shares hereby authorised to be acquired is 21,908,259 (representing 10 percent of the issued ordinary share capital as at 31 March 1994).

b the minimum price which may be paid for any such share is 50 pence;

c the maximum price which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the ten business days immediately preceding the day on which the share is contracted to be purchased; and

d the authority hereby conferred shall expire on 31 August 1995, or if earlier, at the conclusion of the Annual General Meeting of the Company in 1995, but a contract of purchase may be made before such expiry which will or may be completed wholly or partly thereafter, and a purchase of shares may be made in pursuance of any such contract'.

Certified a true extract

A handwritten signature in black ink, appearing to be 'D. K. ...', written over a horizontal line.

Director

(chr5894 wp disk)

**Company Number: 2366852**

**Companies Act 1985**

**and**

**Companies Act 1989**

**Public Company Limited by Shares**

**Special Resolutions**

**of**

**London Electricity plc**

**At the sixth Annual General Meeting of the Company held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 4 August 1995, the following resolutions were passed as Special Resolutions of the Company:-**

**Resolution 8** That the directors be hereby empowered pursuant to Section 95 of the Companies Act 1985 ('the Act') until the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the date of this resolution to allot equity securities (within the meaning of Section 94 of the Act) of the Company for cash, pursuant to the general authority conferred by resolution 7 above, as if Section 89 (1) of the Act did not apply to such allotment and the directors shall be entitled to make at any time prior to the expiry of the power conferred by this resolution any offer or agreement which would or might require equity securities to be allotted after the expiry of such power; provided that this power shall be limited to:

- a) the allotment of equity securities in connection with a rights issue to or for the benefit of ordinary shareholders where the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held or deemed to be held by them having regard to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, or by virtue of shares being represented by depository receipts, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and
- b) the allotment (otherwise than pursuant to sub-paragraph a above) of equity securities up to an aggregate nominal value of £4,942,925.

**Resolution 9** That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of the Company provided that:

- a) the maximum number of ordinary shares hereby authorised to be acquired is 19,769,569;
- b) the minimum price which may be paid for any such share is 50 pence;
- c) the maximum price which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the ten business days immediately preceding the day on which the share is contracted to be purchased; and
- d) the authority hereby conferred shall expire on 31 August 1996 or, if earlier, at the conclusion of the Annual General Meeting of the Company in 1996, but a contract of purchase may be made before such expiry which will or may be completed wholly or partly thereafter, and a purchase of shares may be made in pursuance of any such contract.

**Resolution 10** That the Articles of Association of the Company be amended as follows:

- a) by deleting the definitions of "the Special Share" and "the Special Shareholder", by deleting Article 10 and by deleting the words "and paragraph (1) of article 40" from Article 1(6).
- b) by substituting the following for the existing provisions of Article 3:  
  
"The share capital of the Company is divided into £150,000,001 divided into 300,000,002 ordinary shares of 50p each."
- c) by the insertion at the end of the first sentence of Article 28 of the following:  
  
"provided that where any such shares are admitted to the Official List of The Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class on an open and proper basis".
- d) by deleting in paragraph (c) of Article 28 the words "(except in order to give effect to clause 9.04 of the Instalment Agreement (as defined in Article 40(3)(e)))".
- e) by deleting in Article 39(1)(b)(ii) the words "or a transfer pursuant to clause 9.04 of the Instalment Agreement (as defined in Article 40(3)(d))".

- f) by substituting the following for the existing provisions of paragraph (2) of Article 39:

"(2) where the sanctions under paragraph (1) above apply in relation to any shares, they shall cease to have effect at the end of the period of seven days (or such shorter period as the directors may determine) following the earlier of:

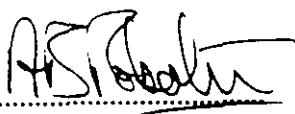
(a) receipt by the Company of the information required by the notice mentioned in that paragraph; and

(b) receipt by the Company of notice that the shares have been transferred by means of an approved transfer,

and the directors may suspend or cancel any of the sanctions at any time in relation to any shares."

- g) by deleting paragraphs (5), (6) and (7) of Article 39 and by deleting Article 40.
- h) by deleting in Article 75 the words "(i) such determination takes place by virtue of the relevant authority being revoked under and in accordance with the Instalment Agreement, as defined in Article 40(3)(d), or (ii)".
- i) by deleting in the first sentence of Article 78 the words "other than the Custodian Bank" and the words "(or, if such corporation is the Custodian Bank (as defined in article 40(3)(c)) acting in its capacity as such, it may in accordance with the provisions of the Instalment Agreement (as defined in article 40(3)(e)) authorise more than one person)".
- j) by substituting in Article 103 the words "chief executive" for the words "managing director" in the first sentence and by deleting the words "The chairman of the board of directors and the managing director shall not be subject to retirement by rotation".
- k) by deleting in the first sentence of Article 125 the words "(or, if the person entitled to the dividend or other money payable is the Custodian Bank (as defined in Article 40(3)(c)) acting in its capacity as such, to such persons)" and by deleting in the second sentence the words "(or, if the person entitled to the dividend or other money payable is the Custodian Bank acting in its capacity as such, to such persons)".
- l) by renumbering the Articles of Association as appropriate to take account of the above amendments.

**Certified a true extract**

  
.....  
Company Secretary

**Company Number: 2366852**

**Companies Act 1985  
and  
Companies Act 1989**

**Public Company Limited by Shares**

**Special Resolutions  
of  
London Electricity plc**

At an Extraordinary General Meeting of the Company held at Westminster Central Hall, Storey's Gate, Westminster, London SW1 on 17 January 1996 at 10.00am the following resolutions were passed as Special Resolutions of the Company:-

**Special Resolutions**

2. THAT, subject to Effective Admission, the Directors of the Company be and are hereby authorised and directed to sell, on behalf of the relevant members, all the issued ordinary shares of 8½p each resulting from the sub-division referred to in sub-paragraph (a) of resolution 1 above, which cannot be consolidated into new ordinary shares of 58½p each pursuant to sub-paragraph (b) of resolution 1 above, to J. Henry Schroder & Co. Limited at a price of 100p per ordinary share of 8½p and to distribute the net proceeds of sale (after the deduction of any applicable stamp duty) in due proportion among the relevant members and that any Director of the Company be and is hereby authorised to execute an instrument of transfer in respect of such shares in favour of J. Henry Schroder & Co. Limited.
3. THAT, subject to Effective Admission, the terms of the proposed contract between (1) J. Henry Schroder & Co. Limited and (2) the Company, providing for the purchase by the Company of certain of its own ordinary shares of 8½p each (a draft of which has been produced to the meeting and signed for identification by the Chairman) be and are hereby approved and authorised for the purposes of Section 164 of the Companies Act 1985 and otherwise but so that such approval and authority shall expire on 29 February 1996.
4. THAT, subject to Effective Admission, the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 58½p each in the capital of the Company provided that:
  - (a) the maximum aggregate number of such ordinary shares hereby authorised to be purchased is 17,027,268;



- (b) the minimum price which may be paid for each such ordinary share is 59p;
- (c) the maximum price which may be paid for each such ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share, as derived from the London Stock Exchange Daily Official List, for the 10 business days immediately before the day on which the share is contracted to be purchased; and
- (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company (except in relation to a purchase of such ordinary shares the contract for which was concluded before such time and which will or may be executed wholly or partly after such time) unless such authority is renewed prior to such time.



.....  
Company Secretary

**Company Number: 2366852**  
**Companies Act 1985**  
**and**  
**Companies Act 1989**  
**Public Company Limited by Shares**  
**Special Resolutions**  
**of**  
**London Electricity plc**

**At the seventh Annual General Meeting of the Company held at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 2 August 1996, the following resolutions were passed as Special Resolutions of the Company:-**

**Resolution 7** That the directors be hereby empowered pursuant to Section 95 of the Companies Act 1985 ("the Act") until the earlier of the conclusion of the next Annual General Meeting of the Company and 15 months from the date of this resolution to allot equity securities (within the meaning of Section 94 of the Act) of the Company for cash, pursuant to the general authority conferred by a resolution which was passed at the Annual General Meeting of the Company held on 4 August 1995 to allot relevant securities up to an aggregate nominal amount of £33,190,618 if required up until 3 August 2000, as if Section 89(1) of the Act did not apply to such allotment and the directors shall be entitled to make at any time prior to the expiry of the power conferred by this resolution any offer or agreement which would or might require equity securities to be allotted after the expiry of such power; provided that this power shall be limited to:

- a) the allotment of equity securities in connection with a rights issue to or for the benefit of ordinary shareholders where the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held or deemed to be held by them having regard to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, or by virtue of shares being represented by depository receipts, the requirements of any regulatory body or stock exchange, or any other matter whatsoever; and

- b) the allotment (otherwise than pursuant to sub-paragraph a above) of equity securities up to an aggregate nominal value of £5,083,192.

