

No. 267163

THE COMPANIES ACT, 1929
THE COMPANIES ACTS 1948 to 1980

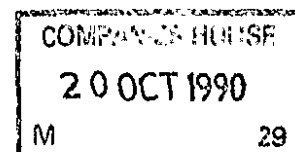
PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
SOUTHEND PROPERTY HOLDINGS PLC

Incorporated 21st July 1932

CB104/S482-290
16.10.90
F4250

TITHUSS SAINER & WEBB
2 Serjeants' Inn
London EC4Y 1LT



THE COMPANIES ACT, 1929
THE COMPANIES ACTS 1946 to 1963
PUBLIC COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
SOUTHEND PROPERTY HOLDINGS PLC

(Adopted by the Company by a resolution
passed by the directors on 18th March, 1982
pursuant to Section 8 of the Companies Act 1980
and altered by special resolution
passed on 24th July, 1985)

- *1. The name of the Company is SOUTHEND PROPERTY HOLDINGS PLC.
 2. The Company is to be a public company.
 3. The registered office of the Company will be situate in
England and Wales.
 4. The objects for which the Company is established are:-
- ** (a) (i) To develop and turn to account any land in which the
Company is interested and to purchase, take on lease or
in exchange, otherwise acquire, sell, deal in, take and

*On 7th May, 1982 the Company was re-registered under the Companies Act 1980 as a public company called "Southend Stadium, public limited company". On 1st February, 1988 the name of the Company was changed to "Southend Property Holdings PLC".

** The objects of the Company were altered by special resolution on 24th July, 1985 by the deletion of certain sub-clauses of clause 4 and the insertion of sub-clause 4(a).

investrent, development or resale and to traffic in any freehold, leasehold or other property wherever situate for any estate or interest whatever and any options rights privileges or easements over or in respect of the same; to develop the freehold, leasehold or other property as aforesaid and in particular by laying out and preparing the same for building purposes, constructing, ordering, pulling down, decorating, maintaining, furnishing, fitting up and improving buildings and by planting, paving, draining, cultivating, letting on building lease or building agreements and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.

(ii) To carry on the business of a racecourse company in all its branches, and in particular to lay out and prepare any lands for the running of greyhound races or coursing, steeple-chases, speedway races or races of any kind, and for the playing thereon of any games of football, cricket, bowls or any other kind of amusement, recreation, sport or entertainment and to conduct, hold and promote race meetings and athletic sports, football and other matches and otherwise utilise the and otherwise utilise the Company's property and rights

and to give and contribute towards prizes, stakes, cups and other rewards.

- (b) Upon any of the Company's premises or elsewhere to carry on the business of garage proprietors and motor dealers and repairers and to provide and charge for the parking or storage of vehicles, public or private, automobile or otherwise.
- (c) To own, breed, sell and deal in dogs, horses and live stock of all kinds.
- (d) To carry on the business of proprietors of a club, reading room, billiard and other recreation rooms and refreshment rooms, and to afford accommodation for meetings and gatherings of all descriptions, whether social, commercial or otherwise, and to let upon lease or otherwise the whole or any part of the property of the Company for any of the above-mentioned purposes, or otherwise.
- (e) To carry on the business of caterers, tea room and cafe proprietors, provision merchants, grocers, greengrocers, fruiterers and fruit merchants, bakers, confectioners, corn and flour merchants and manufacturers and dealers of and in bread, sugar, sweets, chocolates, confectionery, flour, biscuits and farinaceous compounds of every description, dairymen, cheesemen, and dealers in and purveyors of meats and all kinds of consumable articles and stores.

- (f) To carry on the businesses of hotel keepers, licensed victuallers, wine, spirit and beer merchants and purveyors, tobacconists, entertainment and exhibition lessees and proprietors.
- (g) To carry on business as advertising contractors and agents, proprietors and publishers of newspapers, journals, magazines, books and other literary works, printers, type founders, designers of advertisements, and to carry on any other business of a character similar or analogous to the foregoing or any of them or connected therewith.
- (h) To carry on the business of builders and contractors, engineers, tin-plate manufacturers and merchants, and merchants and dealers in all kinds of metals and hardware goods, manufacturers and dealers of and in all kinds of wireless goods, woodworkers, painters, japanners, decorators, printers, carriers, and machinery merchants.
- (i) To purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any patents, patent rights, trade-marks, brevets d'invention, licences, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account, and to manufacture under or grant licences or privileges in respect of the same, and to expend money

in experimenting upon and testing, and improving or seeking to improve, any patents, inventions or rights which the Company may acquire or propose to acquire.

- (j) To purchase, with a view to re-organizing, closing or reselling in whole or in part, any business or property which may seem or be deemed likely to injure, by competition or otherwise, any business or branch of business which the Company is authorised to carry on, and to close, abandon, and give up the same.
- (k) To acquire and undertake the whole or any part of the business, goodwill and assets of any person, firm or company carrying on, or proposing to carry on, any of the businesses which this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into any partnership, or into any arrangement for sharing profits, union of interests, co-operation, or joint adventure, reciprocal concession or otherwise, or for limiting competition, or for mutual assistance, with any such person, firm or company, and to give or accept, by way of consideration, for any of the acts or things aforesaid, or property acquired, any shares, debentures

or securities that may be agreed upon and to hold and retain or sell, mortgage and deal with any shares, debentures and securities so received.

- (l) To promote any other company or companies for the purpose of acquiring all or any of the property, undertaking and liabilities of this Company, or of undertaking any business or operations which may appear likely to assist or benefit this Company or to enhance the value of any property or business of this Company.
- (m) To sell, let or otherwise dispose of the whole or any part of the undertaking, business and property of the Company, either altogether or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any company purchasing the same.
- (n) To invest and deal with the moneys of the Company not immediately required upon such securities and in such manner as may from time to time be determined.
- (o) To lend and advance money or give credit to such persons and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to give guarantees or become security for any such persons, and in particular to guarantee the principal and interest of, and any premium which may become payable on, any mortgage, debentures, debenture stock or other obligations, and the dividend on and the

return either with or without any premium of the capital paid on any shares; to receive money on deposit at interest or otherwise, and to undertake the safe custody of money or valuables, and to transact any of the business of a banker which may seem expedient.

(p) To make, accept, issue, indorse and execute bills of exchange, promissory notes, and other negotiable instruments.

(q) To borrow or raise money for the purposes of the Company in such manner and upon such terms as may seem expedient, and to secure the repayment thereof and of moneys owing or obligations incurred by the Company, by redeemable or irredeemable bonds, debentures or debenture stock (such bonds, debentures or debenture stock, being made payable to bearer, or otherwise and payable either at par or at a premium or discount), or by mortgage, scrip certificates, bills of exchange or promissory notes, or by any other instrument or in such other manner as may be determined, and for any such purposes to charge all or any part of the property of the Company, both present and future, including its uncalled capital, and to allot shares of the Company credited as fully or partly paid up, or bonds, debentures, or debenture stock issued by the Company, as the whole or part of the purchase price for any property purchased by the Company, or for any valuable

consideration.

