

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

IBM UNITED KINGDOM HOLDINGS LIMITED

(As amended by Special Resolution passed 21 May 1992)

1. The name of the Company is "IBM UNITED KINGDOM HOLDINGS LIMITED".
2. The registered office of the Company will be situate in England.
3. The objects for which the Company is established are:

A.

- 1) to carry on the business of a holding company and to acquire by purchase, exchange, subscription or otherwise and to hold the whole or any part of the securities and interests of and in any companies for the time being engaged, concerned or interested in any industry, trade or business and to promote the beneficial co-operation of any such companies as well with one another as with the Company and to exercise in respect of such investments and holdings all the rights, powers and privileges of ownership including the right to vote thereon;
- 2) to employ the funds of the Company in the development and expansion of the business of the Company and all or any of its subsidiary or associated companies and in any other company whether now existing or hereafter to be formed and engaged in any like business of the Company or any of its subsidiary or associated companies or of any other industry ancillary thereto or which can conveniently be carried on in connection therewith;
- 3) to co-ordinate the administration, policies, management, supervising, control, research, development, planning, manufacture, trading and any and all other activities of, and to act as financial advisers and consultants to, any company or companies or group of companies now or hereafter formed or incorporated or acquired which may be or may become related in any way with the Company or with any company related or associated therewith and either without

I hereby certify this to be a true copy of the Memorandum of Association of IBM United Kingdom Holdings Limited

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D M Campbell, Secretary



remuneration or on such terms as to remuneration as may be agreed;

- 4) to guarantee the payment of dividends on any shares in the capital of any of the companies in which this Company has or may at any time have an interest, and to become surety in respect of, endorse, or otherwise guarantee the payment of the principal of or interest on any shares or evidence of indebtedness issued or created by any such companies;
- 5) to become surety for or guarantee the carrying out and performance of any and all contracts, leases and obligations of every kind, of any company any of whose shares or evidence of indebtedness are at any time held by or for this Company or in which this Company is interested or with which it is associated, and to do any acts or things designed to protect, preserve, improve or enhance the value of any such shares or evidence of indebtedness;
- 6) to organise, incorporate, reorganise, finance, aid and assist financially or otherwise, companies and to underwrite or guarantee the subscription of shares, securities or notes of any kind, and to make and carry into effect arrangements for the issue, underwriting, resale, exchange or distribution thereof;
- 7) to carry on the business of land and property developers of every and any description and to acquire by purchase, lease, concession, grant, licence or otherwise such lands, buildings, leases, underleases, rights, privileges, stocks, shares and debentures in companies, policies or insurance and other such property as the Company may deem fit and shall acquire the same for the purposes of investment and development and with a view to receiving the income therefrom; and to enter into any contracts and other arrangements of all kinds with persons having dealings with the Company on such terms and for such periods as the Company may from time to time determine, on a commission or fee basis or otherwise, and to carry on any other trade or business, whatever, of a like and similar nature;
- 8) to carry on all kinds of promotion business, and, in particular, to form, constitute, float, lend money to, assist, manage and control any companies and to market, advertise or promote goods, services, material (tangible or intangible) or any other thing whatsoever;
- 9) to vary the investments and holdings of the Company as may from time to time be deemed desirable;
- 10) to acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company;

- 11) to promote or assist in promoting any company or companies in any part of the world and to subscribe shares therein or other securities thereof for the purpose of carrying on any business which the Company is authorised to carry on, or for any other purpose which may seem directly or indirectly calculated to benefit the Company;
- 12) to act as directors or managers of or to appoint directors or managers of any subsidiary company or of any other company in which the Company is or may be interested;

B

- 1) to engage in any part of the world in research, development, design and engineering activities of all kinds and descriptions and involving all sciences, materials and chemicals including but not limited to those activities in connection with all types of information handling, storage and transmission systems, computer systems, telecommunication systems, display and data storage equipment, software, programming, magnetic devices, electronic test equipment, electro-mechanical units, optics, electronic packaging, electrical and electronic circuits, components, sub-assemblies, assembly tools and fixtures, semi-automatic and automatic assembly machines, automation systems and power systems and other machines, systems, devices and inventions with which similar results or purposes may be accomplished; and to engage in the practical and commercial development, application, testing and marketing of products, inventions, discoveries, devices, formulae, systems, programming, processes and techniques of all kinds resulting from such research, development, design and engineering activities;
- 2) in any part of the world to manufacture, assemble, integrate, install, buy, sell, part-exchange, supply, donate, lease, let on hire, license, import, export, repair, maintain, service and otherwise deal in all kinds and descriptions of information handling, storage and transmission systems, computer systems, telecommunications systems, machines, products, equipment, assemblies, sub-assemblies, devices, components, parts, software, programming, supplies, accessories to be used singly or in combination for any purpose or application whatsoever;
- 3) in any part of the world to carry on the business of producing, commissioning, publishing, buying, selling, part-exchanging, supplying, donating, leasing, letting on hire, licensing, importing, exporting and otherwise dealing in written works and recorded material of all kinds forms and description;