**Resolution 8** That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of the Company provided that:

- a) the maximum number of ordinary shares hereby authorised to be acquired is 17,429,083;
- b) the minimum price which may be paid for any such share is 59 pence;
- c) the maximum price which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the ten business days immediately preceding the day on which the share is contracted to be purchased; and
- d) the authority hereby conferred shall expire on 2 August 1997 or, if earlier, at the conclusion of the Annual General Meeting of the Company in 1997, but a contract of purchase may be made before such expiry which will or may be completed wholly or partly thereafter, and a purchase of shares may be made in pursuance of any such contract.

**Certified a true extract**



.....  
**Company Secretary**

THE COMPANIES ACT 1985  
A PUBLIC COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF

**London Electricity Group plc**

1. The Company's name is "London Electricity Group plc"
2. The Company is to be a public company.
3. The Company's registered office is to be situated in England and Wales.
4. The Company's objects are:-
  - (1) To acquire or take over the property, rights and liabilities of the London Electricity Board (an Area board established and constituted under the Electricity Act 1947 as amended by the Electricity Act 1957) pursuant to the Electricity Act 1989 and to carry on expand and extend the businesses and activities of such board or any part or parts of them (including, without limitation, the business or a public electricity supplier).
  - (2) To acquire and hold an interest in shares and other securities in the successor to or owner, whether directly or indirectly, of the property, rights and liabilities of the Central Electricity Generating Board vested in the company known as The National Grid Company plc by Section 66(5) of the Electricity Act 1989 by virtue of the allocation set out in the Transfer Scheme made by the Central Electricity Generating Board pursuant to Section 66(1) of that Act.
  - (3) To carry on all or any of the businesses of purchasing, importing, generating, transmitting, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith and of promoting the conservation and efficient use of electricity and all other forms of energy.
  - (4) To do anything which a public electricity supplier is empowered or required to do under or by virtue of or under a licence or other authorisation granted under the Electricity Act 1989 or any statutory instrument made thereunder or any statutory modification or re-enactment thereof.

- (5) To carry on all or any of the businesses of wholesalers, retailers, traders, suppliers, distributors, designers, developers, manufacturers, installers, fitters, testers, repairers, maintainers, contractors, constructors, operators, users, inspectors, reconditioners, servicers, improvers, alterers, protectors, removers, hirers, replacers, importers and exporters or, and dealers in, electrical appliances, systems products and services used for agricultural, industrial, household and general equipment, furniture, fixtures, fittings and devices, and all other kinds of goods, equipment, machinery, materials and installations.
- (6) To locate, establish, construct, equip, operate, use, manage and maintain power stations (including, without limitation to the generality of the foregoing, combined heat and power stations), transforming, switching, conversion, transmission and distribution facilities, cables, overhead lines, substations, switching stations, tunnels, cable bridges, link boxes, telecommunications stations, masts, aerials and dishes, fibre optic circuits, satellites and satellite microwave connections, heat pumps, plant and equipment used for combined heat and power schemes, offices, computer centres, shops, dispensing machines for pre-payment cards and other devices, showrooms, depots, factories, workshops, works, plants, refineries, printing facilities, warehouses and other storage facilities (including but not limited to facilities for storage and disposal of products and waste), training, education and display centres, stands and show-houses, museums, testing premises, laboratories, research stations, compressor stations, vehicle parks, terminals, transport facilities, road, ground landscaped and planted for screening or other amenity purposes, structures, installations and facilities of all kinds, whether for the purposes of the Company or for sale or let on hire to, or in return for any consideration from, any person and to purchase or otherwise acquire, lease, charter and take, licence or hire any of the same and to sell, lease, licence, let on hire or otherwise dispose of any of the same or share any of the same with another party.
- (7) To carry on all or any of the businesses of exploring for, mining, prospecting for, extracting, recovering and dealing in coal and other minerals, petroleum, oil and other hydrocarbons, metals natural and other gases and chemicals and other products derived from or connected with any of them.
- (8) To acquire (whether by purchase, lease, concession, grant, hire or otherwise), establish, develop, exploit, operate and maintain land, any estates in land, claims, licences, concessions, wells,

mines, drilling and mining rights, exploration and production rights and rights and interests of all descriptions in or relating to the same, which may seem to the Company capable or possibly capable of affording or facilitating the purchase, transmission, transformation, conversion, supply, distribution, generation, development, production or manufacture of electricity or any other form of energy or the supply of coal or other minerals, petroleum, oil or other hydrocarbons, metals or natural and other gases and chemicals and other products derived from or connected with any of them.

- (9) To carry on all or any of the businesses of designers, developers, manufacturers, constructors, installers, fitters, layers, operators, users, inspectors, testers, maintainers, repairers, reconditioners, servicers, improvers, enlargers, alterers, protectors, coaters, replacers, removers, hirers, suppliers, distributors, importers and exporters of and dealers in cables, wires, meters, pylons, tracks, rails, pipelines and any other plant, apparatus, equipment, systems and things used in connection with the transmission, transformation, conversion, supply, distribution, control and generation of electricity or any other forms of energy or with exploring, prospecting and dealing in coal and other minerals, petroleum, oil and other hydrocarbons, metals, natural and other gases and chemicals and other products derived from or connected with any of them, tools, machinery, engineering and other equipment, plants, components, accessories and supplies of every description.
- (10) For the purposes of electricity supply, distribution and communication, to install in, on, above or under any premises or place and to operate, use, inspect, maintain, repair, replace and remove cables, lines, ducts, transformers, switchgear (remotely controlled and otherwise, and including time switches), fuses, circuit breakers, electricity service equipment, meters and other devices for measuring or controlling the quantity or quality of electricity supplied, prepayment and debt payment devices, items from damage or tampering, the above-mentioned items, or to protect legal obligation and for other purposes associated with the supply of electricity and to install all such things and apparatus and items for the purposes of supplying, measuring and controlling light, heat, steam, hot water, air conditioning and refrigeration and for associated purposes, including payment for these facilities.
- (11) To provide or procure the provision of such facilities and services as may be necessary or desirable to forecast electricity/energy demand and to satisfy such demand.

- (12) To acquire, (whether by purchase, lease, concession, grant, hire or otherwise), charter, lease, take or let on hire, operate, use, employ or turn to account, build, equip, service, repair, maintain, supply, and deal in motor vehicles, railway locomotives, wagons, trucks and vessels and craft of any description, whether by land, air or water and any other means of transport and engineering plant and machinery, and parts and accessories of all kinds of any of the same and to carry on the businesses of storage contractors, freight contractors, carriers by land water and air of freight and passenger, forwarding agents, shipping agents and agents of any other kind.
- (13) To carry on as principal, agent or sub-contractor all or any of the businesses of running, operating, managing, supplying and dealing in systems for the conveyance by any means of sounds, visual images, signals, and services, facilities and equipment ancillary to or for use in connection with such systems.
- (14) To carry on all or any of the businesses or running, operating, managing, supplying and dealing in data processing and information retrieval systems, computers, computer programmes and software, computer bureaux and data bases, meter reading and credit checking and to provide services, facilities and equipment ancillary to or for use in connection with the same.
- (15) To carry on business as inventors, researchers and developers, to conduct, promote and commission research and development in connection with the businesses and activities of the Company and its subsidiaries, to establish and maintain research stations, laboratories, workshops, testing and proving grounds and sites, facilities and establishments and installations and to exploit and turn to account the results of any research and development carried out by or for it.
- (16) To invent, design, develop, construct, manufacture, produce, erect, assemble, test, alter, install, maintain, repair, renovate, refurbish, recondition, utilise, operate, manage, purchase, sell, hire, hire-out, import, export, supply and otherwise deal in all kinds of equipment, apparatus, plant, machinery, appliances, articles, furniture, things, accessories, components, fittings, tools, materials, substances, products, systems, computers, computer programmes and soft-ware which are required or likely to be required by the Company for the purposes of or in connection with any of its businesses or by other persons or which in the opinion of the Company may be conveniently or advantageously dealt with by the Company in connection or association with any of its objects or the objects of any of its subsidiaries.