- (r) To improve, manage, cultivate, develop, exchange, let on lease or otherwise, mortgage, sell, dispose of, turn to account, grant rights and privileges in respect of, or otherwise deal with all or part of the property and rights of the Company.
- (s) To enter into any arrangements with any authority (municipal, local or otherwise), or any corporations, companies, firms or persons that may seem conducive to the Company's objects or any of them, and to obtain from any such authority, corporation, company, firm or persons, any contracts, rights, privileges and concessions which the Company may think desirable.
- (t) To subscribe for, take, purchase or otherwise acquire and hold shares or other interest in or securities of any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- (u) To establish, work or discontinue agencies for the purposes of the Company, or to act as agents for others.
- (v) To remunerate any person, firm or company rendering services to this Company, whether by cash payment or by the allotment to him or them of shares or securities of the Company credited as paid up in full or in part or otherwise.

- (w) To pay all or any expenses incurred in connection with the formation, promotion and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling or guaranteeing the subscription of any shares, debentures or securities of this Company, and also all expenses attending the issue of any circular or notice, and the printing, stamping and circulating of proxies or forms to be filled up by the Members of this Company.
- (x) To apply the money of the Company in any way in or towards the establishment, maintenance or extension of any association, institution or fund in anywise connected with any particular trade or with trade, commerce or sport generally, including any association, institution or fund for the protection of the interests of masters, owners or employers, for insurance against loss by bad debts, strikes, workmen's combinations, fire, accidents, or otherwise, or for the benefit of any workman or others at any time employed by the Company or any company in which the Company is interested, or their families, and whether or not in common with other classes of persons, and to subscribe to and support friendly, co-operative and other societies, reading rooms, libraries, educational and charitable institutions, schools and hospitals. and to grant

pensions and allowances, gratuities and bonuses to employees or ex-employees of the Company or the dependants of such persons, and to contribute to any fund raised by local or public subscriptions for any purpose whatever.

- (y) To carry on any business or branch of a business which the Company is authorised to carry on by means or through the agency of any subsidiary company or companies, whether at home or abroad, and to enter into any arrangement with any such subsidiary company for taking the profits and bearing the losses of any business or branch so carried on, or for financing any such subsidiary company or guaranteeing its liabilities, or to make any other arrangements which may seem desirable with reference to any business or branch so carried on, including power at any time either temporarily or permanently to close any such business or branch, and to act as managers of or to appoint directors or managers of any such subsidiary company.
- (z) To give any officers, servants, or employees of the Company any share or interest in the profits of the Company's business or any branch thereof, and whether carried on by means or through the agency of any subsidiary company or not, and for that purpose to enter into any arrangements the Company may think fit.
- (aa) To distribute any of the property of the Company in

specie among the Members.

- (bb) To apply for, promote and obtain any Act of Parliament, Provisional Order or Licence of the Board of Trade or other authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (cc) To do, and procure to be done, all or any of the above things in any part of the world, either as principals, agents, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise.
- (dd) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them, or which may be conveniently carried on and done in connection therewith, or which may be calculated directly or indirectly to preserve or enhance the value of or render profitable or marketable any business or property of the Company.

It is hereby expressly declared that each sub-clause of this clause shall be construed independently of the other sub-clauses hereof and that none of the objects mentioned in any sub-clause shall be deemed to be merely subsidiary to the

objects mentioned in any other sub-clause.

5. The liability of the Members is limited.
- *6. The share capital of the Company is £288,250, divided into 60,000 Preferred Shares of 50p each and 5,165,000 Ordinary Shares of 5p each with the rights attached thereto respectively appearing in the accompanying Articles of Association. The Company shall have power to increase its capital and divide the shares of the capital, whether original or increased, into several classes, and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions, and to vary the regulations of the Company so far as necessary to give effect to such rights, privileges or conditions, and the rights attaching for the time being to any class or classes of shares may be varied in the manner prescribed by the accompanying Articles of Association but not otherwise.
- *(1) By special resolution passed 1st August, 1984 the capital was increased from £288,250 to £350,000 by the creation of 1,235,000 Ordinary Shares of 5p each.
- (2) By resolution passed 30th July, 1986 the capital was increased from £350,000 to £500,000 by the creation of 3,000,000 Ordinary Shares of 5p each.
- (3) By resolution passed 19th December 1986 the capital was increased from £500,000 to £620,000 by the creation of 2,400,000 Ordinary Shares of 5p each.
- (4) By resolution passed 14th August, 1987 the capital was increased from £620,000 to £3,220,000 by the creation of 52,000,000 Ordinary Shares of 5p each.
- (5) By special resolution passed 30th October, 1987 the capital was increased from £3,220,000 to £45,000,000 by the creation of 20,200,000 Ordinary Shares of 5p each and 40,770,000 5½

per cent. (Net) Cumulative Convertible Redeemable Preference Shares of £1 each, having attached thereto the rights and being subject to the restrictions set out in the Articles of Association of the Company as adopted by the same special resolution.

- (6) By resolution passed 25th March, 1988 the capital was increased from £45,000,000 to £46,800,000 by the creation of 36,000,000 Ordinary Shares of 5p each.

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

NAMES, ADDRESSES AND
DESCRIPTIONS OF
SUBSCRIBERS

number of Shares
Taken by each
Subscriber

Robert William Metcalf
17 Coleman Street
London EC2

Chartered Accountant One

Bernard Grant Jackson
17 Coleman Street
London EC2

Chartered Accountant One

Edward George Wallis
17 Coleman Street
London EC2

Accountant One

Ronald Harry Locke
17 Coleman Street
London EC2

Accountant One

Alan Kirton Guest
Leafield
Gibson's Hill
Streatham SW16

Solicitors Articled Clerk One

Philip Harry Cresswell
55 Kenton Road
Harrow
Middlesex

Solicitors Articled Clerk One

Ethel Muriel Seager
111 Moorgate
London EC2

Stenographer

One

DATED the 16th day of July, 1932

WITNESS to the above signatures:-

W.F. Wood
111 Moorgate, EC2
Solicitors Managing Clerk

F4250

No: 267163

The Companies Act, 1929
The Companies Acts 1948 to 1980

PUBLIC COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION
(Adopted by Special Resolution
passed on 30th October, 1987 and amended
by Special Resolution passed on
25th September, 1990)

OF

SOUTHEND PROPERTY HOLDINGS PLC

Incorporated 21st July, 1932

CB104/S482-290
17.10.90
WP No. C3288

FITMUS SAINER & WEBB,
2, Serjeants' Inn,
London, EC4Y 1LT.

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The Companies Acts 1929

The Companies Acts 1948 to 1980

COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION
OF
SOUTHEND PROPERTY HOLDINGS PLC

(Adopted by Special Resolution passed on 30th October, 1987
and amended by Special Resolution passed on 25th September, 1990)

PRELIMINARY

1. The Regulations in Table A in the Companies (Tables A to F) Regulations 1985 and in any Table A applicable to the Company under any former enactment relating to companies shall not apply to the Company.

2. In these Articles:-

(1) (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the respective meanings set opposite them:-

The Act	The Companies Act 1985
The Statutes	The Act and every other Act for the time being in force concerning companies and affecting the Company.
These Articles	These Articles of Association as from time to time altered by Special Resolution.