- 4) in any part of the world to carry on the business of providing advice and services of all kinds and description including but not limited to advice and services in respect of information handling, storage and transmission systems, computer systems, telecommunication systems, facilities management, outsourcing, systems integration, software, programming, or in support of national, government, public, public authority, business, commercial, professional or charitable, benevolent, educational activities and operations;
- 5) to enter into any arrangements with any government or authority or person and to obtain from any such government or authority or person any legislation, orders, rights, privileges, franchises and concessions and to carry out, exercise and comply with the same;
- 6) to contribute by donation, subscription, guarantee or otherwise to any public, general, charitable or useful object whatsoever;
- 7) to carry on the business of commission agents, factors, general merchants and dealers in every description of goods, exporters and importers, concessionaires, wholesale and retail traders, carriers, warehousemen, designers, advertising contractors or agents, or trustees, brokers or agents of any company;
- 8) to apply for and take out, purchase or otherwise acquire, sell, license or trade in any way in trademarks, service marks and names, designs, design rights, copyright, moral rights, patents, patent rights, inventions secret processes, licences and any form of intellectual property, conferring an exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, grant licences in respect of, or otherwise turn to account the rights and information so acquired and to carry on the business of an inventor, designer or research organisation;
- 9) to purchase, take on lease or in exchange, hire, renew or otherwise acquire and hold, for any estate or interest, and to sell, let or otherwise dispose of, in whole or in part, any lands, buildings, easements, rights, privileges, concessions, machinery, plant, stock-in-trade, business concerns, choses in action, and any other real and personal property of any kind necessary or convenient for the Company's business, including all of the assets of the Company and to perform any services and to render any consideration;

- 10) to erect, construct, lay down, enlarge, alter, equip and maintain any buildings, works and machinery necessary or convenient for the Company's business and in each case for any consideration which may be thought fit;
- 11) whether with or without the Company receiving any consideration or advantage direct or indirect therefrom, to guarantee support or secure, whether by personal covenant 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, the performance of the obligations and the repayment or payment of the principal and premium of and interest on any securities or obligations of any company which is for the time being in the Company's holding company or another subsidiary of the Company's holding company or otherwise associated with the Company in business;
- 12) to borrow or raise or secure the payment of money for the purposes of or in connection with the Company's business;
- 13) to mortgage and charge the undertaking and all or any of the real and personal property, present or future, and all or any of the uncalled capital for the time being of the Company, and to issue at par or at a premium or discount, or for such consideration as may be thought fit, debentures, mortgage debentures and debenture stock, payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance;
- 14) to issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company, or of its customers or other persons or corporations having dealings with the Company including in particular (but without prejudice to the generality of the foregoing) as collateral security for any guarantee given by the Company or for any obligation of any subsidiary company of the Company for the time being or of any company of which the Company is for the time being a subsidiary company;
- 15) to receive money on deposit or loan upon such terms as the Company may approve, and to guarantee the debts and contracts of customers and others;
- 16) to lend or advance money or otherwise give credit to provide financial accommodation to any company with or without security, and upon such terms as may seem expedient and to deposit money with any company and to carry on the business of a banking, finance and insurance company;

- 17) to establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances, emoluments or other benefits to any Qualifying Persons, and also to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any Related Company or of any Qualifying Persons, and to subscribe or guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of any Qualifying Persons or the Company or its members or for charitable or benevolent objects or for any exhibition or for any national, charitable, benevolent, educational, social, public, general or useful object, and to do any such matters as aforesaid either alone or in conjunction with any Related Company:

For the purposes of this sub-clause (17):

- a) "Related Company" shall mean any subsidiary, subsidiary undertaking or holding company of the Company or any company which is allied to or associated with the Company; and
  - b) "Qualifying Persons" shall mean any persons who are or were at any time in the employment or service of the Company or a Related Company or who are or were at any time Directors or officers of the Company or any Related Company or any persons in whose welfare the Company or any Related Company is or has been at any time interested and the wives, widows, families and dependents of any such persons;
- 18) to make, accept, endorse and execute promissory notes, bills of exchange and other negotiable instruments;
- 19) to invest and deal with the moneys of the Company not immediately required in or upon such securities and in such manner as may from time to time be determined;
- 20) to pay for any property or rights acquired by the Company either in cash or fully or partly paid-up shares, with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine;

