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WE HEREBY CERTIFY
THIS TO BE A TRUE AND
ACCURATE COPY OF
THE ORIGINAL

Herbert Smith
HERBERT SMITH

Exchange House
Primrose Street
London EC2A 2HS

Date *16th Apr 1996*

**THE COMPANIES ACTS 1985 TO 1989
PUBLIC COMPANY LIMITED BY SHARES**

**ORDINARY & SPECIAL RESOLUTIONS OF
SECURICOR PUBLIC LIMITED COMPANY
(Passed 16th April, 1996)**

At an Extraordinary General Meeting of the above-named Company duly convened and held, the following were passed as Ordinary and Special Resolutions:

ORDINARY RESOLUTIONS

1. **THAT** the authorised share capital of the Company be and is hereby increased to £40,000,000 by the creation of 39,850,000 Ordinary Shares of £1 each to rank pari passu in all respects with the existing Ordinary Shares in the capital of the Company.
2. **THAT** each of the issued and unissued ordinary shares of £1 each in the capital of the Company be and is hereby subdivided into twenty Ordinary Shares of 5 pence each having the rights and being subject to the restrictions set out in the Articles of Association of the Company to be adopted pursuant to the Special Resolution numbered 6 below.
3. **THAT** the Directors of the Company be and are hereby:-
 - (A) generally and unconditionally authorised for the purpose of section 80 of the Companies Act 1985, to the exclusion of all powers of the Directors which are unexercised as at the date on which this Special Resolution is passed, to



exercise all powers of the Company to allot relevant securities (within the meaning of section 80) up to an aggregate nominal amount of £39,999,998 provided that this authority shall expire on 15th April, 2001 (unless previously revoked, varied or extended by the Company in general meeting), save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired;

- (B) authorised to deal with fractional entitlements to Ordinary Shares of 5 pence each in the capital of the Company arising under schemes of arrangement under section 425 of the Companies Act 1985 to be proposed by Securicor Group plc and Security Services plc by aggregating the same and endeavouring to sell the same at any time after such schemes become effective for the benefit of the Company (or, if the proceeds of sale of any fraction to which any person would have been entitled exceed £3.00, for the benefit of that person) but so that no person shall be allotted a fraction of a share.

SPECIAL RESOLUTIONS

4. **THAT** the Directors of the Company be and are hereby empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority conferred by the previous resolution as if section 89(1) of the Act did not apply provided that this authority shall expire on the earlier of the date of the next Annual General Meeting of the Company after the passing of this Resolution and 16th July, 1997, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired, and provided further that this authority shall be limited to:-

- (A) the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them (but notwithstanding that by reason of such exclusions as the directors may deem necessary or expedient to deal with problems arising in any overseas territory, in connection with fractional entitlements or otherwise, the equity securities to be issued are not offered to all such shareholders in proportion to the number of ordinary shares held by each of them on the relevant record date); and
- (B) to the allotment (otherwise than pursuant to sub-paragraph (A) above) of equity securities for cash up to an aggregate nominal value of £1,500,000.

5. **THAT** clause 4 of the Memorandum of Association of the Company be amended by:-

- (A) deleting the existing paragraphs numbered 4(a)(ii);
- (B) deleting existing paragraph 4(l);
- (C) renumbering existing paragraphs 4(a) to 4(k) inclusive as paragraphs 4(b) to 4(l);
- (D) renumbering existing paragraph 4(a)(iii) as 4(b)(ii) accordingly,
- (E) inserting as a new paragraph 4(a) thereof the following:
 - "(a) (i) To carry on the business of a holding company and to co-ordinate and regulate the activities and businesses of subsidiary and associated companies for the time being and the financing of such companies.
 - (ii) To acquire by any means and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes and other securities, obligations and other investments of

any nature whatsoever issued, created or guaranteed by any company constituted or carrying on business in any part of the world or by any government, state, department or other authority (international, national, local, municipal or otherwise).