The Register	The Register of Members.
Office	The registered office of the Company for the time being.
Transfer Office	The place where the Register is situate for the time being.
Seal	The Common Seal of the Company.
Securities Seal	An official seal kept by the Company by virtue of section 40 of the Act.
The United Kingdom	Great Britain and Northern Ireland.
Month	Calendar month.
Year	Calendar year.
In writing	Written or produced by any substitute for writing or partly one and partly another.
Paid	Paid or credited as paid.

(2) The expression "Secretary" shall mean 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.

(3) Words importing the masculine gender include the feminine gender. Words importing persons include corporations. Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meaning in these Articles.

(4) A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.

SHARE CAPITAL

* 3.(1) The authorised share capital of the Company at the date of the adoption of these Articles is £46,800,000 divided into:-

- (a) 120,000,000 Ordinary shares of 5 pence each;
- (b) 60,000 10% Preferred shares of 50 pence each ("Preferred shares");
- (c) 40,770,000 5% (net) Cumulative Convertible Redeemable Preference shares of £1 each ("Convertible Preference shares").

(2) The special rights and restrictions attaching to the Preferred shares are as follows:-

- (a) As regards income
 - (i) The Preferred shares shall confer on the holders thereof the right to receive, out of the profits of the Company available for distribution and resolved to be paid, a fixed non-cumulative preferential dividend in priority to any payment of dividend to the holders of any other class of shares at the rate of 10 per cent (gross) per annum on the amount for the time being paid up or credited as paid up thereon payable at such time as the Company resolves such dividend to be paid; and

* AS increased by resolution passed 25th March, 1988.

(ii) The Preferred shares shall not entitle the holders thereof to any further participation in the profits of the Company.

(b) As regards capital

(i) The Preferred shares shall confer on the holders thereof, on a winding up or other repayment of capital (otherwise than on redemption), the right to receive in priority to any payment to the holders of any class of shares in the capital of the Company the return of the capital paid up or credited as paid up on such Preferred shares; and

(ii) The Preferred shares shall not entitle the holders thereof to any further participation in the assets of the Company.

(c) As regards voting

The Preferred shares shall entitle the holders thereof to receive notice of and to attend and vote at any general meeting of the Company.

(3) The special rights and restrictions attaching to the Convertible Preference shares are as follows:-

(a) The regards income

(i) The Convertible Preference shares shall confer on the holders thereof the right to receive, out of the profits of the Company available for distribution and resolved to be distributed in respect of each financial year or other accounting

period a fixed cumulative preferential dividend (ranking after the fixed preference dividend on the Preferred shares but in priority to any payment of dividend to the holders of any other class of shares in the capital of the Company) at the rate of 5% per cent per annum excluding the amount of any tax credit for the time being imputed in respect thereof at the time of the payment of the dividend on the nominal capital for the time being paid up or credited as paid up thereon ("preference dividend") payable half-yearly in arrear by two equal instalments on 1st July and 1st January in each year or, in the event of any such date being a Saturday or Sunday or a day which is a public holiday in England, on such date as shall be the next day which is not such a day ("fixed dividend dates") the first such payment to be made on 1st July 1988 on a per diem apportioned basis calculated from the date of allotment; and

- (ii) The Convertible Preference shares shall not entitle the holders thereof to any further participation in the profits of the Company.

Payments of preferential dividend shall be made to holders on the Register at any date selected by the Directors up to 42 days prior to the relevant fixed dividend date.

(b) As regards capital

(i) Subject to the rights of priority conferred on the Preferred shares, on a return of capital on a winding-up commenced before the last Conversion Date (as defined in paragraph 3(c)(ii) of this Article 3) the assets of the Company available for distribution to its members shall be applied:-

(A) first, in paying to the holders of the Convertible Preference shares a sum equal to all arrears and accruals (if any) of the preferential dividend whether or not such dividend has been earned or declared, calculated down to the date of the commencement of the winding up;

(B) secondly, in repaying the capital paid up or credited as paid up on the Convertible Preference shares; and

(C) thirdly, in being distributed rateably amongst the holders of the Convertible Preference shares and Ordinary shares according to the amounts paid up on their respective holdings of such shares in the Company. For the purposes of this paragraph (3)(b)(i)(C) each Convertible Preference share shall be treated as if converted at the Conversion Rate (as defined in paragraph (3)(c)(i) of this Article

3) into fully paid Ordinary shares immediately prior to the commencement of the winding-up but so that there shall be deducted (for distribution rateably amongst the holders of the Ordinary shares according to the amounts paid up on their respective holdings) from the payment in respect of any Convertible Preference share under this sub-paragraph (C) the amount paid or payable under paragraph (3)(b)(i)(B) above in repayment of the capital paid up or credited as paid up thereon.

(ii) Subject to the rights of priority conferred on the Preferred shares, on a return of capital on a winding up commenced on or after the last Conversion Date, the assets of the Company available for distribution to its members shall be applied:-

(A) first, in paying to the holders of the Convertible Preference shares a sum equal to all arrears and accruals (if any) of the preferential dividend whether or not such dividend has been earned or declared, calculated down to the date of the commencement of the winding-up;

(B) secondly, in repaying the capital paid up or credited as paid up on the Convertible

Preference shares;

(C) thirdly, in repaying the capital paid up or credited as paid up on the Ordinary shares; and

(D) fourthly, in being distributed rateably amongst the holders of the Ordinary shares according to the nominal value of their respective holdings of such shares in the Company.

(iii) The holders of the Convertible Preference shares shall not be entitled to any further right of participation in the assets of the Company.

(c) As regards conversion.

(i) Each holder of Convertible Preference shares shall be entitled at the times and in the manner set out in (and subject to the provisions of) this Article 3 to convert all or any of his Convertible Preference shares into fully paid Ordinary shares on the basis of 38.4615 Ordinary shares of 5 pence each for every £100 in nominal amount of Convertible Preference shares so converted and so in proportion for any greater or lesser nominal amount of Convertible Preference shares (such rate as adjusted from time to time as provided in paragraphs (3)(c)(xi),(xii) or (xiii) of this Article 3) being herein called the "Conversion

Rate".

- (ii) For the purposes of this Article 3, a "Conversion Date" shall be 31st October in the year 1990 and in each of the following years up to and including the year 2015 unless in any of such years the audited consolidated accounts of the Company and its subsidiaries for its last preceding accounting period shall not have been audited and sent to the holders of the Convertible Preference shares by 3rd October in such year, in which case the Conversion Date for that year shall be the date falling 28 days after the date on which such accounts are so despatched provided always that if any Conversion Date would otherwise fall on a Saturday or Sunday or a day which is a public holiday in England such Conversion Date shall be the date of the next day which is not such a day.
- (iii) The conversion rights shall be exercisable on any Conversion Date by completing the notice of conversion endorsed on the share certificate relating to the Convertible Preference shares to be converted or a notice in such other form as may from time to time be prescribed by the Directors of the Company in lieu thereof (a "Conversion Notice") and lodging the same with the Registrars for the time being of the Company at any time during the

period of 28 days ending on the Conversion Date (such period being called in this Article 3 a "Conversion Period") together with such other evidence (if any) as the Directors may reasonably require to prove the title and claim of the person exercising such right to convert. A Conversion Notice once lodged may not be withdrawn without the consent in writing of the Company. The Company shall not less than 28 days nor more than 56 days prior to each Conversion Date give to the holders of the Convertible Preference shares notice in writing reminding them of their right to convert and stating the applicable Conversion Rate. Such notice shall give the name and address of the Registrars of the Company and shall also, if the Directors have prescribed some form of Conversion Notice different from that endorsed on the certificates relating to the Convertible Preference shares, be accompanied by a copy of the Conversion Notice so prescribed.