- (17) To carry on all or any of the businesses of consultants, advisers and suppliers of management, personnel and training services, whether generally or in respect of one of more of the types of business or activity which the Company has power to carry on, and to provide training and educational courses, instruction and materials, of every description for employees of the Company and for other persons.
- (18) To appoint and to enter into agreements or arrangements with any person to represent all or any of the Company, its subsidiaries, the electricity industry or any part thereof, or any other organisation or person at meetings of local, national and international organisations and bodies concerned with activities connected or associated with any of the businesses or activities of the Company and its subsidiaries, to provide services of all kinds to such organisations and bodies and to negotiate and enter into local, national and international agreements and standards relating to matters of concern or interest to the Company or its subsidiaries or persons represented by or having dealings with the Company or its subsidiaries.
- (19) To carry on all or any of the businesses of and provide services associated with, engineers (including without limitation electrical, mechanical, heating, ventilation, civil, chemical, tele-communications and gas engineers), mechanics, technicians, draftsmen, designers, surveyors, architects, builders, decorators, caterers, kitchen installers and shopfitters.
- (20) To establish, design, acquire, produce, transmit, broadcast, publish, print and reproduce in any form whatsoever (including, without prejudice to the generality of the foregoing, visual or audible form and forms capable of being used by or in connection with computers), and to accept, buy, sell and supply and otherwise deal in brochures, manuals, journals and periodicals, magazines, newspapers, books, pictures, photographs, stationery and other documents, sound and visual recordings, tapes, films and programmes for radio, television, cinema and other means of communication, (including, without prejudice to the generality of the foregoing, any forms of advertisement, publicity and promotional material for the Company or its subsidiaries).
- (21) To carry on all or any of the businesses of manufacturers, wholesalers, retailers and traders, whether generally or in relation to particular goods or commodities, and to develop, produce and undertake advertising, publicity and promotional campaigns and competitions for itself and other persons, to undertake, promote and sponsor any product, service, event, individual or publication



which in the opinion of the Company will promote advance or publicise any activity of the Company or any of its subsidiaries and generally to carry on the businesses of public relations agents, publicity consultants and marketing agents.

- (22) To carry on all or any of the businesses of bankers, financiers, factors, debt collectors, dealers in securities, underwriters, insurers, brokers of any kind, developers of and dealers in property.
- (23) To borrow or raise money or secure or discharge any debt or obligation (whether of the Company or of any other person) in such manner as the Company thinks fit and in particular (but without prejudice to the generality of the foregoing) by the creation or issue, upon such terms as to priority or otherwise as the Company thinks fit, of securities of any kind or mortgages or charges (fixed or floating) founded or based upon all or any part of the undertaking property, assets and rights (present and future) of the Company, including its uncalled capital, or without any such security; and to receive money on deposit and advance payments with or without allowance of interest thereon.
- (24) To enter into any guarantee, contract or indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods or in any other manner, the performance of any contracts, obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company and whether or not any consideration or advantage is received by the Company.
- (25) To accept securities of any person or any property or interest therein of whatsoever nature in payment or part payment for any services rendered or for any sale or supply made to, or debt owing from, any such person.
- (26) To insure by any means the Company shall think fit any property, asset, matter or interest and against any potential liability or loss

of the Company or of any other person and the life or health of any person for the benefit of the Company.

- (27) To enter into and carry into effect any arrangement for a partnership or joint working or joint venture in business or for the sharing of profits or for amalgamation with any other person.
- (28) To acquire by any means and hold and deal with any real or personal property or rights whatsoever, whether or not for the purposes of or in connection with any of the foregoing activities, and without prejudice to the generality of the foregoing to purchase, take on lease or in exchange, take options over, hire or otherwise acquire and hold and deal with any real property and any estate or interest in such property, including without limitation any lands, buildings, installations, structures, servitudes, easements, rights, privileges and concessions and wayleaves and to use, exploit and develop the same.
- (29) To carry on business as land and estate owners, builders, house and estate agents, to build, construct, maintain, alter, enlarge, pull down and remove or replace any buildings, factories, offices, works, wharfs, roads, railways, tramways, machinery, engines, walls, fences, banks, dams, sluices or water courses and to clear sites for the same and to work, manage and control the same and to carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property.
- (30) To apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, secret processes, designs, copyrights, trade marks, service marks, commercial names and designations, know-how, formulae, licences, concessions and the like (and any interest in any of them) and any exclusive or non-exclusive or limited right to use, and any secret or other information as to, any invention or secret process of any kind and to use, exercise, develop, and grant licences in respect of, and otherwise turn to account and deal with, the property, rights and information so acquired.
- (31) To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in connection therewith, and to acquire an interest in, amalgamate or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance, with any such person and to give or accept, for any of the acts or

things aforesaid or property acquired, such consideration as the Company thinks fit, including without limitation, any shares, whether fully or partly paid up, debentures, or other securities or rights.

- (32) To subscribe for, underwrite, purchase or otherwise acquire, and to hold, and deal with, any shares, stocks, debentures, bonds, notes and other securities, obligations and other investments of any nature whatsoever and any options or rights in respect of them; and otherwise to invest and deal with the money and assets of the Company.
- (33) To advance, lend or deposit money, and to give credit or financial accommodation to any person on such terms as may be thought fit by the Company and to render advice to any such person.
- (34) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (35) Subject to such terms and conditions as may be thought fit, to undertake interest rate and currency swaps, options (including traded options), swap option contracts, forward exchange contracts, futures contracts or other financial instruments including hedging agreements of any kind all or any of which may be on a fixed and/or floating rate basis and/or in respect of Sterling (and any other currencies or basket of currencies including but not limited to European Currency Units (as the same may from time to time be designated or constituted)) or commodities of any kind and in the case of such swaps, options, swap option contracts, forward exchange contracts, futures contracts or other financial instruments including hedging agreements of any kind they may be undertaken by the Company on a speculative basis or otherwise.
- (36) To apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence or authorisation of any government, state, department or other authority (international, national, local, municipal or otherwise) for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting and modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its members.

(37) To enter into any arrangements with any governments, states, departments or authorities (international, national, local, municipal or otherwise) for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its members.

(38) To do all or any of the following, namely -

(A) to establish, provide, carry on, maintain, manage, support, purchase and contribute to any pension, superannuation, retirement, redundancy, injury, death benefit or insurance funds, trusts, schemes or policies for the benefit of, and to give or procure the giving of pensions, annuities, allowances, gratuities, donations, emoluments, benefits of any description (whether in kind or otherwise), incentives, bonuses, assistance (whether financial or otherwise) and accommodation and to provide and maintain living accommodation, in all cases in such manner and on such terms as the Company thinks fit to, and to make payments for or towards the insurance of -

(i) any individuals who are or were at any time in the employment of, or directors or officers of (or held comparable or equivalent office in), or acted as consultants or advisers to or agents for -

(a) the Company or any company which is or was its holding company or is or was a subsidiary of the Company or any such holding company; or

(b) any person to whose business the Company or any subsidiary of the Company is, in whole or in part, a successor directly or indirectly; or

(c) any person otherwise allied to or associated with the Company;

(ii) any other individuals whose service has been of benefit to the Company or who are or were at any time members or eligible to be members of any scheme established under section 54 of the Electricity Act 1947 or who the Company considers have a moral claim on the Company; and

(iii) the spouses, widows, widowers, families and dependants of any such individuals as aforesaid; and

- (B) to establish, provide, carry on, maintain, manage, support and provide financial assistance to welfare, sports and social facilities, associations, clubs, funds and institutions which the Company considers likely to benefit or further the interests of any of the aforementioned individuals, spouses, widows, widowers, families and dependants.
- (39) To establish, maintain, manage, support and contribute to any schemes for the acquisition of shares in the Company or any holding company be or for the benefit of any individuals who are or were at any time in the employment of, or directors or officers of, the Company or any company which is or was its holding company or is or was a subsidiary of the Company or any such holding company or any other company or former company connected or associated in any way with the Company or with the whole or any part of its undertaking, and to lend money to any such individuals to enable them to acquire shares in the Company or in its holding company and to establish, maintain, manage and support (financially or otherwise) any schemes for sharing profits of the Company or any other such company as aforesaid with any such individuals.
- (40) To subscribe or contribute (in cash or in kind) to, and to promote or sponsor, any charitable, benevolent or useful object of a public character or any object which may in the opinion of the Company be likely directly or indirectly to further the interests of the Company, its employees or its members.
- (41) To pay and discharge all or any expenses, costs and disbursements, to pay commissions and to remunerate any person for services rendered or to be rendered, in connection with the formation, registration, promotion and flotation of the Company and any company promoted by the Company and of and incidental to any negotiations between promoters preliminary to the formation of the Company and the underwriting or placing or issue at any time of any securities of the Company or of any other person and also all costs and expenses of and incidental to the acquisition by the Company of any property or assets and of and incidental to the accomplishment of all or any formalities which the Company may think necessary or proper in connection with any of the matters aforesaid.
- (42) To cease carrying on or wind up any business or activity of the Company and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory.
- (43) To issue, allot and grant options over securities of the Company for cash or otherwise or in payment or part payment for any real

or personal property or rights therein purchased or otherwise acquired by the Company or any services rendered to, or at the request of, or for the benefit of, the Company or as security for, or indemnity for, or towards satisfaction of, any liability or obligation undertaken or agreed to be undertaken by or for the benefit of the Company, or in consideration of any obligation (even if valued at less than the nominal value of such securities) or for any other purpose.