- (iii) To acquire by any means any such shares, stocks, debentures, debenture stock, bonds, notes, securities, obligations and investments by original subscription, contract, tender, purchase, exchange, participation in syndicates or otherwise, and whether or not fully paid up, and subject to such terms and conditions (if any) as the Company thinks fit.
- (iv) To exercise and enforce all rights and powers conferred by or incidental to the ownership of any such shares, stocks, debentures, debenture stocks, bonds, notes, securities, obligations and investments.
- (v) To sell, deal with or dispose of in any manner whatsoever and on such terms and for such consideration as the Company may think fit any such shares, stocks, debentures, debenture stocks, bonds, notes, securities, obligations and investments.
- (vi) To provide any form of capital for and take part in the formation, management, supervision or control of the business or activities of any company or undertaking and for such purposes to appoint and remunerate any directors, accountants or other experts, advisers or agents and to act as agent for and to manage, supervise or control and provide services to the business, property or activities of any company or other person or undertaking or any property in which the Company may be interested.";

6. **THAT** the regulations contained in the printed document produced to the Meeting and initialled by the Chairman thereof for the purpose of identification be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.



CHAIRMAN

WE HEREBY CERTIFY
THIS TO BE A TRUE AND
ACCURATE COPY OF
THE ORIGINAL

ARTICLES OF ASSOCIATION

of

SECURICOR PUBLIC LIMITED COMPANY

(adopted by special resolution passed on 16th April 1996)

HERBERT SMITH
Exchange House
Primrose Street
London EC2A 2HS

Date 11th April 1996

PRELIMINARY

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

"the Act" means, subject to paragraph (3) of this article, the Companies Act 1985;

"these articles" means the articles of the Company;

"clear days" means 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;

"executed" means any mode of execution;

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

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

"Office" means the registered office of the Company;

"recognised person" means 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;

"the seal" means the common seal (if any) of the Company and an official seal (if any) kept by the Company by virtue of section 40 of the Act, or either of them as the case may require;

"secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

"share" means, unless the context otherwise requires, a share in the capital of the Company (of whatsoever class) for the time being;

"the Uncertificated Securities Regulations" means, subject to paragraph (3) of this article, the Uncertificated Securities Regulations 1995.

- (2) Save as aforesaid and unless the context otherwise requires, words or expressions defined in the Act or the Uncertificated Securities Regulations and

contained in these articles bear the same meaning as in the Act or the Uncertificated Securities Regulations (as the case may be).

- (3) Except where otherwise expressly stated, a reference in these articles to any statute or any regulation made pursuant to any statute or provision of a statute or such regulations includes a reference to any modification or re-enactment of it for the time being in force.
- (4) In these articles, unless the context otherwise requires -
 - (a) words in the singular include the plural, and vice versa;
 - (b) words importing any gender include all genders; and
 - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- (5) In these articles -
 - (a) 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;
 - (b) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible;
 - (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
 - (d) references to a committee of the directors are to a committee established in accordance with these articles, whether or not comprised wholly of directors.
- (6) The headings are inserted for convenience only and do not affect the construction of these articles.
- (7) A reference to shares in "uncertificated form" means shares the title to which is recorded in the register of members as being held in such form and which by virtue of the Uncertificated Securities Regulations may be transferred by means of a relevant system and a reference to shares in "certificated form" means shares which are not so recorded and may not be so transferred.

2. The regulations contained in Table A do not apply to the Company.

SHARE CAPITAL

- 3. (1) The share capital of the Company is £40,000,000 divided into 799,000,000 ordinary shares of 5 pence each, and 50,000 Redeemable Preference Shares of £1 each ("Redeemable Preference Shares").
- (2) The special rights attaching to the Redeemable Preference Shares shall be as follows:-

As to Income

The holders of the Redeemable Preference Shares shall be entitled to be paid in priority to the holders of any other shares in the capital of the Company for the time being in issue out of the profits of the Company available for distribution and resolved to be distributed a cumulative preferential dividend ("preferential dividend") at the rate of $6 \frac{9}{16}$ ths per cent. per annum (exclusive of any imputed tax credit available to such holders) on the nominal value for the time being paid up or credited as paid up on the Redeemable Preference Shares held by them. The preferential dividend shall accrue on a daily basis and be paid half-yearly on 30th September and 31st March in each year in respect of the six months ending on those respective dates (save that the first such payment shall be payable on 30th September 1996 in respect of the period since the date of allotment) and the holders of the Redeemable Preference Shares shall not be entitled to participate further in the profits of the Company.