- (iv) Conversion of such Convertible Preference shares as are due to be converted as aforesaid on any Conversion Date (such shares being called in this Article 3 the "Relevant Shares") shall be effected in such manner as the Directors may determine and as the law may allow and in particular, but without

prejudice to the generality of the foregoing, may be effected in accordance with the provisions of paragraph (v) below.

- (v) (A) The Directors may elect to redeem the Relevant Shares on any Conversion Date at par. A Relevant Share (if the Directors elect to redeem out of the profits of the Company which would otherwise be available for dividend) shall confer on the holder thereof the right to subscribe for the appropriate number of Ordinary shares at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the Ordinary shares to which the holder is so entitled; in any such case the Conversion Notice given by a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption moneys payable to him in subscribing for such Ordinary shares at such premium (if any) as aforesaid. A Relevant Share (if the Directors elect to redeem out of the proceeds of a fresh issue) shall confer on the holder thereof the right to subscribe and shall authorise the Secretary of the Company (or any other person

appointed for the purpose by the Directors) to subscribe as agent on the holder's behalf for the appropriate number of Ordinary shares (which authority shall include the right to borrow money) at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the Ordinary shares to which the holder is so entitled; in any such case, the Conversion Notice given by a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption moneys payable to him in payment to him or to his said agent.

- (B) The Directors may determine to effect conversion by means of consolidation and sub-division. In such case the requisite consolidation and sub-division shall be effected by consolidating into one share all the Relevant Shares at any Conversion Date held by the holder or joint holders and subdividing such consolidated share into shares of 5 pence each (or such nominal amount as may be appropriate as a result of any other consolidation or sub-division of Ordinary

shares) of which 38,4615 shares for each £100 nominal amount of the consolidated share (or such other number of shares as may be appropriate as a result of any adjustment pursuant to the provisions of paragraphs (3)(c)(xi), (xii) or (xiii) of this Article 3) shall be Ordinary shares (and so in proportion for any other nominal amount of the consolidated share), fractional entitlements being disregarded and the balance of such shares (including any fraction) shall be Non-voting Deferred shares having the rights set out in this paragraph (v)(B).

In any case of a conversion effected by means of consolidation and sub-division as provided in this paragraph (v)(B), the Non-voting Deferred shares arising as a result thereof shall on a return of capital on winding-up or otherwise entitle the holder only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the Ordinary shares and the payment of a further amount of £10,000 on each Ordinary share and shall not entitle the holder to the payment of any dividend nor to receive notice of or attend or vote at any General Meeting of

the Company, and such conversion shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Non-voting Deferred shares a transfer thereof (and/or an agreement to transfer the same) to such person as the Company may determine as custodian thereof and/or purchase the same (in accordance with the provisions of the Act) in any such case for not more than 1 pence for all the Non-voting Deferred shares without obtaining the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificates for such Non-voting Deferred shares. The Company may at its option at any time after the later of the creation of any Non-voting Deferred shares and three years after the issue of the Convertible Preference shares in respect of which they arose redeem all of the Non-voting Deferred shares then in issue, at a price not exceeding 1 pence for all the Non-voting Deferred shares redeemed, at any time upon giving the registered holders of such shares not less than 28 days' previous notice in writing of its intention so to do and fixing a

time for the redemption.

(vi) Any fractions of Ordinary shares arising on conversion shall not be allotted to the holders of the Relevant Shares otherwise entitled thereto but (if any such arrangement can be made) such fractions shall be aggregated and sold on behalf of such holders at the best price reasonably obtainable and the net proceeds of sale distributed pro rata among such holders unless in respect of any holding of the Relevant Shares the amount to be distributed would be less than £2 in which case such amount shall not be so distributed but shall be retained for the benefit of the Company. For the purpose of implementing the provisions of this paragraph (vi) the Directors may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to any such fractions and generally may make all arrangements which appear to them necessary or appropriate for the settlement and disposal of fractional entitlements.

(vii) On conversion, the preferential dividend shall cease to accrue with effect from the fixed dividend date last preceding the applicable Conversion Date. The Ordinary shares resulting from the conversion shall carry the right to receive all dividends and

(unless an adjustment shall have been made under paragraph (c)(xi) below in respect thereof) other distributions declared, made or paid on the Ordinary share capital of the Company by reference to a record date after the applicable Conversion Date and shall otherwise rank pari passu in all respects with the Ordinary shares then in issue and fully paid.

(viii) Within 28 days after the Conversion Date, the Company shall forward to each holder of the Relevant Shares, at his own risk, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary shares and a new certificate for any unconverted Convertible Preference shares comprised in the certificates surrendered by him. In the meantime transfers shall be certified against the Register.

(ix) If, immediately after any Conversion Date, 75 per cent. or more of the Convertible Preference shares at any time issued shall have been converted, the Company shall be entitled not later than 28 days after such Conversion Date (or any subsequent Conversion Date) to give to the holders of the Convertible Preference shares which have not been converted not less than 28 days' notice in writing to convert and on the date of expiry of such notice

the holders of the Convertible Preference shares shall be treated as having exercised the right to convert in respect thereof and the provisions relating to conversion shall apply mutatis mutandis as if the date of the expiry of the notice were a Conversion Date and such Convertible Preference shares were Relevant Shares due to be converted on that Conversion Date.

- (x) The Company shall use reasonable endeavours to procure that the Ordinary shares arising on conversion are admitted to the Official List of The Stock Exchange at the earliest practicable date following conversion.
- (xi) If, while any Convertible Preference shares remain capable of being converted into Ordinary shares, the Company shall make any issue of Ordinary shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to the holders of Ordinary shares, then the number of Ordinary shares to be issued on any subsequent conversion of Convertible Preference shares shall be increased pro rata and if any doubt shall arise as to the amount of the increase in the number of Ordinary shares the certificate of the Auditors of the Company shall be conclusive and binding on all concerned. No

adjustment shall be made in the event of an issue of shares by way of capitalisation of profits or reserves in lieu of cash dividends.

(xii) If, while any Convertible Preference shares remain capable of being converted into Ordinary shares, the Ordinary shares shall be consolidated or subdivided then the number of Ordinary shares to be issued on any subsequent conversion of the Convertible Preference shares shall be reduced or increased pro rata accordingly and if any doubt shall arise as to the number thereof the certificate of the Auditors of the Company shall be conclusive and binding on all concerned.