- 21) to accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine;
- 22) to enter into partnership or any other arrangement for sharing profits, joint ventures or co-operation with any company, or person carrying on, engaged in or proposing to carry on or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to subsidise or otherwise assist any such company or person, and to acquire and hold shares, stock or securities of any such company;
- 23) to establish or promote, or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of or shall be in any manner calculated to advance, directly or indirectly, the objects or interests of the Company, and to acquire and hold shares, stock or securities of and guarantee the payment of any securities issued by or any other obligation of any such company;
- 24) to purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person or company carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of the Company;
- 25) to sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights of and over, and in any other manner deal with or dispose of the undertaking and all or any of the property for the time being of the Company for such consideration as the Company may think fit;
- 26) to amalgamate with any other company whose objects are or include objects similar to those of the Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company with, or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all the shares or stock of this or any such other company, or by partnership, or any arrangement of the nature of partnership or in any other manner;

27) to distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;

28)

a) to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested against all costs, charges, expenses, losses or liabilities incurred by such persons in relation to the affairs of the Company or any such other company, subsidiary undertaking or pension fund: and

b) to such extent as may be permitted by law or otherwise to indemnify or to exempt any such person against or from any such liability;

for the purposes of this sub-clause (28) "holding company" and "subsidiary undertaking" shall have the same meanings as in the Companies Act, 1989;

29) to carry on any other trade activity or business whatsoever which can, in the opinion of the Board of Directors, be advantageously carried on by the Company in connection with or as ancillary to the general business of the Company;

30) to do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise, and to do all such other things as in the opinion of the Board of Directors are incidental or conducive to the above objects or any of them:

And it is hereby declared for the purposes of this clause 3.:

a) the word "company" in this clause 3. shall (except where referring to the Company) be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether formed,



incorporated, resident or domiciled in the United Kingdom or elsewhere;

- b) "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;
- c) "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;
- d) "and" and "or" shall mean "and/or";
- e) "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible;
- f) the objects specified in each paragraph of this clause 3. shall, except if at all where otherwise expressed, be in no way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company or the nature of any business carried on by the Company or the order in which such objects are stated, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate and independent company.

4. The liability of the members is limited.

5. \*The share capital of the Company is £5,000 divided into 5000 shares of £1 each.

Any new shares from time to time to be created may from time to time be issued with any such guarantee or any such right of preference, whether in respect of dividend or of repayment of capital, or both, or any such other special privilege or advantage over any share previously issued or then about to be issued, or at such a premium or with such deferred rights as compared with any other shares previously issued or then about to be issued, or subject to any such conditions or provisions, and with any such right or without any right of voting, and generally on such terms as the Company may from time to time by special resolution determine.

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\* By Resolution passed the 6th day of September 1920, the capital of the Company was increased to £55,000 by the creation of 50,000 new shares of £1 each.

By Resolution passed the 27th day of November 1951, the capital of the Company was increased to £1,400,000 by the creation of 1,345,000 new shares of £1 each.

By Resolution passed the 18th day of May 1955, the capital of the Company was increased to £2,100,000 by the creation of 700,000 new shares of £1 each and by Resolution passed the 20th day of December 1956, the capital was further increased to £3,150,000 by the creation of 1,050,000 new shares of £1 each.

By Resolution passed the 15th day of January 1962, the capital of the Company was increased to £3,650,000 by the creation of a further 500,000 shares of £1 each.

By Resolution passed the 11th day of May 1964, the capital of the Company was increased to £10,410,000 by the creation of 6,760,000 new shares of £1 each.

By Resolution passed the 8th day of December 1964, the capital of the Company was increased to £10,500,000 by the creation of 90,000 new shares of £1 each.

By Resolution passed the 22nd day of December 1969, the capital of the Company was increased to £31,500,000 by the creation of 21,000,000 new shares of £1 each.

By Resolution passed the 22nd day of December 1972, the capital of the Company was increased to £60,000,000 by the creation of 28,500,000 new shares of £1 each.

By Resolution passed the 19th day of May 1977, the capital of the Company was increased to £100,000,000 by the creation of 40,000,000 new shares of £1 each.

By Resolution passed the 14th day of November 1980, the capital of the Company was increased to £140,000,000 by the creation of 40,000,000 new shares of £1 each.

By Resolution passed the 5th day of December 1991, the capital of the Company was increased to £240,000,000 by the creation of 100,000,000 new shares of £1 each.