As to Capital

On a winding-up or other return of capital the holders of the Redeemable Preference Shares shall be entitled, in priority to any payments to the holders of any other class of shares in the capital of the Company for the time being in issue, to the repayment of the amount paid up on or credited as paid up on such Redeemable Preference Shares together with a sum equal to any arrears and accruals of the preferential dividend on such shares, irrespective of whether or not such dividend has been declared or earned or become due and payable, to be calculated down to and including the date of commencement of the winding-up or the return of capital (as the case may be). The Redeemable Preference Shares shall not otherwise entitle the holders thereof to participate in the assets of the Company.

As to Voting

The holders of the Redeemable Preference Shares shall not be entitled by reason of their holding thereof to receive notice of, nor attend and vote at, general meetings of the Company.

As to Transfer

The Redeemable Preference Shares shall not be transferable.

As to Redemption

Subject to the Act, the Company may at any time give not less than four days' notice to all or any of the holders of the Redeemable Preference Shares of its intention to redeem all or such other number of the Redeemable Preference Shares held by such person on the date specified in such notice. Subject to the Act, a holder of Redeemable Preference Shares may also at any time give not less than four days' notice to require the Company to redeem all or such other number of Redeemable Preference Shares held by such person on the date

specified in such notice. The date specified in any notice of redemption given by the Company or a holder of Redeemable Preference Shares is hereafter referred to as the "Redemption Date".

On the Redemption Date the Company shall be entitled and (upon delivery to the Company of the relevant share certificate) bound to redeem the Redeemable Preference Shares the subject of the notice, and shall on the Redemption Date pay to the holder thereof the amounts paid up or credited as paid up on such shares together with a sum equal to all arrears and accruals (if any) of the preferential dividend thereon irrespective of whether or not such dividend has been declared or earned or become due and payable, to be calculated down to and including the Redemption Date. Following such Redemption Date, the preferential dividend on any Redeemable Preference Shares to be redeemed shall cease to accrue, except in relation to any such shares in respect of which payment of the redemption monies is not made (for whatever reason) on the Redemption Date, in which case the preferential dividend shall continue to accrue down to and including the actual date of payment in full of such redemption monies.

Certificates for Redeemable Preference Shares shall be deemed to have been cancelled to the extent appropriate on the date on which payment in full is made of the redemption monies in respect of the shares to which the certificate relates. Following any redemption of part only of the Redeemable Preference Shares in issue, certificates (if any) which then relate to Redeemable Preference Shares which have not been redeemed shall be delivered up to the Company and, subject only to such delivery up, the Company shall issue without payment new definitive certificates in respect of those Redeemable Preference Shares which have not been redeemed. If on any Redemption Date the Company is prohibited by law from redeeming all of the Redeemable Preference Shares then falling to be redeemed, it shall on such date redeem such number of the same as it may then lawfully redeem and shall redeem the balance as soon thereafter as it is not so prohibited. If the Company fails to make any partial redemption of Redeemable Preference Shares on any Redemption Date, then any subsequent redemptions of Redeemable Preference Shares shall be deemed to be of those Redeemable Preference Shares which first became due for redemption.

Consequences of Redemption

Any Redeemable Preference Share redeemed shall thereafter, without any further resolution or consent, be sub-divided into (to the extent necessary) and redesignated as ordinary shares in the capital of the Company on the basis that each new ordinary share so arising shall have the same nominal value as, and rank *pari passu* with, the ordinary shares in the capital of the Company then in issue, and the aggregate nominal value of all the ordinary shares so arising shall be equal to the aggregate nominal value of the Redeemable Preference Shares so sub-divided and redesignated. Forthwith on sub-division and redesignation of all the Redeemable Preference Shares, the rights attaching to

the Redeemable Preference Shares shall lapse and all references to such Redeemable Preference Shares in these Articles shall be deemed to be deleted.