(xiii) If, while any Convertible Preference shares remain capable of being converted into Ordinary shares, the Company shall make any capital distribution to the Ordinary shareholders, then the number of Ordinary shares to be issued on any subsequent conversion of the Convertible Preference shares shall be increased by an amount determined to be appropriate by the Auditors whose certificate shall be conclusive and binding on all concerned. For the purposes of this paragraph (xiii) "capital distribution" means any dividend or other distribution of capital profits (whether realised or not) or capital reserves, or profit or reserves

arising after the date of the passing of the resolution adopting these new Articles from a distribution of capital profits (whether realised or not) or capital reserves by a subsidiary, except by means of a capitalisation issue not contravening paragraph (3)(f)(x) of this Article 3, or any repayment of capital or purchase of the Company's own shares (other than a redemption or purchase of redeemable shares in accordance with the terms of issue thereof); for the purposes of this paragraph (xiii), insofar as the relevant audited accounts do not distinguish between capital and revenue profits or reserves, the Company shall be entitled to rely upon a written estimate by the Auditors as to the extent to which any part of any profit or reserve should be regarded as of a capital nature and, in any case where the company shall purchase its own shares, the amount of the capital distribution per Ordinary share shall be that amount which is the gross amount paid on such purchase divided by the number of Ordinary shares remaining in issue following such purchase.

(d) As regards redemption

- (i) Subject to the provisions of The Statutes and paragraph (3)(c) of this Article 3, the Convertible Preference shares shall be redeemed out of any

profits or moneys of the Company which may lawfully be applied for that purpose as follows:-

- (A) the Company may at any time and from time to time after the last Conversion Date but prior to 30th June 2016, on giving to the holders of the Convertible Preference shares at that date not less than 28 days' prior written notice expiring at any time prior to the said 30th June 2016, redeem all or any of the Convertible Preference shares for the time being issued and outstanding and which have not by that date been converted into Ordinary Shares pursuant to paragraph (3)(c) of this Article 3 at a redemption price (subject to paragraph (3)(d)(ii) of this Article 3) of 100 pence for each Convertible Preference Share, provided that the Company may not redeem any of the Convertible Preference shares unless, at the date fixed for redemption, all arrears and accruals of the preferential dividend on such Convertible Preference shares (including any such dividend accruing on a per diem basis to the date of redemption) shall have been paid in full;
- (B) to the extent that any Convertible Preference shares shall not have been redeemed pursuant

to sub-paragraph (A) above, the Company shall redeem the same on 30th June 2016 at a redemption price (subject to paragraph (3)(d)(ii) of this Article 3) of 100 pence for each Convertible Preference Share together with all arrears and accruals of the preferential dividend on such Convertible Preference Shares to the date of redemption provided that, if the Company is permitted by The Statute to redeem some only of the Convertible Preference shares which would otherwise fail to be redeemed at such time, the Company shall redeem such number of the Convertible Preference shares as may lawfully be redeemed at such time and shall redeem, as soon thereafter as it shall be lawfully permitted so to do, the remaining number of Convertible Preference shares which would otherwise have fallen to be redeemed at such time in accordance with the foregoing provisions of this sub-paragraph save that the preferential dividend thereon shall continue to accrue on a per diem basis until actual redemption; and

- (C) the Company may redeem all or any Convertible Preference shares in respect of which a

request in a form approved by the Directors shall have been returned to the Office, or such other place as may be appointed by the Directors, before 5.00 p.m. on 29th June, 1990 or such date not later than 6th July, 1990 as the Directors may decide, at a redemption price of 65p for each Convertible Preference share together with all arrears and accruals of the preferential dividend on such Convertible Preference shares to the date of redemption.

(ii) Subject to the provisions of The Statutes, the Company shall be authorised to redeem all or any of the Convertible Preference shares for the time being outstanding by the purchase thereof at any time and from time to time in the market or by tender (available to all holders alike) or by private treaty in each case at a price not exceeding the lower of:-

(A) the amount payable on redemption as determined at the time of such purchase pursuant to paragraphs (3)(d)(i) (A) or (B) of this Article 3; and

(B) in the case of purchases through the market or by tender, the average of the middle market quotations taken from the Stock Exchange

Official List for the 10 business days before the purchase is made or, in the case of a purchase through the market, at the market price, provided that it is not more than 5% above such average;

in each case exclusive of any dividend accrued thereon, stamp duty, commission and other expenses.

(iii) Any Redemption Request or notice of redemption shall specify the particular Convertible Preference shares to be redeemed, the date fixed for redemption and the place at which the certificates for such shares are to be presented for redemption and upon such date each of the holders of the Convertible Preference shares concerned shall be bound to deliver to the Company at such place the certificates for the shares concerned in order that the same may be cancelled. Upon such delivery the Company shall pay to such holder (or to his order) the amount due to him in respect of such redemption. If any certificates so delivered to the Company include any Convertible Preference shares not redeemable on that occasion a fresh certificate for such shares shall be issued without charge to the holder delivering such certificate to the Company.

(iv) As from the date fixed for redemption of any

Convertible Preference shares any dividend shall cease to accrue on the shares, except on any such share in respect of which upon due presentation of the certificate relating thereto, payment of the money due on such redemption shall be refused or in respect of which, and for so long as, the Company shall have failed to give the notice referred to in paragraph (d)(i)(A) or of this Article 3.

(v) If the Company wishes to redeem some but not all of the Convertible Preference shares in issue pursuant to paragraphs (3)(d)(i) (A) or (B) of this Article 3, the Company shall for the purpose of ascertaining the particular Convertible Preference shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may decide in the presence of a representative of the Auditors for the time being of the Company.

(iv) The receipt of the registered holder for the time being of any Convertible Preference shares or in the case of joint registered holders the receipt of any of them for the moneys payable on redemption shall constitute an absolute discharge of the Company in respect thereof.

(e) As regards voting

(i) The holders of the Convertible Preference shares shall, by virtue of, or in respect of, their

holdings of Convertible Preference shares, have the right to receive notice of any General Meeting of the Company, but shall not have the right to attend, speak or vote at a General Meeting of the Company unless either:-

(A) at the date of such meeting, the preferential dividend on such shares is in arrears for six months or more after any date fixed for payment thereof; or

(B) a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Convertible Preference shares;

in which case such holders shall have the right to attend the General Meeting and shall be entitled to vote only on such resolution.

(ii) Whenever the holders of the Convertible Preference shares are entitled to vote at a General Meeting of the Company upon any resolution proposed at such a General Meeting, on a show of hands every holder thereof who (being an individual) is present in person or (being a corporation) is present by representative or by proxy shall have one vote and on a poll every holder thereof who is present in person or by proxy shall have one vote in respect of each fully paid Convertible Preference share

registered in the name of such holder.