By Resolution passed the 17th day of December 1992, the capital of the Company was increased to £440,000,000 by the creation of 200,000,000 new cumulative convertible redeemable preference shares of £1 each.

By Resolution passed the 1st day of June 1993, the capital of the Company was increased to £540,000,000 by the creation of 100,000,000 new cumulative convertible redeemable preference shares of £1 each.

By Resolution passed the 1st day of December 1993, the capital of the Company was increased to £790,000,000 by the creation of 250,000,000 new cumulative convertible preference shares of £1 each.

WE, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER
EDWARD HANMER BLAGRAVE 181 Sutherland Avenue, Maida Vale, London W Solicitor's Clerk	One
DAVID ALBERT POTTER 11 Danes Road, Camberwell, London SE Mercantile Clerk	One

Dated the 2nd day of July, 1912

Witness to the above Signatures:

J M VOSS  
24 John Street  
Bedford Row  
London WC  
Solicitor

THE COMPANIES ACTS, 1985 to 1989

COMPANY LIMITED BY SHARES



IBM UNITED KINGDOM HOLDINGS LIMITED ("the Company")

ARTICLES OF ASSOCIATION

(As adopted by Special Resolution passed 21 May 1992)  
(As amended by Special Resolution passed 17 December 1992)  
(As amended by Special Resolution passed 1 December 1993)

I. GENERAL

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended prior to the date of adoption of these Articles and in any Table A applicable to the Company under any former enactment shall not apply to the Company except so far as the same are repeated or contained in these Articles.

No other regulations set out in any statute covering companies, or in any other statutory instrument or other subordinate legislation made under any statute, shall apply as the regulations or articles of the Company.

2. In these Articles -

- (A) "The Act" means the Companies Act, 1985 including any statutory modification or re-enactment thereof for the time being in force;
- (B) "The Seal" means the common seal of the Company;
- (C) "Appointment" includes election and re-appointment;
- (D) "Holding Company" and "subsidiary undertaking" shall have the same meaning as in the Act;
- (E) Words denoting the singular also include the plural and vice versa;
- (F) Words denoting the masculine also include the feminine;
- (G) Words denoting persons or companies only include corporations;
- (H) Expressions referring to writing, unless the contrary intention appears, are to be construed as including references to printing, photocopying, photography and other modes of representing or reproducing words in a visible form;

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D M Campbell, Secretary

- I) Unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act.

3. Save as provided by contract or these Articles to the contrary, the shares in the capital of the Company may only be allotted as fully paid shares. No shares shall be issued at a discount. The Directors may for valuable consideration grant to any person any right of pre-emption in respect of or any option to take shares.

## II. SHARE CAPITAL AND VARIATION OF RIGHTS

4. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.

5. Subject to the provisions of the Statutes:-

(i) any shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine;

(ii) the Company may purchase its own shares (including redeemable shares).

6. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

7.\* In this Article 7:

"Ordinary Shares" means the ordinary shares of £1 each in the capital of the Company; and

"A' Preference Shares" means the cumulative convertible redeemable preference shares of £1 each in the capital of the Company.

"B' Preference Shares" means the non-redeemable cumulative convertible preference shares of £1 each in the Capital of the Company.

"Preference Shares" means the 'A' Preference Shares and the 'B' Preference Shares.

"Preference Dividend" means the 'A' Preference Dividend and the 'B' Preference Dividend or either of them as defined below.

"Profits" means the sum of those profits which are available to the Company, by way of dividends from its subsidiaries less losses of its subsidiaries as shown in the consolidated accounts prepared by the Company for its accounting period (1st January to 31st December).

The rights attaching to any Preference Shares issued by the Company shall be as follows:

(A) Dividends and Capital

1. The holders of the 'A' Preference Shares shall be entitled to receive, in priority to the holders of any other class of share, and the Company shall pay in respect of the periods set out below a fixed cumulative preferential dividend ("the 'A' Preference Dividend") at a rate fixed as a percentage per annum (net) of the nominal value of each 'A' Preference Share in respect of each such share, such rate to be fixed with effect from the date of issue of each such share by ordinary resolution of the Company.

In the event that there are sufficient Profits available for the purpose, the Company shall procure and receive sufficient income by way of dividends from its subsidiaries to enable it to declare the 'A' Preference Dividend, and the Company shall declare and pay to the 'A' Preference Shareholders the 'A' Preference Dividend before applying the income for any other purpose.