4. 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 has not so determined, as the directors may determine).
5. Subject to the provisions of the Act, any share may be issued which is, or is 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.
6. Subject to the provisions of the Act and these articles, the unissued shares in the Company shall be at the disposal of the directors, who may offer, allot, grant options over or otherwise dispose of them to such persons and on such terms as the directors think fit.
7. 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.
8. 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

9. 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.

10. Unless otherwise expressly provided by the rights attached to any class of 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 a further class of shares ranking in priority for payment of a dividend or in respect of capital;
 - (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

11. (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 and the holder of shares which are for the time being in uncertificated form) 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 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 issued under the seal, or bearing an imprint or representation of the seal or such other form of authentication as the directors may determine, 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 expenses incurred by the Company in investigating evidence as the directors may determine but otherwise without payment, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

UNCERTIFICATED SHARES

12. (1) Upon the directors resolving to give effect to this article 12:-
- (a) the holding of ordinary shares of 5p each in the capital of the Company in uncertificated form shall be permitted;
 - (b) the transfer of title to such shares by means of a relevant system (as defined in the Uncertificated Securities Regulations) shall be permitted; and
 - (c) to the extent any provisions contained in these articles shall be inconsistent with the Uncertificated Securities Regulations, those provisions shall be deemed to be deleted and shall not apply to any uncertificated ordinary shares.

- (2) The Company shall issue shares in uncertificated form and shall change shares from uncertificated form to certificated form and vice versa only in accordance with the terms of the Uncertificated Securities Regulations.
- (3) Until such time as the directors resolve to give effect to this article 12, the provisions of this article, all other provisions of these articles relating to shares in uncertificated form and all other provisions of these articles derived from the Uncertificated Securities Regulations (other than this paragraph (3)) shall be in abeyance.

LIEN

13. 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.
14. 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 to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
15. To give effect to the sale the directors may authorise some person to execute an instrument of transfer of the share sold or, in the case of shares for the time being in uncertificated form, to take such other steps in the name of the holder as may be necessary to transfer the shares sold (or may otherwise require the holder to take such steps) 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.
16. 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 in the case of shares in certificated form, 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 at the date of the sale.

CALLS ON SHARES AND FORFEITURE

17. 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.

18. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
20. If a call or an instalment of 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) but the directors may waive payment of the interest wholly or in part.
21. 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.
22. 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.
23. 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 (if any) as the member and the directors agree.
24. If a call or an instalment of 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. 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 dividends and other amounts payable in respect of the forfeited shares and not paid before the forfeiture.
25. 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, or in the case of shares for the time being in uncertificated form to take such other steps in the name of the holder as may be

necessary to transfer the share (or may otherwise require the holder to take such steps) to that person.

26. A person any of whose shares have been forfeited shall cease to be a member in respect of them and, in the case of shares in certificated form, 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.
27. 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 relating to the forfeiture or disposal of the share.

TRANSFER OF SHARES

28. The instrument of transfer of a share in certificated form 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.
29. The directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share in certificated form which is not fully paid. They may also refuse to register a transfer of a share in certificated form unless the instrument of transfer -
 - (a) is lodged, duly stamped, 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.
30. In the case of shares for the time being in uncertificated form, transfers shall be registered only in accordance with the terms of the Uncertificated Securities Regulations but so that the directors may refuse to register a transfer which would require shares to be held jointly by more than four persons.
31. 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 or, in the case of

uncertificated shares, the Operator-instruction (as defined in the Uncertificated Securities Regulations) was received by the Company, send to the transferee notice of the refusal.

32. 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, but so that such suspension shall only apply to uncertificated shares with the prior consent of the Operator (as defined in the Uncertificated Securities Regulations).
33. No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.
34. 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.
35. Nothing in these articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

TRANSMISSION OF SHARES

36. If a member dies, the survivor or survivors where he was a joint holder, or his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons 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 jointly held by him.
37. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect to become the holder of the share or, in the case of certificated shares, alternatively elect 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 had not occurred.
38. A person becoming entitled to a share by reason of the death or bankruptcy of a member 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