(f) Other Provisions

So long as any Convertible Preference shares remain capable of being converted into Ordinary shares then, save with such consent or sanction on the part of the holders of the Convertible Preference shares as is required for a variation of the rights attached to such shares:-

(i) no shares shall be allotted pursuant to a capitalisation of profits or reserves (including any share premium account and capital redemption reserve) except Ordinary shares, credited as fully paid, and upon any such allotment the Conversion Rate shall be adjusted as appropriate under paragraph (3)(c)(xi) of this Article 3 provided that no such allotment shall be made if, as a result thereof, the aggregate nominal amount of the Ordinary shares into which any Convertible Preference shares may be converted will exceed the aggregate nominal amount of such Convertible Preference shares;

(ii) if any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of paragraph (f)(iii) below apply) is made to holders of the Ordinary share capital of the Company, the Company shall make or,

so far as it is able, procure that there is made a like offer at the same time to each holder of Convertible Preference shares as if his conversion rights had been exercisable and exercised in full on the record date for such offer or invitation;

(iii) if prior to the last Conversion Date an offer is made to the holders of Ordinary shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or any persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a General Meeting of the Company has or will become vested in the offeror and/or such companies or persons aforesaid, the Company shall give written notice to all holders of Convertible Preference shares of such vesting within 14 days of its becoming so aware and each such holder shall be entitled within the period of 42 days from the date of such notice to convert some or all of his Convertible Preference shares into fully paid Ordinary shares on the basis set out above except that the

Conversion Period shall be the said period of 42 days and the Conversion Date shall be the last day of such period and, if the Conversion Date is on or before 31st October 1992, the Conversion Rate shall be, for every £100 in nominal amount of Convertible Preference shares so converted, 42.2833 Ordinary shares if the Conversion Date is on or before 31st October 1988, 41.4594 Ordinary shares if the Conversion Date is thereafter but on or before 31st October 1989, 40.6669 Ordinary shares if the Conversion Date is thereafter but on or before 31st October 1990, 39.9042 Ordinary shares if the Conversion Date is thereafter but on or before 31st October 1991 and 39.1696 Ordinary shares if the Conversion Date is thereafter but on or before 31st October 1992. Subject as aforesaid, the provisions as to conversion in paragraph (3)(c) of this Article 3 shall apply mutatis mutandis to such conversion. At the expiration of the said period of 42 days any outstanding Convertible Preference shares, in respect of which a duly completed Conversion Notice shall not have been received as set out above, shall cease to be capable of conversion pursuant to the provisions of this paragraph (f)(iii) but not otherwise;

(iv) no equity share capital (as defined in section 744

of the Act) shall be issued which is not in all respects uniform with the Ordinary shares in issue on the date of the adoption of these new Articles, save:-

- (A) for equity share capital which is uniform except as to the date from which such capital shall rank for dividend;
- (B) for equity share capital issued pursuant to an employees' share scheme approved by the Company in General Meeting;
- (C) for equity share capital which has attached thereto rights as to dividend, capital and voting which in no respect are more favourable than those attached to the Ordinary shares in issue at the date of the adoption of these new Articles; and
- (D) for equity share capital issued pursuant to an offer or invitation which is extended to the holders of Convertible Preference shares pursuant to paragraph (ii) of this paragraph (f);
- (E) for Further Convertible Preference shares (as defined in paragraph (3)(h) of this Article 3) which are only comprised in the Company's equity share capital because as respects capital such Further Convertible Preference

shares carry a right to participate beyond a specific amount in a distribution being a right (1), in the case of a distribution while such shares remain capable of conversion by the holders thereof, to participate as if the same had been converted on whatever basis of conversion applies to such shares (whether with or without priority as to repayment of the capital paid up or credited as paid up and with or without any amount so repaid being brought into account by the holders thereof) and (2) in the case of a distribution after such shares have ceased to be capable of conversion by the holders thereof, to participate on a basis which is not more favourable than that specified in paragraph (3)(b)(ii) of this Article 3 in relation to the Convertible Preference shares;

(v) the Company shall not (except as authorised by section 146(2) or by section 159 of the Act in respect of redeemable shares) reduce its share capital or any uncalled liability in respect thereof or (except as authorised by sections 130(2), 160(2) and 170(4) of the Act) any share premium account or capital redemption reserve;

(vi) the Company, if authorised to purchase its own

Ordinary shares, will not do so except in accordance with the requirements from time to time of The Stock Exchange;

- (vii) no resolution shall be passed whereby the rights attaching to the Ordinary shares shall be modified, varied or abrogated but, for the avoidance of doubt, it is hereby declared that any resolution for the disapplication of section 89(1) of the Act (or any provisions replacing the same) shall be deemed not to abrogate, vary or modify such rights;
- (viii) the Company shall not change its accounting reference date from 31st December in each year save to a date which is not more than seven days before or after 31st December;
- (ix) no resolution consolidating or sub-dividing all or any of the Company's share capital shall be passed if, as a result thereof, the nominal amount of any Ordinary shares into which any Convertible Preference shares may be converted would exceed the nominal amount of such Convertible Preference shares; and
- (x) the Company shall not make any offer or invitation to the holders of Ordinary shares or allot any shares in pursuance of a capitalisation issue or make any capital distribution (as defined in paragraph (3)(c)(xiii) of this Article 3) during a

Conversion Period, or following a Conversion Period by reference to a record date prior to such Conversion Period.

(g) Re-designation

On the day next following the last Conversion Date any Convertible Preference shares then outstanding shall automatically be re-designated as "5% per cent. (net) Cumulative Redeemable Preference shares of £1 each".

(h) As regards further Issues

Subject to the provisions of paragraph (3)(f)(iv) of this Article 3 the Company may from time to time create and issue further convertible preference shares (in this paragraph called "Further Convertible Preference shares") ranking as regards participation in profits and assets of the Company pari passu with the Convertible Preference shares and so that any such Further Convertible Preference shares may either carry rights identical in all respects with the Convertible Preference shares or with any other series of Further Convertible Preference shares or rights differing therefrom in any respect including but without prejudice to the generality of the foregoing in that:

(i) the rate of dividend may differ;

(ii) the Further Convertible Preference shares may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for

payment of dividend may differ;

(iii) a premium may be payable on a return capital or there may be no such premium;

(iv) the Further Convertible Preference shares may be redeemable on such terms and conditions as may be prescribed by the terms of issue thereof and/or these Articles; and

(v) the Further Convertible Preference shares may be convertible into Ordinary shares or any other class of shares ranking as regards participation in the profits and assets of the Company after the Convertible Preference shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

VARIATION OF RIGHTS

4. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of such holders (but not otherwise), and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings

thereat shall mutatis mutandis apply, except that-

- (1) The necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting a quorum as above defined is not present, any holder who is present shall be a quorum);
- (2) any holder of shares of the class present in person or by proxy may demand a poll; and
- (3) each such holder shall on a poll have one vote for every share of the class held by him.

The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

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

6. Any class of shares issued without the right to vote at General Meetings shall include the words 'non-voting' in the name by which the same is designated, and where the equity capital of

the Company includes shares with different voting rights the designation of each such class (other than the class with the most favourable voting rights attached thereto) shall include the words "limited voting".

ALTERATION OF SHARE CAPITAL

7. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

8.(1) The Company may from time to time by Ordinary Resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the nominal amount of the shares so cancelled;
- (c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division,

one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

- (2) Upon any consolidation of fully paid shares into shares of larger amounts the Directors may, as between the holders of shares so consolidated, determine which shares are consolidated into each consolidated share and may, in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder, make such arrangements as may be thought fit for the sale of any consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale, and for such purpose may appoint some person to transfer any such consolidated share to the purchaser.

- 9.(1) The Company may by Special Resolution reduce its share capital or any capital redemption fund, share premium account or other undistributable reserve in any manner and with and subject to any authority and consent required by law.

- (2) The Company may, subject to the provisions of the Statutes and these Articles, purchase its own shares.

- (3) If any class of convertible shares is in issue the Company shall not purchase its own shares without the Sanction of an

extraordinary resolution passed at a separate class meeting of the holders of such convertible shares.