The holders of the 'B' Preference Shares shall be entitled to receive, in priority to the holders of all other classes of share except the 'A' Preference Shares, and the Company shall pay in respect of the periods set out below a fixed cumulative preferential dividend ("the 'B' Preference Dividend") at a rate fixed as a percentage per annum (net) of the nominal value of each 'B' Preference Share in respect of each such share, such rate to be fixed with effect from the date of issue of each such share by ordinary resolution of the Company.

In the event that there are sufficient Profits available for the purpose, the Company shall procure and receive sufficient income by way of dividends from its subsidiaries to enable it to declare both the 'A' Preference Dividend and the 'B' Preference Dividend, and after declaration of the 'A' Preference Dividend the Company shall declare and pay to the 'B' Preference Shareholders the 'B' Preference Dividend before applying the income for any other purpose.

Any Profits in an accounting period prior to 1st January 1993 shall not be available for the purpose of paying the Preference Dividend.

The Preference Dividend in respect of each such share shall, save as provided in Article 7(D)(4), accrue on a daily basis.

2. Each holder of Preference Shares shall be entitled in priority to the holders of any other class of share to receive out of the assets of the Company available for distribution amongst the members, in a winding up of the Company or other return of capital by the Company, an amount in respect of each Preference Share held equal to the nominal value thereof together in each case with all arrears and accruals of the Preference Dividend payable thereon (whether earned or declared or not) calculated up to and including the date of the resolution for the winding up of the Company or (as the case may be) the date of the order of the Court for such winding up or (in the case of any other return of capital by the Company) the date on which the distribution, transfer or other payment in respect of such return of capital is made but with no further right to participate in the profits or assets of the Company.

(B) Redemption of 'A' Preference Shares

1. Subject to the provisions of the Act the Company shall have the right at any time after 31st December 1995 to redeem all or any of the 'A' Preference Shares for the time being outstanding and fully paid upon giving to the holders of such of the 'A' Preference Shares as are to be redeemed not less than three months' notice in writing.
2. Any notice of redemption shall specify the particular 'A' Preference Shares to be redeemed, the date fixed for redemption ("the Redemption Date") and the place at which the certificates for such shares are to be presented for redemption. Upon the Redemption Date each of the holders of the shares concerned shall be bound to deliver to the Company at such place the certificates for such of the shares concerned as are held by him in order that the same may be cancelled. Upon such delivery the Company shall pay to the holder the amount due in respect of such redemption as set out in paragraph 3. below against the delivery of a proper receipt. If any certificate so delivered to the Company includes any 'A' Preference Shares not falling to be redeemed on the relevant Redemption Date a fresh certificate for such 'A' Preference Shares shall be issued to the holder delivering such certificate to the Company as soon as practicable and in any event within 14 days.
3. There shall be paid on the redemption of each 'A' Preference Share an amount equal to its nominal value together with all arrears and accruals of the 'A' Preference Dividend payable (whether earned or declared or not) calculated up to and including the Redemption Date.

(C) Voting

The holders of the Preference Shares shall have no right to receive notice of General Meetings of the Company and no right to attend or vote thereat unless the business of the meeting includes "a resolution for the liquidation of the Company, a reduction of the capital of the Company or a resolution adversely altering or abrogating any of the special rights and privileges attaching to the Preference Shares in which event the holders of Preference Shares shall be entitled to vote on a poll in respect of any such resolution only.

(D) Conversion

1. The Preference Shareholders shall have the right to convert all or any of their Preference Shares for the time being outstanding and fully paid upon giving to the Company not less than three months' prior notice in writing expiring on 1st January in any year. Any notice of conversion shall specify the number of Preference Shares to be converted. The Preference Shares to be converted shall be converted in accordance with this Article 7 on the 2nd January immediately following the expiry of the notice, or in the event that the 2nd January is not a business day in London, the next business day.
2. The number of Ordinary Shares arising on conversion of the Preference Shares shall be equal to the number of Preference Shares to be converted. The conversion may be effected in such manner as the Board shall from time to time determine (subject to the provisions of the Act) and the Members shall take all such steps and do all such things (including the passing of any resolutions at General Meetings of the Company or of any class of share) as shall be necessary or desirable to give effect to the Board's decision.
3. The Company shall despatch certificates for the shares arising on conversion. Upon the issue of such share certificates, the certificates for the Preference Shares shall be deemed to be cancelled and of no further effect or value. The date at which such conversion is effected shall be "the Conversion Date".
4. The Preference Dividend on the Preference Shares which are converted shall cease to be payable with effect from the Conversion Date and upon conversion there shall be paid a pro rata amount of the Preference Dividend up to the Conversion Date together with any arrears or deficiency in payment of the Preference Dividend. In the event that the Company is unable to pay such amounts then such amounts shall remain due and owing to those Preference Shareholders whose Preference Shares have been converted. The Ordinary Shares resulting from conversion shall carry the right to receive all dividends and other distributions declared made or paid in respect of the Ordinary Share capital of the Company by reference to a record date on or after the Conversion Date.