39. (1) If a member, or any other person appearing to be interested in shares held by that member, has been given a 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 fourteen days from the date of giving the notice, the following sanctions shall apply, unless the directors otherwise

determine -

- (a) the member shall not be entitled in respect of the default shares to be present or 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 on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
 - (b) where the default shares represent at least 0.25 per cent of their class -
 - (i) any dividend 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 these articles, to receive shares instead of that dividend; and
 - (ii) no transfer, other than an excepted 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 proves 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) of this article 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 excepted transfer,
- and the directors may suspend or cancel any of the sanctions at any time in relation to any shares.
- (3) Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares, and the directors may make any right to an allotment of the new shares subject to sanctions corresponding to those which will apply to those shares on issue: provided that any sanctions applying to, or to a right to, new shares by virtue of this paragraph shall cease to have effect when the sanctions applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled); and provided further that paragraph (1) of this article shall apply to the exclusion of this paragraph if the Company gives a separate notice under section 212 of the Act in relation to the new shares.

- (4) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a 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) of this article.
- (5) 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 notice under section 212 of the Act, 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) an "excepted transfer" means, in relation to any shares held by a member -
 - (i) a transfer pursuant to acceptance of a takeover offer (within the meaning in Part XIII A of the Act) in respect of shares in the Company; or
 - (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or any 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; or
 - (iv) a transfer required to be registered by virtue of the Uncertificated Securities Regulations.

- (6) Nothing in this article shall limit the powers of the Company under section 216 of the Act or any other powers of the Company whatsoever.

UNTRACED MEMBERS

40. (1) The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission, if -
- (a) for a period of twelve 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 national 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, given notice of its intention to sell such share, and has informed the London Stock Exchange of that intention: 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 at the best price reasonably obtainable any additional share issued during the said period of twelve years in right of any share to which paragraph (1) of this article applies (or in right of any share so issued), if the criteria in sub-paragraphs (a), (c) and (d) of that paragraph are satisfied in relation to the additional share (but as if the words "for a period of twelve years" were omitted from sub-paragraph (a) and the words ", after the expiration of that period," were omitted from sub-paragraph (c)).
- (3) To give effect to the sale of any share pursuant to this article, the Company may appoint any person to execute an instrument of transfer of the share or, in the case of shares for the time being in uncertificated form, to take such other steps in the name of the holder as may be necessary to transfer the shares sold and as may be permitted by the Uncertificated Securities Regulations, and the instrument or the steps (as the case may be) shall be as effective as if it had been executed or they had been taken by the registered holder of, or person entitled by transmission to, the share. The purchaser shall not be bound to see to the application of the proceeds of sale, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale. 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 or duty to account shall arise and no interest shall be payable in respect of the proceeds of sale.

ALTERATION OF CAPITAL

41. 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.
42. 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 the best price reasonably obtainable 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 or, in the case of shares for the time being in uncertificated form, to take such other steps as may be necessary to transfer the shares sold (or may otherwise require the holder to take such steps) 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.
43. 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

44. Subject to the provisions of the Act, the Company may purchase its own shares, including redeemable shares.

GENERAL MEETINGS

45. All general meetings other than annual general meetings shall be called extraordinary general meetings.
46. The directors may call general meetings. 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

47. 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 and to any rights or restrictions attached to any shares, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors of the Company.
48. 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.
49. The Directors may determine that persons entitled to receive notices of meetings are those persons entered on the register of members at the close of business on a day determined by the Directors being not more than twenty-one days before the day that the notices are sent and may specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting. Changes to entries on the register of members after the time so specified shall be disregarded in determining the rights of any person to attend or vote at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

50. 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 which is a member, shall be a quorum.
51. 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.
52. The chairman (if any) of the board of directors, or in his absence the vice-chairman, 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 vice-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.
53. 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.

54. 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.
55. Without prejudice to any other power of adjournment he may have under these articles or at common law, the chairman may, with the consent of a 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 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 fourteen 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.
56. 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.
57. 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 members 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.
58. 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.
59. 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.
60. 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.
61. 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.

62. 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.
63. 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

64. Subject to any rights or restrictions attached to any 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 who is not himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every share of which he is the holder.
65. 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.
66. A member in respect of whom an order has been made by any court having 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.
67. 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.
68. No objection shall be raised to the qualification 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 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.
69. On a poll votes may be given either personally or by proxy or (in the case of a 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.