SHARES

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

11. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being in issue, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and, subject to the provisions of the Statutes, the Company may, on such terms and in such manner as the Directors may determine, issue shares which are, or at the option of the Company are liable, to be redeemed.

12. Subject to the provisions of the Statutes and any resolution passed by the Company in General Meeting pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation),

grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.

13. The Company may exercise the powers of paying commissions conferred by the Statutes. Subject to the provisions of the Statutes, 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.

14. The Directors may at any time after the allotment of any share, but before any person has been entered in the Register as the holder thereof, recognise a renunciation thereof by the allottee in favour of some other person, and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

SHARE CERTIFICATES

15. Every share certificate (other than letters of allotment, scrip certificates and other like documents) shall be issued under the Seal or under a Securities Seal, and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class. No certificate shall normally be issued in respect of shares held by a Stock Exchange Nominee.

16. The Company shall not be bound to register more than four persons as the holder of any share and in, the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a

certificate to one of joint holders shall be sufficient delivery to all.

17. Subject as aforesaid, any person whose name is entered in the Register in respect of any share of any one class upon the issue or transfer thereof shall be entitled:-

(1) without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully paid shares) within fourteen days after lodgment of transfer or (in the case of a transfer of partly paid shares) within two months after lodgment of transfer;

(2) upon payment of the out-of pocket expenses of the Company in providing the same, to several certificates, each for one or more of his shares of any class.

18. Where some only of the shares comprised in a share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

19.(1) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

(2) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed a new certificate representing the same shares may be issued

to the holder upon request, subject to delivery up of the old certificate (unless alleged to have been lost, stolen or destroyed) on compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

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

CALLS ON SHARES

20. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value thereof or by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call is passed, and may be made payable by instalments.

21. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be made payable by instalments and may at any time before receipt be revoked or postponed in whole or in part as the Directors may determine.

22. If any amount called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the amount is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 per cent. per annum) as the Directors determine, but the Directors shall be at liberty in any case to waive payment of such interest wholly or in part.

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

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

25. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him, and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made, and upon the money so received, or so much thereof as from time to time

exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate (not exceeding 15 per cent. per annum) as the member paying such sum and the Directors agree upon.

FORFEITURE AND LIEN

26. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

27. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

28. If the requirements of any such notice are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

29. A share so forfeited or surrendered shall become the property

of the Company and may within three years of such forfeiture be sold, re-allotted or otherwise disposed of, either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid. Any share not disposed of in accordance with the foregoing within a period of three years from the date of its forfeiture shall thereupon be cancelled in accordance with the provisions of the Statutes.

30. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable:-

- (1) to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares, with interest thereon at the rate of 15 per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment; and
- (2) to satisfy any claims and demands which the Company might have enforced in respect of the share at the time of forfeiture or surrender.

The Directors in their absolute discretion may enforce any such payment claim or demand without any allowance for the value of the shares at the time of forfeiture or surrender or may waive payment on satisfaction thereof in whole or in part.

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

32. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The Company shall also have a first and paramount lien on the shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien as a share shall extend

to all dividends payable thereon. The Directors may waive any lien which has arisen or may resolve that any share shall for some limited period be exempt, wholly or partially, from the provisions of this Article.

33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share.

34. The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists, so far as the same are presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the Purchaser.

35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons

claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the share certificate delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

36. All transfers of shares may be effected by transfer in writing in the usual form or in any other form acceptable to the Directors, and in the case of a person or firm may be under hand only. The instrument of transfer shall be executed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof.

37. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, and either generally or in respect of any class of shares. The Register shall not be closed for more than thirty days in any year in respect of any one class of shares.

38. The Directors may in their absolute discretion, and without assigning any reason therefor, refuse to register any transfer of a share which is not fully paid or a share on which the Company has a lien. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

39. The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In the case of a transfer by a Stock Exchange Nominee the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

40. All instruments of transfer which are registered may be retained by the Company.

41. No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, stop notice, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

42. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof, all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof, and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof. It shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; provided always that:-

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

- absence of this Article;
- (3) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

43. In case of the death of a member the survivor or survivors where the deceased was a joint holder, and the executor or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
44. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, subject as hereinafter provided and upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, either be registered himself as a holder of the share upon giving to the Company notice in writing to that effect, or transfer such share to some other person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
45. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of

the death or bankruptcy of a member shall (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share, except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a member in respect thereof within sixty days of being required so to do by the Directors he shall, in the case of shares which are fully paid up, be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

GENERAL MEETINGS

- 46.(1) An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and at such place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.
- (2) The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

47. An Annual General Meeting, and any General Meeting at which

it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice had been given to the Company, shall be called by twenty-one days' notice in writing at the least and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held, and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company; provided that a General Meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed:-

- (1) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and
- (2) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

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

48.(1) Every notice calling a General Meeting shall specify the place, the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a

statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote instead of him, and that a proxy need not be a member of the Company.

(2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(3) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.

49. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

- (1) sanctioning or declaring dividends;
- (2) considering the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
- (3) appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
- (4) appointing or re-appointing Directors in the place of those retiring by rotation or otherwise;

PROCEEDINGS AT GENERAL MEETINGS

50. The Chairman of the Directors. failing whom the Deputy

Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within half an hour from the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number to be chairman of the meeting. If no Director be present, or if all the Directors present decline to take the chair, the members present shall choose one of their number to be chairman of the meeting.

51. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

52. If within half an hour from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the Directors may determine, and at the adjourned meeting any two members present in person or by proxy shall be a quorum.

53. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place and without such consent he may

adjourn any meeting at which a proposal of importance is made for the consideration whereof in his judgment (which shall not be challenged) a larger attendance of members is desirable.

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

55. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

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

- (1) the chairman of the meeting; or
- (2) not less than three members present in person or by proxy and entitled to vote; or
- (3) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (4) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

58. A demand for a poll may be withdrawn. Unless a poll is required, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

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

60. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

61. Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

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

63. Where in the United Kingdom or elsewhere a receiver or other

person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

64. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy, or to exercise any other rights conferred by membership in relation to meetings of the Company, if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid or if he or any person appearing to be interested in such shares has been duly served with a notice under section 212 of the Act and has failed to supply to the Company the information thereby required within 30 days from service of such notice. For the purposes of this Article a person shall be treated as appearing to be interested in shares if the member holding such shares shall have given to the Company a notification under the said section 212 which fails to establish the identities of those interested in such shares and if (after taking account of the said notification and any other relevant section 212 notification) the Company knows, or has

reasonable cause to believe, that the person in question is or may be interested in such shares.

65. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision thereon shall be final and conclusive.

66. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

67. A proxy need not be a member of the Company.

68. An instrument appointing a proxy shall be in writing in the usual form or in any other form which the Directors may approve and:-

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

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

69. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less

than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Provided that an instrument of proxy relating to more than one meeting, having once been so delivered for the purposes of any meeting, shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Deposit of an instrument of proxy shall not preclude a member from attending and voting in person at the meeting or any adjournment thereof.

70. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, but shall not confer any further right to speak at the meeting except with the permission of the chairman of the meeting.