- (44) To procure the Company to be registered or recognised in any part of the world.
- (45) To promote or concur in promoting any other company for the purpose of acquiring all or any of the property or undertaking any of the liabilities of the Company, or both, or of undertaking any business or operations which may appear likely to assist or benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures, obligations or other securities of any such company.
- (46) To dispose by any means of the whole or any part of the assets of the Company or of any interest therein.
- (47) To distribute in specie or otherwise by way of dividends or bonus or reduction of capital all or any of the property or assets of the Company among its members, and particularly, but without prejudice to the generality of the foregoing, securities of any other company formed to take over the whole or any part of the assets or liabilities of the Company or any proceeds of sale or other disposal of any property or assets of the Company.
- (48) To do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors, subsidiaries or otherwise.
- (49) To carry on any other business or activities which the directors consider is, or may be, capable of being carried on directly or indirectly for the benefit of the Company.
- (50) To do all such other things as may be deemed, or as the Company considers, incidental or conducive to the attainment of the above objects or any of them.

AND IT IS HEREBY DECLARED that in this clause:-

- (a) unless the context otherwise requires, words in the singular include the plural and vice versa;
- (b) unless the context otherwise requires, a reference to a person includes a reference to a company, and a reference to a person or company includes a reference to a firm, partnership, corporation, government or other authority (municipal, local or otherwise), undertaking, organisation, association, statutory, public or other body and any other legal entity, whether resident, domiciled or situated in the United Kingdom or elsewhere;
- (c) references to "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible;
- (d) the words "and" and "or" shall mean "and/or";
- (e) the words "associated companies" shall mean any two or more companies if one has control of the other or others, or any person has control of both or all of them;
- (f) the words "subsidiary" (except in paragraph (h) below) and "holding company" have the same meaning as in section 736 of the Companies Act 1985 or any statutory modification or re-enactment of it;
- (g) the words "securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation;
- (h) the objects specified in each of the foregoing paragraphs of this clause shall be separate and distinct objects of the Company and accordingly shall not be in any way limited or restricted (except so far as otherwise expressly stated in any paragraph) by reference to or inference from the terms of any other paragraph or the order in which the paragraphs occur or the name of the Company, and none of the paragraphs shall be deemed merely subsidiary or incidental to any other paragraph.

5. The liability of the members is limited.

6. The share capital of the Company is £150,000,001 divided into 257,142,858 ordinary shares of 58<sup>1</sup>/<sub>3</sub>p each.\*

\* Amended by an Ordinary Resolution passed on 17 January 1996

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum and we agree to take the number of shares shown opposite our respective names.

Names and addresses  
of subscribers

Number of shares  
taken by each  
subscriber

Mark Andrew Higson  
2 Staleys Road  
Borough Green  
Kent TN15 8RR

One

David Frederick Pascho  
25 Derwent Road  
Whitton  
Twickenham  
Middlesex TW2 7HQ

One

Witness to the above signatures:-

B G Johnson  
161 Wessex Drive  
Erith  
Kent DA8 3AH



**THE COMPANIES ACTS 1985 and 1989**  
**A PUBLIC COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

**OF**

**London Electricity Group plc**

(adopted by special resolution passed on 19th November 1990)

**PRELIMINARY**

1. (1) In these articles the following words bear the following meanings-

<b>"the Act"</b>	subject to paragraph (3) below, the Companies Act 1985;
<b>"these articles"</b>	the articles of the Company;
<b>"clear days"</b>	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>"the Group"</b>	the Company and any subsidiary or subsidiaries of the Company;
<b>"holder"</b>	in relation to shares, the member whose name is entered in the Register as the holder of the shares;
<b>"Office"</b>	the registered office of the Company;
<b>"recognised person"</b>	a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 185 (4) of the Act;
<b>"Register"</b>	means the register of members to be kept pursuant to section 352 of the Act;
<b>"the seal"</b>	any common seal of the Company and any official seal kept by the Company by virtue of section 40 of the Act, or either of them as the case may require;

**“secretary”** any person appointed by the directors to perform the duties of the secretary of the Company, including (subject to the provisions of the Act) a joint, assistant or deputy secretary;

**“The Stock Exchange”** The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;

**“the United Kingdom”** Great Britain and Northern Ireland.

- (2) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act.
  - (3) A reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it from time to time in force.
  - (4) Unless the context otherwise requires -
    - (a) words in the singular include the plural, and vice versa;
    - (b) words importing any gender include all genders;
    - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons;
    - (d) a reference to execution shall include any mode of execution and the word “executed” shall be construed accordingly.
  - (5) References to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form.
  - (6) The headings are inserted for convenience only and do not affect the construction of these articles.
2. The regulations contained in Table A do not apply to the Company.

## **SHARE CAPITAL**

3. The share capital of the Company is £150,000,001 divided into 257,142,858 ordinary shares of 58<sup>1</sup>/<sub>3</sub>p each.\*
4. Subject to the provisions of the Act -
  - (a) the unissued shares in the Company shall be at the disposal of the directors, who may allot, grant options over or otherwise dispose of them to such persons and on such terms as the directors think fit;
  - (b) shares may be issued on the terms that they are, or are to be liable, to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these articles.

\* As amended by an Ordinary Resolution passed on 17 January 1996.

5. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine, (or, if the Company does not so determine, as the directors may determine).
6. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.
7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety of it in the holder.

## **VARIATION OF RIGHTS**

8. Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied, either while the Company is a going concern or during or in contemplation of a winding up -
  - (a) in such manner (if any) as may be provided by those rights; or

- (b) in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise. To every such separate meeting the provisions of these articles relating to general meetings shall apply, except that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting shall be one person holding shares of the class in question or his proxy.

9. Unless otherwise expressly provided by the rights attached to any shares, those rights-

- (a) shall be deemed to be varied by the reduction of the capital paid up on those shares and by the creation or issue of further shares ranking in priority for payment of a dividend or in respect of capital or which confer on the holders voting rights more favourable than those conferred by the first-mentioned shares;
- (b) shall otherwise be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with or subsequent to the first-mentioned shares; and
- (c) shall be deemed not to be varied by the purchase by the Company of any of its own shares.

### **SHARE CERTIFICATES**

10. (1) Every holder of shares (other than a recognised person in respect of whom the Company is not required by law to complete and have ready a certificate) shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of that holding) or, upon payment for every certificate for the balance of that holding), or upon payment for every certificate after the first of such reasonable sum as the directors may determine, to several certificates each for one or more of his shares. Every certificate shall be under the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on them. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a

certificate to one joint holder shall be a sufficient delivery to all of them.

- (2) If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out of pocket expenses incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.
- (3) Nothing in these articles shall prevent title to any securities of the Company from being evidenced and transferred without a written instrument in accordance with the Companies Act 1989 and any regulations made thereunder and the directors shall have power to implement such procedures as they may think fit and as may accord with that Act and any regulations made thereunder for recording and transferring title to securities and for the regulation of those procedures and the persons responsible for or involved in their operations.

#### **LIEN**

11. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to all amounts payable in respect of it.
12. The Company may sell, in such manner as the directors determine, any share on which the Company has a lien if an amount in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share, or the person entitled to it in consequence of the death or bankruptcy of the holder or otherwise by operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold.
13. To give effect to the sale the directors may authorise some person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
14. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the amount for which the lien exists as 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 any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share immediately prior to the sale.

### **CALLS ON SHARES AND FORFEITURE**

15. Subject to the terms of allotment, the directors may make calls upon the members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of an amount due under it, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
16. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
18. If a call remains unpaid after it has become due and payable the person from whom it is due shall pay interest on the amount unpaid, from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the shares in question or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) and together with all costs, charges and expenses that may have been incurred by the Company by reason of such non-payment but the directors may waive payment of the interest or such costs, charges or expenses wholly or in part.
19. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid these articles shall apply as if that sum had become due and payable by virtue of a call.
20. Subject to the terms of allotment, the directors may differentiate between the holders in the amounts and times of payment of calls on their shares.
21. The directors may receive from any member willing to advance it all or any part of the amount unpaid on the shares held by him (beyond the

sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay interest on the amount so received, or so much of it as exceeds the sums called up on the shares in respect of which it has been received, at such rate as the member and the directors agree.