70. 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. A corporation may execute a form of proxy either under its common seal or under the hand of a duly authorised officer. 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.
71. 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.
72. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice 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, 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.
73. 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 corporate member shall be the same as a demand made by the member).
74. 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.

CORPORATIONS ACTING BY REPRESENTATIVES

75. 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 at any separate meeting of the holders of any class of shares. Except as otherwise provided in these articles, the person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company, and the corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

DIRECTORS

76. Unless otherwise determined by the Company by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.
77. Notwithstanding any other provisions in these articles, the qualification of a director shall be the holding in his own right alone, and not jointly with any other person, of not less than 1,000 ordinary shares in the capital of the Company.
78. (1) 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 may determine, or, failing such determination, equally. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any director pursuant to any other provision of these articles.
- (2) 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.
- (3) Any director who, in the opinion of the directors, makes or has made a significant contribution to the success of the Company or any of its subsidiaries, or who performs, undertakes to perform, or has performed services which go beyond the ordinary duties of a director (including, without limitation, holding office as chairman or vice-chairman whether or not such office is held in an executive capacity) may be paid such special remuneration

(whether by way of fixed sum, bonus, commission, participation in profits or otherwise and in addition to any fees payable under paragraph (1) of this article) as the directors may determine.

ALTERNATE DIRECTORS

79. Any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director appointed by him.
80. 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.
81. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed 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.
82. An appointment or removal of an alternate director shall be by notice to the Company executed by the director making or revoking the appointment or in any other manner approved by the directors.
83. 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

84. 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.
85. (1) The directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) 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)(c) and (d) of this article) shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to twice the aggregate of -

- (a) the amount paid up on the share capital of the Company; and
- (b) the total of the consolidated 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 subsidiary undertakings 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, 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.

(2) In this article -

- (a) "the Group" means the Company and its subsidiary undertakings (if any); and
- (b) "subsidiary undertaking" has the same meaning as in the Act.

(3) For the purposes of this article, but without prejudice to the generality of the terms "borrowing" and "borrowed" -

- (a) 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;
- (b) the principal amount (including any premium payable on final repayment) of any debentures issued in whole or in part for a consideration other than cash shall be taken into account as money borrowed by the member of the Group issuing them;
- (c) money borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group shall (notwithstanding sub-paragraph (b) of this paragraph) 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 undertaking by another member of the Group shall (subject to sub-paragraph (d) of this paragraph) 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 the issued equity share capital of the partly-owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company); and

- (d) in the case of money borrowed and owing to a partly-owned subsidiary undertaking by another partly-owned subsidiary undertaking the proportion which would otherwise be taken into account under subparagraph (c) of this paragraph shall be reduced by excluding such part of it as is equal to the proportion of the issued equity share capital of the borrowing subsidiary undertaking which is not attributable, directly or indirectly, to the Company.
- (4) In calculating the aggregate amount of borrowings for the purpose of this article, 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.
- (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) In this article references to a consolidated balance sheet and profit and loss account of the Group are to be taken -
 - (a) in a case where the Company had no subsidiary undertakings at the relevant time, as references to the balance sheet and profit and loss account of the Company;
 - (b) in a case where the Company had subsidiary undertakings at the relevant time but there are no consolidated accounts of the Group, as references to the respective balance sheets and profit and loss accounts of the companies comprising the Group; and
 - (c) in a case where the Company had subsidiary undertakings at the relevant time, one or more of which has, in accordance with the Act, been excluded from consolidation, as references to the consolidated balance sheet and profit and loss account of the Company and those of its subsidiary undertakings included in the consolidation.

DELEGATION OF DIRECTORS' POWERS

86. (1) The directors may delegate any of their powers -
- (a) to any managing director, any director holding any other executive office or any other director;
 - (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 varied. The power to delegate under this article, being without limitation, includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any director; and the scope of the power to delegate under sub-paragraph (a), (b) or (c) of paragraph (1) of this article shall not be restricted by reference to or inference from any other of those sub-paragraphs. 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.
87. 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 subject to such conditions as they think fit, and may delegate any of their powers to such an agent. The directors may revoke or vary any such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested in him.