NB: This Article was inserted by way of amendment on 1 December 1993.

8. Every person whose name is entered as a Member in the Register of Members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates each for one or more of his shares. Every certificate shall be under the Seal and shall specify the number and class of the shares to which it relates and the amount paid up thereon.



9. If a share certificate be defaced, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company as the Directors think fit.

### III. TRANSFER OF SHARES

10. The instrument of transfer of any share shall be executed by or on behalf of the transferor and if the share is not fully paid up shall also be executed by or on behalf of the transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

### IV. TRANSMISSION OF SHARES

11. In the event of the death or bankruptcy of a Member or in the event that in relation to any member an order is made in the United Kingdom or elsewhere by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a curator bonis or receiver or other person to exercise powers with respect to his property or affairs, the Directors may by resolution transfer, sell or otherwise dispose of such Member's share on such terms and in such manner as the Directors think fit. Such a Member shall cease to be a Member with effect from the transfer of such share.

12. A statutory declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly transferred, sold or otherwise transferred on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any transfer, sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is transferred, sold or otherwise disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the transfer, sale or disposition of the share.

### V. CONVERSION OF SHARES INTO STOCK

13. The Company may by ordinary resolution convert any shares into stock, and reconvert any stock into shares of any denomination.

14. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

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

16. Such of the Articles of the Company as are applicable to shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

#### VI. ALTERATION OF CAPITAL

17. The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

18. The Company may by ordinary resolution:-

- (A) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (B) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the Act;
- (C) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amendment of its share capital by the amendment of shares so cancelled.

19. Whenever as a result of any consolidation or sub-division of shares any Members would become entitled to fractions of a share, the Directors may, on behalf of those Members, sell the shares representing those fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion amongst those Members, and the Secretary may transfer the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings with reference to the sale.

20. Subject to the provision of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.

#### VII. GENERAL MEETINGS

21. The Company shall in each year hold an Annual General Meeting in addition to any other General Meetings in that year, and shall specify the Annual General Meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.

22. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

23. The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists, as provided by the Act. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum any Director or any two Members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which General Meetings may be convened by the Directors.

#### VII. NOTICE OF GENERAL MEETINGS

24. 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 days' notice in writing, and all other Extraordinary General Meetings shall be called by at least fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the Meeting and, in case of special business, the general nature of that business, and shall be given to such persons as are, under the Articles of the Company, entitled to receive such notices from the Company:

Provided that a General Meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by all the Members entitled to attend and vote thereat.

25. The accidental omission to give notice of a General Meeting to, or the non-receipt of notice of a General Meeting by any person entitled to receive notice shall not invalidate the proceedings at that Meeting.

#### IX. PROCEEDINGS AT GENERAL MEETINGS

26. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the report of the Directors and Auditors, the election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of the Auditors.

27. No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the Meeting proceeds to business; save as herein otherwise provided two Members present in person or by proxy shall be a quorum.

28. If within half an hour after the time appointed for the General Meeting a quorum is not present, the Meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed for the Meeting, the Members present shall be a quorum.

29. The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the Meeting or is unwilling to act the Directors present shall elect one of their number to be Chairman of the Meeting.

30. If at any time 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 shall choose one of their number to be Chairman of the Meeting.

31. The Chairman may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.

32. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

(A) by the Chairman; or

(B) by at least two Members present in person or by proxy; or

(C) by any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting.

Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

33. Except as provided in Article 43, if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.

34. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

35. 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 at such time as the Chairman of the Meeting directs not being more than 30 days from the conclusion of the Meeting. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

36. Subject to the provisions of the Act, a resolution in writing signed by all the Members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by any director or the secretary thereof or any other duly authorised representative) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.

#### X. VOTES OF MEMBERS

37. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative or proxy) shall have one vote, and on a poll every Member shall have one vote for each share of which he is the holder.

38. No Member shall be entitled to vote at any General Meeting unless shares in the Company held by him are fully paid.

39. Any objection to the qualification of any voter shall be made to the Chairman of the Meeting, whose decision shall be final and conclusive.

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

41. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation, signed by any director or the secretary thereof or by any other duly authorised representative. The signature on such instrument need not be witnessed. A proxy need not be a Member of the Company.

42. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company or at such other place within the United Kingdom as is specified for that purpose in the notice convening the Meeting, at any time before the time for holding the Meeting or adjourned Meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll at any time before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

43. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

44. A vote or poll demanded in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, unless notice in writing of such death, insanity, revocation or transfer shall have been received by the Company at the registered office before the commencement of the Meeting or adjourned Meeting at which the proxy is used.

## XI. CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

45. Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

## XII. DIRECTORS

46. Unless and until determined by the Company in General Meeting the number of Directors, other than Alternate Directors shall not be less than two.

47. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Such remuneration 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 attending and returning from Meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company. The Directors shall have power to grant to any Director required to go abroad or to render any special or extraordinary service such special remuneration for the services rendered as they may think proper.

48. The shareholding qualification for Directors may be fixed by the Company in General Meeting, and unless and until so fixed no qualification shall be required.

49. A Director may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as Member or otherwise, and no such Director shall be accountable for any remuneration or other benefits received by him as a Director or officer of or from his interest in such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing them or any of their number Directors or officers of such other company or voting or providing for the payment of remuneration to the Directors or officers of such other company. A Director may vote in favour of the exercise of such voting rights, notwithstanding that he may be or about to become a Director or officer of such other company and as such or in any other manner is or may be interested in the exercise of such voting rights.

50. Any Director may in writing appoint any person (whether a Director or Member of the Company or not) to be his alternate, and such alternate shall be entitled, in the absence of the Director whom he represents, to attend and vote at Meetings of Directors but the appointment of a person who is not a Director must be approved by resolution by at least two-thirds of the Directors before becoming effective. A Director may at any time by notice in writing to the Secretary left at the registered office of the Company revoke the appointment of his alternate and appoint another person in his place and, if a Director die or ceases to hold the office of a Director, the appointment of his alternate shall thereupon determine. Any notice of revocation under this Article 50 if left at the registered office of the Company shall be sufficient evidence of such revocation.

Provided that if any Director retires but is re-appointed by the Meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-appointment as if he had not so retired.

51. Every person acting as an alternate Director shall be an officer of the Company and he shall not be deemed to be the agent of the Director whom he represents. The remuneration of any alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last mentioned remuneration as shall be agreed between the alternate Director and the Director appointing him.

#### XIII. BORROWING POWERS

52. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and subject to the Act, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

#### XIV. POWERS AND DUTIES OF DIRECTORS

53. Subject to the Act, the Memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not required to be exercised by the Company in General Meeting; but no alteration of the Memorandum or Articles shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made.

54. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

55. No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. The nature of a Director's interest must be declared by him at the Meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that Meeting interested in the proposed contract or arrangement at the next Meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made at the first Meeting of the Directors held after he becomes so interested. A general notice to the Directors by a Director that he is a member of any specified firm or company and is to be regarded as interested in any contract or transaction which may after the date of the notice be made with such firm or company shall (if such Director shall give the same at a Meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next Meeting of the Directors after it is given) be a sufficient declaration of interest in relation to such contract or transaction under this Article, and after such general notice it shall not be necessary to give any special notice relating to any particular contract or transaction with such firm or company. No Director shall as a Director vote in respect of any contract or arrangement which he shall make with the Company or in which he is so interested as aforesaid and if he does so vote his vote shall not be counted but he may be reckoned for the purpose of constituting a quorum of the Directors.

56. The Directors may make, draw, accept, endorse and negotiate all promissory notes, bills, cheques or other negotiable instruments, provided that every promissory note, bill, cheque or other negotiable instrument made, drawn, or accepted, endorsed or otherwise negotiated, shall be signed by such person or persons as the Directors or the Chief Executive (or such other person appointed by the Directors) may appoint for the purpose.

57. The Directors shall cause minutes to be kept:-

- (A) of the names of the Directors present at each Meeting of the Directors and of any committee of the Directors;
- (B) of all resolutions and proceedings at all Meetings of the Company, and of the Directors, and of committees of Directors.



58. The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any Qualifying Persons and also establish and subsidize or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interest and well-being of the Company or of any Related Company, or of any such Qualifying Person and make payment for or towards the insurance of Qualifying Persons, and subscribe or guarantee money for any charitable or benevolent objects or for any exhibition or for any public, general or useful object, and do any of the above matters, either alone or in conjunction with any Related Company. Any Director being a Qualifying Person shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

For the purposes of this Article 58, Related Company shall mean any subsidiary, subsidiary undertaking or holding company of the Company or any company which is allied to or associated with the Company and Qualifying Person shall mean any person who is or was at any time in the employment or service of the Company or any Related Company or who is or was at any time a Director or officer of the Company or any Related Company and the wife, widow, family or dependants of any such person.