22. If a call remains unpaid after it has become due and payable the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and all costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. If the notice is not complied with, any shares in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all amounts payable in respect of the forfeited shares and not paid before the forfeiture.
23. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and, at any time before the disposition, the forfeiture may be cancelled on such terms as the directors determine. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorise someone to execute an instrument of transfer of the share to that person.
24. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all amounts which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
25. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share

and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

### **TRANSFER OF SHARES**

26. Except as may be provided by any procedures implemented pursuant to article 10(3) above, the instrument of transfer of a share may be in any usual form or in any other form which the directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.
27. The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid or over which the Company has a lien provided that where any such shares are admitted to the Official List of The Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class on an open and proper basis. They may also decline to recognise an instrument of transfer unless the instrument of transfer -
  - (a) is lodged, duly stamped (if stampable), at the Office or at such other place as the directors may appoint and (except in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
  - (b) is in respect of only one class of share; and
  - (c) is in favour of not more than four transferees.
28. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
29. The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
30. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
31. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors



refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.

32. Nothing in these articles shall preclude the directors -
- (a) from recognising a renunciation of the allotment of any share by the allottee in favour of some other person; or
  - (b) if empowered by these articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share in accordance with any procedures implemented pursuant to article 10(3) above.

### **DESTRUCTION OF DOCUMENTS**

33. (1) The Company may destroy -
- (a) any instrument of transfer, after six years from the date on which it is registered;
  - (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address after two years from the date on which it is recorded;
  - (c) any share certificate, after one year from the date on which it is cancelled; and
  - (d) any other document on the basis of which any entry in the Register is made at any time after the expiry of six years from the date an entry was first made in the Register in respect of it.
- (2) It shall be conclusively presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled, and that every other document so destroyed was valid and effective in accordance with the particulars in the records of the Company: provided that -
- (a) this article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
  - (b) nothing in this article shall be construed as imposing upon the Company any liability in respect of the destruction of

any such document otherwise than as provided for in this article which would not attach to the Company in the absence of this article; and

- (c) references in this article to the destruction of any document include references to the disposal of it in any manner.

#### **UNTRACED MEMBERS**

- 34. (1) The Company shall be entitled to sell in such manner and for such price as the directors think fit any share held by a member, or any share to which a person is entitled by transmission, if -
  - (a) for a period of 12 years no cheque or warrant for amounts payable in respect of the share sent and payable in a manner authorised by these articles has been cashed and no communication has been received by the Company from the member or person concerned;
  - (b) during that period at least three dividends in respect of the share have become payable;
  - (c) the Company has, after the expiration of that period, by advertisement in a leading national daily newspaper, published in the United Kingdom and in a newspaper circulating in the area of the registered address or last known address of the member or person concerned, and by notice to the Quotations Department of The Stock Exchange if shares of the class concerned are listed or dealt in on that exchange, given notice of its intention to sell such share; and
  - (d) the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.
- (2) The Company shall also be entitled to sell, in the manner provided for in this article, any share ("additional share") issued during the said period or periods of 12 years and three months in right of any share to which paragraph (1) of this article applies or in right of any share issued during either of such periods, provided that the requirements of sub-paragraphs (a) (but modified to exclude the words "for a period of 12 years"), (c) and (d) are satisfied in respect of such additional share.

- (3) To give effect to the sale the Company may appoint any person to execute an instrument of transfer of the share, and the instrument shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the share. The Company shall be indebted to the member or other person entitled to the share for an amount equal to the net proceeds of the sale, but no trust shall be created and no interest shall be payable in respect of the proceeds of sale.

### **TRANSMISSION OF SHARES**

35. If a member dies, the survivor where he was a joint holder, or his personal representative where he was a sole holder or the only survivor of joint holders, shall be the only person recognised by the Company as having any title to his interest; but nothing in this article shall release the estate of a deceased member from any liability in respect of any share which had been held solely or jointly by him.
36. A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer signed by the member and the death or bankruptcy of the member or other operative event had not occurred. The directors may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within sixty days, the directors may withhold payment of all dividends and other monies payable in respect of the share until the requirements of the notice have been complied with.
37. A person becoming entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting or at any separate meeting of the holders of any class of shares.

### **DISCLOSURE OF INTERESTS**

38. (1) If a member, or any other person appearing to be interested in shares held by that member, has been given notice under

section 212 of the Act and has failed in relation to any shares ("the default shares") to give the Company the information thereby required within the prescribed period from the date of the notice, the following sanctions shall apply (subject to paragraph (7) below), unless the directors otherwise determine:

- (a) the member shall not be entitled in respect of the default shares to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or to exercise any other right conferred by membership in relation to any such meeting; and
  - (b) where the default shares represent 0.25 per cent or more of their class-
    - (i) any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to article 119 below, to receive shares instead of that dividend; and
    - (ii) no transfer, other than an approved transfer of any shares held by the member shall be registered unless -
      - (A) the member is not himself in default as regards supplying the information required; and
      - (B) the member provides evidence to the satisfaction of the directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
- (2) Where the sanctions under paragraph (1) above apply in relation to any shares, they shall cease to have effect -
- (a) if the shares are transferred by means of an approved transfer; or
  - (b) when the directors are satisfied that the information required by the notice mentioned in that paragraph has been received in writing by the Company.
- (3) For the purposes of this article -

- (a) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- (b) "interested" shall be construed as it is for the purpose of section 212 of the Act;
- (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his having failed or refused to give all or any part of it and (ii) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (d) "the prescribed period" means -
  - (i) in a case where the default shares represent at least 0.25 per cent of their class, fourteen days; and
  - (ii) in any other case, twenty-eight days;
- (e) an "approved transfer" means, in relation to any shares held by a member -
  - (i) a transfer pursuant to acceptance of a take-over offer for the Company (within the meaning in section 14 of the Company Securities (Insider Dealing) Act 1985); or
  - (ii) a transfer in consequence of a sale made through a recognised person or other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
  - (iii) a transfer which is shown to the satisfaction of the directors to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and

with any other person appearing to be interested in the shares.

- (4) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives notice under section 212 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (1) above.

### **STOCK**

39. Company may by ordinary resolution convert any paid up shares into stock and re-convert any stock into paid up shares of any denomination.
40. A holder of stock may transfer it or any part of it in the same manner, and subject to the same provisions of these articles as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the directors may fix the minimum amount of stock transferable at an amount not exceeding the nominal amount of any of the shares from which the stock arose.
41. A holder of stock shall, according to the amount of the stock held by him, have the same rights as if he held the shares from which the stock arose: provided that no such right (except participation in dividends and in the assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right.
42. All the provisions of these articles applicable to paid up shares shall apply to stock, and the words "share" and "member" shall include "stock" and "holder of stock" respectively.

### **ALTERATION OF CAPITAL**

43. The Company may by ordinary resolution -
- (a) increase its share capital by new shares of such amount as the resolution prescribes;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;

- (d) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others; and
  - (e) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.
44. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may on behalf of those members sell to any person (including, subject to the provisions of the Act, the Company) the shares representing the fractions for such price as the directors think fit and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
45. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, in any way.

#### **PURCHASE OF OWN SHARES**

46. Subject to the provisions of the Act, the Company may purchase its own shares, including redeemable shares, but not unless the purchase has been sanctioned by an extraordinary resolution passed at a separate meeting of the holders of any class of convertible shares in the Company.

#### **GENERAL MEETING**

47. All general meetings other than annual general meetings shall be called extraordinary general meetings.
48. The directors may call general meetings and on a members' requisition under section 368 of the Act shall forthwith and in any event within 21 days from the date of deposit of the requisition convene an extraordinary general meeting for a date not later than 28 days after the date of the notice convening the meeting. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or, if there is no director within the United Kingdom, any member of the Company may call a general meeting.

## **NOTICE OF GENERAL MEETINGS**

49. Subject to the provisions of the Act, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice, and all other extraordinary general meetings shall be called by at least fourteen clear days' notice. The notice shall specify the place, the day and the time of meeting and the general nature of the business to be transacted, and in the case of an annual general meeting shall specify the meeting as such. Subject to the provisions of these articles, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law and to the directors and auditors of the Company.
50. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

51. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation sole which is a member shall be a quorum.
52. If a quorum is not present within half an hour after the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such day, time and place as the directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the meeting shall be dissolved.
53. The chairman (if any) of the board of directors, or in his absence the deputy chairman (if any), or in the absence of both of them some other director nominated by the directors, shall preside as chairman of the meeting, but if neither the chairman nor the deputy chairman nor such other director (if any) is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number present to be chairman and, if there is only one director present and willing to act, he shall be chairman.
54. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.



55. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares.
56. The chairman shall adjourn a meeting at which a quorum is present to another time and place if requested to do so by such meeting and may so adjourn such meeting if either -
- (A) he has the consent of such meeting; or
  - (B) in his opinion it is not practicable to obtain consent under subparagraph (A) above but it appears to him necessary in order to facilitate the business of the meeting.

No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for twenty-eight days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give notice of an adjournment.

57. If an amendment proposed to any resolution under consideration is ruled out of order by the chairman, the proceedings on the resolution shall not be invalidated by any error in the ruling.
58. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded -
- (a) by the chairman; or
  - (b) by not less than five persons having the right to vote at the meeting; or
  - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members holding shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
59. Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular

majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

60. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
61. A poll shall be taken as the chairman directs, and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
62. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
63. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs, not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
64. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting in respect of which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

#### **VOTES OF MEMBERS**

65. Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person (which expression shall include a person present as the duly authorised representative of a corporate member acting in that capacity) shall have one vote, and on a poll every member shall have one vote for every share of which he is the holder.
66. In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint

holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.

67. A member in respect of whom an order has been made by any court having competent jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, on a show of hands or on a poll, by any person authorised in that behalf by that court, who may on a poll vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.
68. No member shall have the right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.
69. No objection shall be raised to the qualifications of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting or adjourned meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
70. On a poll, votes may be given either personally or by proxy or (in the case of corporate member) by a duly authorised representative. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. A proxy need not be a member.
71. An instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor or his duly constituted attorney. A corporation may execute a form of proxy either under its common seal or under the hand of a duly authorised officer, attorney or other person authorised to sign it. A member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it.

72. The instrument appointing a proxy and any authority under which it is executed or a copy of the authority certified notarially or in some other way approved by the directors may -
- (a) be deposited at the Office or at such other place in the United Kingdom as is specified in the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of a poll taken more than 48 hours after it was demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for taking the poll; or
  - (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting to the chairman or to the secretary or to any director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

73. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation or corporation sole shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination was received by the Company at the Office, or at such other place at which the instrument of proxy was duly deposited, not less than 48 hours before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
74. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll (and for the purposes of these articles a demand for a poll made by a person as proxy for a member or as the duly authorised representative of a member which is a corporation shall be the same as a demand made by the member except that for the purpose of establishing whether the requirements of article 58 are met, the voting rights which may be exercised by such person in his capacity as proxy for, or duly authorised representative of the member, and not the voting rights which may be exercised by the member himself, shall be taken into account).

75. The directors may at the expense of the Company send instruments of proxy to the members by post or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the directors or any other person. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission to send such an instrument or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

### **INCORPORATED MEMBERS ACTING BY REPRESENTATIVES**

76. Any corporation or corporation sole which is a member of the Company may (in the case of a corporation by resolution of its directors or other governing body) authorise such person as it thinks fit to act as its representative (or representatives) at any meeting of the Company, or at any separate meeting of the holders of any class of shares. A person so authorised shall be entitled to exercise the same power on behalf of the grantor of the authority (in respect of that part of the grantor's holding to which his authorisation relates, in the case of an authorisation of more than one person) as the grantor could exercise if it were an individual member of the Company, and the grantor 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 at it. In relation to any such meeting, a person authorised under section 3 of the Treasury Solicitor Act 1876 shall be treated for the purposes of this article as if his authority had been granted by the Solicitor for the affairs of Her Majesty's Treasury; and in these articles references to a duly authorised representative of a corporation sole include, in relation to the Solicitor for the affairs of Her Majesty's Treasury, references to a person authorised under that section.

### **DIRECTORS**

77. Unless otherwise determined by the Company by ordinary resolution the number of directors (other than alternate directors) shall be subject to a maximum of sixteen and shall not be less than four.
78. A director shall not require a share qualification.
79. Until otherwise determined by the Company by ordinary resolution, there shall be paid to the directors (other than alternate directors) such fees for their services in the office of director as the directors may determine (not exceeding in the aggregate an annual sum of £250,000

or such larger amount as the Company may by ordinary resolution decide) divided between the directors as they agree, or failing agreement, equally. The fees shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the directors or of committees of the directors or general meetings or separate meetings of the holders of any class of shares or otherwise in connection with the discharge of their duties as directors.

### **ALTERNATE DIRECTORS**

80. Any director (other than an alternate director) may appoint any person, who is willing to act and who is either a director or who is approved by resolution of the directors, to be an alternate director and may remove from office an alternate director appointed by him.
81. An alternate director shall (unless he is absent from the United Kingdom) be entitled to receive notices of meetings of the directors and of committees of the directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not present, and generally to perform all the functions of his appointor as a director in his absence, but shall not (unless the Company by ordinary resolution otherwise determines) be entitled to any fees for his services as an alternate director.
82. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director by rotation or otherwise but is reappointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
83. An appointment or removal of an alternate director shall be by notice to the Company executed by the director making or revoking the appointment and deposited at the Office, or in any other manner approved by the directors.
84. Save as otherwise provided in these articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults, and he shall not be deemed to be the agent of the director appointing him.

### **POWERS OF DIRECTORS**

85. The business of the Company shall be managed by the directors who, subject to the provisions of the Act, the memorandum and these

articles and to any directions given by special resolution, may exercise all the powers of the Company. No alteration of the memorandum or these articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles and a meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.

86. (1) The directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (as regards such subsidiaries so far as by such exercise they can secure) that the aggregate principal amount outstanding of all money borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group, other than amounts to be taken into account under paragraph (3) (j) below) shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to the aggregate of the amounts in sub-paragraphs (a) and (b) of this paragraph (1) multiplied by the figure specified in paragraph (6) below:-
- (a) the amount paid up on the share capital of the Company; and
  - (b) the total of the capital and revenue reserves of the Group, including any share premium account, capital redemption reserve and credit balance on the profit and loss account, but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiaries of the Company and deducting any debit balance on the profit and loss account,
- all as shown in the then latest audited consolidated balance sheet and profit and loss account of the Group prepared for the purposes of the Act ("the Latest Accounts"), but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account of the Company since the date of that balance sheet and further adjusted as may be necessary to reflect any change since that date in the companies comprising the Group. Until the audited consolidated balance sheet and profit and loss account of the Group for the year ending 31st March 1991 is published, the amount of the said limit on borrowings shall be £900,000,000.
- (2) For the purposes of this article, "subsidiary" means a subsidiary or a subsidiary undertaking.

- (3) For the purposes of this article, but without prejudice to the generality of the terms "borrowing" and "borrowed" or to the exclusion under paragraph (1) above for intra-Group borrowings
- (a) the principal amount of any debentures (other than a debenture dated 1st November 1990 issued in favour of the Secretary of State for Energy pursuant to a direction made under section 71 of the Electricity Act 1989) issued by a member of the Group, whether for cash or otherwise, shall be taken into account as money borrowed by that member;
  - (b) the principal amount raised by any member of the Group by acceptances or under any acceptance credit opened on its behalf by a bank or acceptance house, other than acceptances and acceptance credits relating to the purchase of goods or services in the ordinary course of trading and outstanding for six months or less, shall be taken into account as money borrowed by that member;
  - (c) the nominal amount of any paid up preference share capital of any subsidiary of the Company not being capital owned by a member of the Group, shall be taken into account as money borrowed by that subsidiary;
  - (d) the principal amount of any borrowings of a person (other than a member of the Group) the beneficial interest in which or right of repayment to which is not owned by a member of the Group and the payment or repayment of which is the subject of a guarantee or indemnity given by, or is secured on the assets of, a member of the Group, shall be taken into account as money borrowed by that member;
  - (e) any fixed amount in respect of a hire purchase agreement or of a finance lease payable in either case by a member of the Group which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet shall be taken into account as money borrowed by that member (and for the purpose of this sub-paragraph "finance lease" means a contract between a lessor and a member of the Group as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by that member and "hire



purchase agreement" means a contract of hire between a hire purchase lender and a member of the Group as hirer);

- (f) amounts borrowed for the purpose of repaying the whole or any part of any amounts previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for that purpose within six months of the borrowing shall not, pending such application, be taken into account as money borrowed;
- (g) amounts borrowed for the purpose of financing any contract in respect of which any part of the price receivable thereunder is guaranteed or insured by the Export Credits Guarantee Department or any other institution carrying on similar business shall not be taken into account to the extent of the sums so guaranteed or insured;
- (h) amounts borrowed by a company before, and outstanding after, it becomes a subsidiary of the Company and amounts secured on an asset before and remaining so secured after, it is acquired by a member of the Group, shall not be taken into account as money borrowed until six months after the company becomes a subsidiary or the asset is acquired, as the case may be;
- (i) any premium payable on final repayment of an amount to be taken into account as money borrowed shall also be so taken into account, and any premium payable on final repayment of an amount not to be so taken into account shall also not be so taken into account;
- (j) money borrowed by a partly-owned subsidiary (if any) and not owing to another member of the Group shall (notwithstanding sub-paragraphs (a) to (e) above) be taken into account subject to the exclusion of a proportion of it equal to the minority proportion, and money borrowed and owing to a partly-owned subsidiary (if any) by another member of the Group shall (subject to sub-paragraph (h) above) be taken into account to the extent of a proportion of it equal to the minority proportion (and for the purpose of this sub-paragraph "minority proportion" means the proportion of such issued equity share capital of the partly-owned subsidiary which is not attributable, directly or indirectly, to the Company);

and in sub-paragraphs (f) to (h) above references to amounts borrowed include references to amounts which, but for the exclusions under those sub-paragraphs, would fall to be taken into account as money borrowed.