APPOINTMENT AND RETIREMENT OF DIRECTORS

88. 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 one-third, shall retire from office but, if there is only one director who is subject to retirement by rotation, he shall retire.
89. 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.
90. 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.

91. No person other than a director retiring at the meeting 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.
92. 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.
93. 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.
94. The directors may appoint a person who is willing to act, to be a director, either to fill a 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.
95. 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

96. Without prejudice to the provisions of the Act, the Company may, by extraordinary 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, subject to these articles, 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.

97. 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 and the directors resolve that his office be vacated; or
 - (g) he is requested in writing by all the other directors to resign.
98. No person shall be disqualified from being appointed or reappointed as a director and no director shall be requested to vacate that office by reason of his attaining the age of seventy or any other age; nor shall it be necessary by reason of his age to give special notice under the Act of any resolution appointing, reappointing or approving the appointment of a director. Where a general meeting is convened at which a director will be proposed for appointment or reappointment who, to the knowledge of the directors, will be seventy or more at the date of the meeting, 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 do so shall not invalidate any proceedings at the meeting or any appointment or reappointment of the director concerned.

DIRECTORS' APPOINTMENTS AND INTERESTS

99. The directors may appoint one or more of their number to the office of managing director or to any other executive office of the Company and, subject to the provisions of the Act, any such appointment 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.

100. (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 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

101. 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

102. (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.

- (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. 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 the appointor's absence.
103. 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.
104. 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 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.
105. The directors may elect from their number, and remove, a chairman and a vice-chairman of the board of directors. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the directors, but if there is no chairman or vice-chairman, or if at the meeting neither the chairman nor the vice-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.
106. 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.
107. 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, 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.

108. (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 subsidiary undertakings;
 - (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 subsidiary undertakings for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (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 in or debentures or other securities of the Company 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 subsidiary undertakings, 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 any class of the equity share capital of that company (or of any other company through which his interest is derived) and not entitled to exercise one per cent or more of the voting rights available to members of the relevant company (and for the purpose of calculating the said percentage there shall be disregarded any shares held by the director as a bare or custodian trustee and in which he has no beneficial interest, and any shares comprised in any authorised unit trust scheme in which the director is interested only as a unit holder);
 - (g) the resolution relates to the purchase or maintenance for any director or directors of insurance against any liability.
- (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 became 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 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 employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not by virtue of paragraph (1)(f) 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.
- 109. 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.
- 110. The Company may by special resolution suspend or relax to any extent, 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.
- 111. 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

- 112. 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

- 113. Subject to the provisions 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

114. 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 determined by the directors -
- (a) share certificates in respect of shares in certificated form and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any debentures or other securities in certificated form need not be signed and any signature may be applied to any such certificate by any mechanical or other means or may be printed on it; and
 - (b) every other instrument to which the seal is affixed shall be signed by one director and by the secretary or another director.
115. Subject to the provisions of the Act, the Company may have an official seal for use in any place abroad.

DIVIDENDS

116. 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.
117. 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 arrear. 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.
118. 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 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 (and except as aforesaid), 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.
119. 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 as they think fit and in particular (but without limitation) 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.

120. (1) Any dividend or other money payable in respect of a share may be paid by cheque or warrant 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, 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 or warrant shall be made payable to the order of or to 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 or warrant shall be a good discharge to the Company. Any such dividend or other money may also be paid by any other method (including direct debit and bank transfer) which the directors consider appropriate. 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.
- (2) The Company may cease to send any cheque or warrant (or to use any other method of payment) for any dividend payable in respect of a share if -
- (a) in respect of at least two consecutive dividends payable on that share the cheque or warrant has been returned undelivered or remains uncashed (or that other method of payment has failed); or
- (b) following one such occasion, reasonable enquiries have failed to establish any new address of the holder,
- but, subject to the provisions of these articles, may recommence sending cheques or warrants (or using another method of payment) for dividends payable on that share if the person or persons entitled so request.
121. 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.
122. 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.
123. The directors may, with the authority 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 (whether or not declared), or may specify all or any dividends declared or payable within a specified period, but such period may not end later than the beginning of the

fifth 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 London 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 fraction of a share shall be allotted and the directors may deal with any fractions which arise as they think fit.
- (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) or 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 ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis.
- (g) The directors shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (h) 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 lieu of which they were allotted.