#### XV. DISQUALIFICATION OF DIRECTORS

59. The office of Director shall be vacated if the Director:-

- (A) becomes prohibited by law or by order of a court from being a Director; or
- (B) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (C) if in the United Kingdom or elsewhere an order is made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a curator bonis or receiver or other person to exercise powers with respect to his property or affairs; or
- (D) if not having leave of absence from the Directors, he or his alternate (if any) fail to attend three successive meetings of the Directors unless prevented by illness, unavoidable accident or other cause which may seem to the Directors to be sufficient and the Directors resolve that his office be vacated; or
- (E) resigns his office by notice in writing to the Company.

60. Unless and until otherwise determined by the Company by ordinary resolution, either generally or in any particular case, each Director shall vacate his office as a Director at the Annual General Meeting following his attaining the age of seventy and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall not be capable of being reappointed or appointed, as the case may be, as a Director if he has attained the age of seventy.

## XVI. APPOINTMENT AND REMOVAL OF DIRECTORS

61. At the Annual General Meeting in each year one third of the Directors, or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. 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 unless a resolution for the reappointment of the Director is put to the Meeting and lost.

A Director retiring at a Meeting shall retain office until the dissolution of that Meeting.

62. The Directors shall have power at any time, and from time to time, to appoint any persons to be a Director, either to fill a vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed at any time under these Articles. A Director so appointed shall hold office only until the next Annual General Meeting.

63. The Company may by ordinary resolution remove any Director notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company. The Company may by ordinary resolution appoint another person in the place of a Director removed from office under this Article and, without prejudice to the powers of the Directors under these Articles, the Company in General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

## XVII. PROCEEDINGS OF DIRECTORS

64. Subject to these Articles the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. A Director who is also an alternate Director shall in the absence of his appointer be entitled to a separate vote on behalf of the Director he is representing in addition to his own vote. In the case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom, but where such Director has given the Secretary notice of his absence and is represented by an alternate Director notice of such meeting shall be given to such alternate Director.

65. All or any of the Directors may participate in a meeting of the Directors or any committee of the Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and any Director participating in a meeting in this manner shall be deemed to be present in person at such a meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the Chairman of the meeting then is.

66. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed shall be two. For the purpose of reckoning the quorum any Director who is present by his alternate shall be deemed to be personally present.

67. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.

68. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

69. The Directors may delegate any of their powers, other than the powers to borrow and make calls, to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

70. A committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.

71. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.

72. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person so acting, or that they or any of them were disqualified under these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director.

73. A resolution in writing signed by three quarters of the Directors provided that a copy of such resolution has been sent to all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Such resolution may consist of several documents in the like form each signed by one or more of the Directors.

### XVIII. CHIEF EXECUTIVE

74. The Directors may from time to time appoint one of their body to the office of Chief Executive for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment at any time. A Director so appointed shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors, but his appointment shall be automatically determined if he ceases for any reason to be a Director.

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

### XIX. SECRETARY

76. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them.

### XX. THE SEAL

77. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Directors for the purpose.

### XXI. DIVIDENDS AND RESERVES

78. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

79. Subject to the Act the Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company.

80. Subject to the Act, no dividend shall be paid otherwise than out of profits.

81. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to distribute.

82. Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

83. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or telegraphic transfer sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct.

84. No dividend shall bear interest against the Company.

#### XXII. ACCOUNTS

85. The Directors shall cause proper books of account to be kept in accordance with the Act.

#### XXIII. CAPITALISATION OF PROFITS

86. 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 the Company's share premium account or capital redemption reserve;
- (B) appropriate the sum resolved to be capitalised to the Members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sums on their behalf 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; 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 86, only be applied in paying up unissued shares to be allotted to members credited as fully paid; and
- (C) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they may determine in the case of shares or debentures becoming distributable under this Article 86 in fractions.

#### XXIV. NOTICES

87. A notice may be given by the Company to any Member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 48 hours after the letter is posted.

88. Notice of every General Meeting shall be given to:-

(A) Every Member except those Members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them; and

(B) The Auditor for the time being of the Company.

No other person shall be entitled to receive notices of General Meetings.

#### XXV. WINDING UP

89. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, 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 the 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 with the like sanction determines, but no Member shall be compelled to accept any assets upon which there is a liability.

#### XXVI. INDEMNITY

90. (A) Subject to Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer for the time being of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

(B) The Directors may purchase and maintain insurance for any persons who are or were at any time Directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary undertaking are interested, against all costs, charges, expenses, losses or liabilities incurred by such persons in relation to the affairs of the Company or any such other company, subsidiary undertaking or pension fund.