- (4) In calculating the aggregate amount of borrowings for the purpose of this article:-
- (i) money borrowed by any member of the Group which is denominated or repayable in a currency other than sterling shall be treated as converted into sterling -
    - (a) at the rate of exchange used for the conversion of that currency in the latest audited balance sheet of that member; or
    - (b) if no rate was so used, at the middle market rate of exchange prevailing in London at the close of business on the date of that balance sheet,but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead; and
  - (ii) there shall be credited against the amounts of any borrowings any amounts beneficially owned by any member of the Group which are deposited with any bank or other person not being a member of the Group and which are repayable to any member of the Group on demand or within three months of any demand, subject in the case of money deposited by a partly owned subsidiary, to the exclusion of a proportion thereof equal to the minority proportion (as defined in paragraph (3)(j) above).
- (5) No debt incurred or security given in respect of money borrowed or to be taken into account as money borrowed in excess of the above limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

- (6) If the Latest Accounts (defined for the purposes of this paragraph in paragraph (1) above) include a balance sheet prepared in accordance with the current cost convention (a "Current Cost Balance Sheet") but do not include a balance sheet prepared in accordance with the historical cost convention (an "Historical Cost Balance Sheet"), the multiple for the purposes of paragraph (1) shall be 1.25 (one and a quarter). If the Latest Accounts include an Historical Cost Balance Sheet but do not include a Current Cost Balance Sheet, the multiple for the purposes of paragraph (1) shall be 2.5 (two and a half). If the Latest Accounts include a Current Cost Balance Sheet and an Historical Cost Balance Sheet, the accounts to be taken for the purposes of paragraph (1) and for determining the multiple under this paragraph shall be as the directors shall in their absolute discretion decide.
- (7) In this article references to a consolidated balance sheet or profit and loss account are to be taken, in a case where the Company has no subsidiaries, as references to the balance sheet or profit and loss account of the Company and, in a case where the Company has subsidiaries but there are no consolidated accounts of the Group, as references to the respective balance sheets or profit and loss accounts of the companies comprising the Group; and references to the audited consolidated accounts of the Group shall be construed accordingly.
- (8) A certificate or report by the auditors as to the amount paid up on the share capital of the Company or the total of the capital and revenue reserves of the Group or the amount of any borrowing or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times or as a result of any particular transaction or transactions shall be conclusive evidence of the amount or of that fact.

87. The directors may appoint any person to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such a designation or title. The inclusion of the word "director" in the designation or title of any such office or employment (other than the office of chief executive or joint chief executive or deputy or assistant chief executive director) shall not imply that the holder is a director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a director of the Company for any of the purposes of these articles.

## **DELEGATION OF DIRECTORS' POWERS**

88. (1) The directors may delegate any of their powers -
- (a) to any managing director or any director holding any other executive office;
  - (b) to any committee consisting of one or more directors and (if thought fit) one or more other persons, but a majority of the members of the committee shall be directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are directors; and
  - (c) to any local board or agency for managing any of the affairs of the Company either in the United Kingdom or elsewhere.
- (2) Any such delegation (which may include authority to sub-delegate all or any of the powers delegated) may be subject to any conditions the directors impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject as aforesaid, the proceedings of any committee, local board or agency with two or more members shall be governed by such of these articles as regulate the proceedings of directors so far as they are capable of applying.
89. The directors may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the directors, to be the agent of the Company for such purposes and with such powers and subject to such conditions as they think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with the agent as the directors may think fit, and may also authorise the agent to sub-delegate all or any of the powers vested in him.

## **APPOINTMENT AND RETIREMENT OF DIRECTORS**

90. At the annual general meeting in every year one-third of the directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third, shall retire from office; but, if there is only one director who is subject to retirement by rotation, he shall retire.
91. Subject to the provisions of the Act and to the following provisions of these articles, the directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last

reappointed directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board of directors at the date of the notice convening the annual general meeting, and no director shall be required to retire or be relieved from retiring by reason only of any change in the number or identity of the directors after the date of such notice but before the close of the meeting.

92. If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.
93. No person other than a director retiring by rotation shall be appointed or reappointed a director at any general meeting unless-
  - (a) he is recommended by the directors; or
  - (b) not less than seven nor more than thirty-five days before the date appointed for holding the meeting, notice executed by a member qualified to vote on the appointment or reappointment has been given to the Company of the intention to propose that person for appointment or reappointment, stating the particulars which would, if he were appointed or reappointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed or reappointed.
94. At a general meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
95. Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, and may also determine the rotation in which any additional directors are to retire.
96. The directors may appoint a person who is willing to act to be a director, either to fill a casual vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed as the maximum number of directors. A director so appointed shall retire at the next following annual general

meeting and shall not be taken into account in determining the directors who are to retire by rotation at the meeting.

97. Subject as aforesaid, a director who retires at an annual general meeting may be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

#### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

98. Without prejudice to the provisions of the Act, the Company may, by ordinary resolution, remove a director before the expiration of his period of office (but such removal shall be without prejudice to any claim to damages for breach of any contract of service between the director and the Company) and may, by ordinary resolution, appoint another person instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed a director.
99. No person shall be disqualified from being appointed or reappointed a director and no director shall be required to vacate that office by reason only of the fact that he has attained the age of seventy or any other age, nor shall it be necessary to give special notice under the Act of any resolution appointing, reappointing or approving the appointment of a director by reason of his age. Where a general meeting is convened at which a director will be proposed for appointment or reappointment who will, at the date of the meeting, be seventy, the directors shall give notice of his age in the notice convening the meeting or in any document sent with it; but the accidental omission to give such notice shall not invalidate any proceedings at the meeting or any appointment or reappointment of the director concerned.
100. The office of a director shall be vacated if -
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) he is, or may be, suffering from mental disorder and either -
    - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act

1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or

- (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice in writing to the Company; or
- (e) in the case of a director who holds any executive office, his appointment as such is terminated or expires and the directors resolve that his office be vacated; or
- (f) he is absent for more than six consecutive months without permission of the directors from meetings of the directors held during that period (whether or not an alternative director appointed by him attends) and the directors resolve that his office be vacated; or
- (g) he is requested in writing by all the other directors to resign.

#### **DIRECTORS' APPOINTMENTS AND INTERESTS**

101. The directors may appoint one or more of their number to the office of chief executive or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision of any services outside the scope of the ordinary duties of a director. Subject to the provisions of the Act, any such appointment, agreement or arrangement may be made for such term, at such remuneration and on such other conditions as the directors think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

102. (1) Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office -
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or

promoting the Company or in which the Company is otherwise interested; and

- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate;

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

(2) For the purposes of this article -

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

### **DIRECTORS' GRATUITIES AND PENSIONS**

103. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

### **PROCEEDINGS OF DIRECTORS**

104. (1) Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- (2) A director may, and the secretary at the request of a director shall, call a meeting of the directors. Subject to paragraph (3) of this article, it shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Any



director may waive notice of a meeting and any such waiver may be retrospective.

- (3) If a director notifies the Company in writing of an address in the United Kingdom at which notice of meetings of the directors is to be given to him when he is absent from the United Kingdom, he shall, if so absent, be entitled to have notice given to him at that address; but the Company shall not be obliged by virtue of this paragraph to give any director a longer period of notice than he would have been entitled to had he been present in the United Kingdom at that address.
  - (4) Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote and an alternate director who is appointed by two or more directors shall be entitled to a separate vote on behalf of each of his appointors, in their absence.
105. No business shall be transacted at any meeting of the directors unless a quorum is present. The quorum may be fixed by the directors and unless so fixed at any other number shall be two. An alternate director who is not himself a director shall, if his appointor is not present, be counted in the quorum.
106. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the minimum number fixed by or in accordance with these articles or the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
107. The directors may elect from their number, and remove, a chairman and a deputy chairman of the board of directors. The chairman, or in his absence the deputy chairman, shall preside at all meetings of the directors, but if there is no chairman or deputy chairman, or if at the meeting neither the chairman nor the deputy chairman is present within five minutes after the time appointed for the meeting, or if neither of them is willing to act as chairman, the directors present may choose one of their number to be chairman of the meeting.
108. All acts done by a meeting of the directors, or of a committee of the directors, or by a person acting as a director, shall notwithstanding that it may afterwards be discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as

valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.