- (i) The directors may do all acts and things which they consider 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 binding on all concerned.

CAPITALISATION OF PROFITS

124. (1) 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 (including any 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.
- (2) Where, pursuant to an employees' share scheme (within the meaning of section 743 of the Act), the Company has granted options to subscribe for shares on terms which provide (inter alia) for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to the provisions of the Act, the directors may, on the exercise of any of the options concerned and payment of the subscription price which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in paragraph (1)(a) above to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly. The provisions of paragraph (1)(a) to (f) above shall apply mutatis mutandis to this paragraph (but as if the authority of an ordinary resolution of the Company were not required).

RECORD DATES

125. Notwithstanding any other provision of these articles, but without prejudice to the 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. Where such a record date is fixed, references in these articles to a holder of shares or member to whom a dividend is to be paid or a distribution, allotment or issue is to be made shall be construed accordingly.

ACCOUNTS

126. No member (other than a director) shall have any right of inspecting 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.

NOTICES ETC.

127. 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.
128. 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.

129. A member present either in person or by proxy, or in the case of a corporate member 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.
130. (1) Any notice to be given to a member may be given by reference to the register of members as it stands at any time within the period of fifteen days before the notice is given; and no change in the register after that time shall invalidate the giving of the notice.
- (2) 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 paragraph does not apply to a notice given under section 212 of the Act.
131. 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.
132. Any notice to be given by the Company to the members or any of them, and not provided for by or pursuant to these articles, shall be sufficiently given if given by advertisement in at least one leading national daily newspaper published in the United Kingdom.
133. 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.
134. 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 by sending or delivering it in any 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 had not occurred.
135. Subject to the provisions of the Act, if on three consecutive occasions notices or other communications have been sent by post to a member at his registered address (or, in the case of a member whose registered address is not within the United Kingdom, any

address given by him to the Company for the service of notices) but have been returned undelivered, the member shall not be entitled to receive any subsequent notice or other communication until he has given to the Company a new registered address (or, in the case of a member whose registered address is not within the United Kingdom, a new address for the service of notices). For the purposes of this article, references to a communication include references to any cheque or other instrument of payment; but nothing in this article shall entitle the Company to cease sending any cheque or other instrument of payment for any dividend, unless it is otherwise so entitled under these articles.

DESTRUCTION OF DOCUMENTS

136. (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 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 an entry in the register of members is made, after six years from the date on which it is made.

(2) Any document referred to in paragraph (1) of this article may be destroyed earlier than the relevant date authorised by that paragraph, provided that a permanent record of the document is made which is not destroyed before that date.

(3) It shall be conclusively presumed in favour of the Company that every entry in the register of members purporting to have been made on the basis of a document destroyed in accordance with this article 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 in accordance with 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.

WINDING UP

137. 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

138. (1) If the directors so determine, every director or other officer or auditor of the Company (or any former director or other officer or auditor of the Company) shall be entitled to be indemnified out of the assets of the Company against:-
- (a) any liability incurred by him in defending any proceedings (whether criminal or civil) in which judgment is given in his favour or he is acquitted;
 - (b) any liability incurred by him in connection with any application under section 144(3) or (4) of the Act (acquisition of shares by innocent nominee) or section 727 of the Act (general power to grant relief in case of honest and reasonable conduct) in which relief is granted to him by the court; and
 - (c) subject to the provisions of the Act, all other costs, charges, expenses losses or liabilities which he may sustain or incur (whether to the Company or otherwise) in or about the execution of his duties to the Company or as a result of any contract, act, deed, matter or thing made, done, entered into or executed by him on behalf of the Company or in relation to the business of the Company.
- (2) The directors may purchase and maintain insurance cover at the cost of the Company in respect of any liability, loss or expenditure incurred by any director, officer or auditor of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as director, officer or auditor of the Company.