109. A resolution in writing executed by all the directors entitled to receive notice of a meeting of the directors or of a committee of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) of that committee of the directors duly convened and held, and may consist of several documents in the like form each executed by one or more directors, but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a director who has appointed an alternate director, it need not also be executed by the alternate director in that capacity.
110. (1) Save as otherwise provided by these articles, a director shall not vote at a meeting of the directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company), unless his interest arises only because the case falls within one or more of the following sub-paragraphs -
- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiaries;
  - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (c) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities of the Company or any of its subsidiaries for subscription, purchase or exchange;
  - (d) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes;
  - (e) the resolution relates to an arrangement for the benefit of the employees of the Company or any of its subsidiaries,

including but without being limited to an employees' share scheme, which does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates;

- (f) the resolution relates to a transaction or arrangement with any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in one per cent or more of the equity share capital of that company (or of any other entitled to exercise one per cent or more of the voting rights available to members of the relevant 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 and any shares comprised in any authorised unit trust scheme in which the director is interested only as a unit holder;
- (g) the resolution relates in any way to the purchase and/or maintenance of any insurance of any insurance policy pursuant to article 140 below.

(2) For the purposes of paragraph (1) of this article, an interest of any person who is for any purpose of the Act (excluding any statutory modification thereof not in force when these articles become binding on the Company) connected with a director shall be taken to be the interest of that director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

(3) Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more directors to offices or employment with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not by virtue of sub-paragraph (f) of paragraph (1) of this article, or otherwise under that paragraph, or for any other reason, precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

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

112. The Company may by ordinary resolution suspend or relax to any extent either generally or in respect of any particular matter, any provision of these articles prohibiting a director from voting at a meeting of the directors or of a committee of the directors.
113. If a question arises at a meeting of the directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting), and his ruling in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and conclusive.

### **MINUTES**

114. The directors shall cause minutes to be made in books kept for the purpose -
- (a) of all appointments of officers made by the directors; and
  - (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of the directors, including the names of the directors present at each such meeting.

### **SECRETARY**

115. Subject to the provision of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and on such other conditions as they think fit; and any secretary so appointed may be removed by them.

### **THE SEAL**

116. (1) The seal shall be used only by the authority of a resolution of the directors or of a committee of the directors. The directors may determine whether any instrument to which the seal is affixed, shall be signed and, if it is to be signed, who shall sign it. Unless otherwise so determined -
- (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any debentures or other securities, need not be signed and any signature may be affixed to or printed on any such certificate by any means approved by the directors; and

- (b) every other instrument to which the seal is affixed shall be signed by one director and by the secretary or another director.
  - (2) A document signed by a director and by the secretary or another director and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were under seal and a document so executed which makes it clear on its face that it is intended to be a deed (in whatever form of words) has effect, upon delivery, as a deed.
117. Subject to the provisions of the Act, the Company may have an official seal for use in any place abroad.

### **DIVIDENDS**

118. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
119. The directors may, with the previous sanction of an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of any dividend specified by the ordinary resolution. The following provisions shall apply:
- (a) The said resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period but such period may not end later than the beginning of the annual general meeting next following the date of the meeting at which the ordinary resolution is passed.
  - (b) The entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) that such holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on The Stock Exchange as derived from the Daily Official List, for the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution.

A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount.

- (c) No fractions of a share shall be allotted.
  - (d) The directors shall, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which elections must be lodged in order to be effective.
  - (e) The directors may exclude from any offer any holders of ordinary shares where the directors believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
  - (f) The dividend (or that part of the dividend in respect of which a right of election has been given) shall not be payable on ordinary shares in respect of which an election has been duly made ("the elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose the directors shall capitalise out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve fund) any of the profits which could otherwise have been applied in paying dividends in cash as the directors may determine a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued shares for allotment and distribution to the holders of the elected ordinary shares on that basis.
  - (g) The additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue except that they will not be entitled to participation in the dividend in place of which they were allotted.
  - (h) The directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, and may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and incidental matters and any agreement so made shall be effective and binding on all concerned.
120. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of

the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. If the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

121. Except as otherwise provided by these articles or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purpose of this article, an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share.
122. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates (or ignore fractions) and fix the value for distribution of any assets, and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members, and may vest any assets in trustees.
123. Any dividend or other money payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder or otherwise by operation of law, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person or persons

entitled to the money represented thereby. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other money payable in respect of the share. Any such dividend or other money may also be paid by any other method (including direct debit, bank transfer and dividend warrant) which the directors consider appropriate.

124. The Company may cease to send dividend warrants and cheques by post to any person or persons entitled in any case where such warrants or cheques have been returned undelivered or left uncashed by such person or persons on at least two consecutive occasions.
125. No dividend or other money payable in respect of a share shall bear interest against the Company, unless otherwise provided by the rights attached to the share.
126. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

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

127. The directors may with the authority of an ordinary resolution of the Company -
  - (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of the Company's share premium account or capital redemption reserve;
  - (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied



in paying up unissued shares to be allotted to members credited as fully paid;

- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- (d) make such provision by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
- (f) generally do all acts and things required to give effect to such resolution as aforesaid.

#### **RECORD DATES**

128. Notwithstanding any other provision of these articles, but without prejudice to any rights attached to any shares, the Company or the directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.

#### **ACCOUNTS**

129. No member (other than a director) shall have any right to inspect any accounting record or other document of the Company unless he is authorised to do so by statute, by order of the court, by the directors or by ordinary resolution of the Company.
130. (1) Except as provided in paragraph 130(2) below, a printed copy of the directors' and auditors' reports accompanied by printed copies of the balance sheet and every document required by the Act to be annexed to the balance sheet and of the profit and loss account or income and expenditure account shall, not less than twenty-one clear days before the annual general meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company, and to the auditors; but this article shall not require a copy of those documents to be sent to any member or holder of debentures of

whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of each of those documents as may be required by the regulations of that stock exchange.

- (2) The Company may, in accordance with section 251 of the Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in paragraph 130(1) above; and where it does so the statement shall be delivered or sent by post to the member not less than twenty one clear days before the annual general meeting before which those documents are to be laid.

### NOTICES

131. Any notice to be given to or by any person pursuant to these articles shall be in writing, except that a notice calling a meeting of the directors need not be in writing.
132. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
133. A member present either in person or by proxy, or in the case of a member which is a corporation by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
134. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title; but this article does not apply to a notice given under section 212 of the Act.
135. Where, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notice sent by post, notice of the

meeting shall be sufficiently given if given by advertisement in two leading national daily newspapers published in the United Kingdom. The Company shall send a copy of the notice to members by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

136. Any notice to be given by the Company to the members or any of them, the manner of giving which is not provided for by these articles, shall be sufficiently given if given by advertisement in at least one leading national daily newspaper published in the United Kingdom.
137. A notice sent by post shall be deemed to have been given on the day following that on which the envelope containing the notice was posted unless it was sent by second class post or there is only one class of post in which case it shall be deemed to have been given on the day next but one after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that notice was given. A notice given by advertisement shall be deemed to have been served on the day on which the advertisement appears.
138. A notice may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law by sending or delivering it in a manner authorised by these articles for the giving of notice to a member addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred.

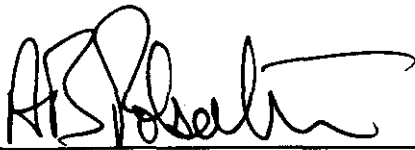
#### **WINDING UP**

139. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the 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 the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

#### **INDEMNITY**

140. Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, every director

or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as an officer or auditor of the Company and in which judgement is given in his favour or in which he is acquitted or incurred in connection with any application in which relief is granted to him by the court from liability in respect of any such act or omission or from liability to pay any amount in respect of shares acquired by a nominee of the Company. Subject to the provisions of the Act, the directors may purchase and maintain insurance at the expense of the Company for the benefit of any director or other officer or auditor of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director, officer or auditor. The directors may authorise directors of companies within the Group to purchase and maintain insurance at the expense of the Company for the benefit of any director, other office or auditor of such company in respect of such liability, loss or expenditure.



Company Secretary