71. A vote cast or poll demanded by proxy or by the duly authorised representative of a corporation shall not be invalidated by the previous death or incapacity of the principal, or by the revocation of the appointment of the proxy or representative or of the authority under which the appointment was made, unless intimation in writing of such death, incapacity or revocation shall have been received by the Company at the Transfer Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than

at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

72. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date referred to in it as the date of its execution, except at an adjournment of a meeting originally held within twelve months from such date.

CORPORATIONS ACTING BY REPRESENTATIVES

73. Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company, and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

DIRECTORS

74. Subject as hereinafter provided the Directors shall not be less than three in number. The Company may by Ordinary Resolution from time to time vary the minimum number and/or maximum number of Directors.

75. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at

General Meetings.

DIRECTORS' REMUNERATION AND EXPENSES

76. The amount of any fees payable to Directors shall be determined by the Directors provided that they shall not in any year exceed in aggregate the sum of £50,000 or such other sum as may from time to time be approved by Ordinary Resolution. Any such fees shall be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for a proportion of the fee related to the period during which he has held office.

77. Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such remuneration by way of salary, commission or otherwise as the Directors may determine.

78. The Company shall repay to any Director all such reasonable expenses as he may incur in attending meetings of the Directors or of any committee of the Directors or General Meetings, or otherwise in or about the business of the Company.

DIRECTORS' INTERESTS

79. The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company, or who are or were at any time Directors or officers of the Company or of any subsidiary of the Company, and holding any salaried employment or office in the Company or any subsidiary of the Company, and the families and dependants of any such persons, and also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any subsidiary of the Company, or of any such persons as aforesaid, and make payments for or towards the insurance of any such persons as aforesaid, and do any of the matters aforesaid either alone or in conjunction with any subsidiary of the Company.

80. Subject to the provisions of the Statutes, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:-

- (1) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (2) 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

- (3) 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.

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.

81. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors or other officers or employees of that company

or voting or providing for the payment of remuneration to such officers or employees).

EXECUTIVE DIRECTORS

82.(1) The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman, Deputy Chairman, Managing Director or Chief Executive) on such terms and for such period (subject to the provisions of the Statutes) as they may determine and, without prejudice to the terms of any agreement entered into in any particular case, may at any time revoke any such appointment.

(2) The appointment of any Director to any such executive office shall automatically determine if he ceases from any cause to be a Director, but without prejudice to any claim he may have for damages for breach of any agreement between him and the Company.

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

APPOINTMENT AND RETIREMENT OF DIRECTORS

84. Any provisions of the Statutes which, but for this Article, would have the effect of rendering any person ineligible for

appointment as a Director or liable to vacate office as a Director on account of his having reached any specified age, or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the Company.

85. The office of a Director shall be vacated in any of the following events, namely:-

- (1) if he becomes prohibited by law from acting as a Director;
- (2) if, not being an Executive Director holding office as such for a fixed term or other minimum period which has not expired, he resigns by notice in writing under his hand left at the Office;
- (3) if, being such an Executive Director, he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (4) if he shall have a receiving order made against him or shall compound with his creditors generally;
- (5) if in the United Kingdom or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs, or if he is admitted to hospital pursuant to an application for treatment under the Mental Health Act 1983 or the Mental Health (Scotland) Act 1960;

(6) if he is absent from meetings of the Directors for six consecutive months without leave and the Directors resolve that his office be vacated; or

(7) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any agreement between him and the Company.

86. At each Annual General Meeting one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to but not greater than one-third, shall retire from office by rotation, provided that no Director holding office as Managing or Joint Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire.

87. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment, and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be

determined by lot. A retiring Director shall be eligible for re-election.

88. At the meeting at which a Director retires under any provision of these Articles the Company may by Ordinary Resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected unless:-

- (1) at such meeting it is expressly resolved not to fill up such office, or a resolution for the re-election of such Director is put to the meeting and lost; or
- (2) such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- (3) the default is due to the moving of a resolution in contravention of the next following Article.

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

89. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed by the meeting without any vote being given against it, and any resolution moved in contravention of this Article

shall be void.

90. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than forty-two days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing, signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for appointment, and also notice in writing signed by the person to be proposed of his willingness to be appointed and stating all such particulars of him as would, on his appointment, be required to be included in the Company's register of directors.

91. The Company may by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement). The Company may by a like resolution appoint another person in place of a Director so removed from office, and any person so appointed shall be treated, for the purpose of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the Director in whose place he is appointed was last elected

a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

92. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. The Directors shall also have power at any time to make such an appointment but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Articles. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

ALTERNATE DIRECTORS

93.(1) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate director, and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

(2) The appointment of an alternate director shall determine on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases to be a Director.

- (3) An alternate director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally at such meeting to perform all the functions of his appointor as a Director, and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors, the foregoing provisions of this paragraph shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles, but he shall be an officer of the Company and shall not be

- deemed to be the agent of the Director appointing him.
- (4) An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

ASSOCIATE DIRECTORS

- 94.(1) The Directors may from time to time appoint any manager or other person in the employment of the Company or any subsidiary company of the Company to be an associate director of the Company. Any associate Director so appointed may be removed by resolution of the Directors at any time for any reason and without the giving of any notice in that behalf.
- (2) Until otherwise determined by the Company in General Meeting, the number of associate directors for the time being shall not exceed six.
- (3) An associate director appointed under this Article shall not be required to hold any shares in the Company to qualify him for such office.

- (4) An associate director shall not while he continues to hold office be taken into account in calculating the number to form a quorum at any meeting of the Directors.
- (5) The appointment, continuance in office, removal, powers, duties and remuneration of an associate director shall be determined by the Directors, with full power to make such arrangements as the Directors may think fit.
- (6) An associate director shall not except with and to the extent of the sanction of the Directors:-
 - (a) have any right of access to the books of the Company;
 - (b) be entitled to receive notice of or to attend at the meetings of the Directors; or
 - (c) be entitled to participate in any other respect in the exercise of the collective powers or duties of the Directors or to exercise any of the powers or rights of a Director individually under these Articles, provided that no act shall be done by the Directors which would impose any personal liability on any associate director either under the Statutes or otherwise except with his knowledge;

and shall not in any circumstances be entitled to vote at any meeting of the Directors.

MEETINGS AND PROCEEDINGS OF DIRECTORS

95. Subject to the provisions of these Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time

any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retrospective.

96. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors, and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

97. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

98.(1) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(2) Subject to the provisions of the Statutes, a Director shall (in the absence of some material interest other than as indicated below) be entitled to vote (and be

counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-

- (a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the under-writing or sub-underwriting thereof;
- (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of section 346(2) of the Act) is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company (or

of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);

(e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; and

(f) any proposal concerning the adoption, modification or operation of any scheme for enabling employees, including full time Executive Directors of the Company and/or any subsidiary, to acquire shares of the Company, or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees, and which does not accord any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme or arrangement relates.

(3) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to office, or employments with the Company or any company in which the

Company is interested, such proposals may be divided and considered in relation to each Director separately, and in such case each of the Directors concerned (if not debarred from voting under paragraph (2)(d) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

- (4) For the purposes of this Article an interest of a person who is, for the purposes of the Statutes, connected with a Director shall be treated as an interest of the Director, and, in relation to an alternate, an interest of his appointor shall be treated as an interest of the alternate.
- (5) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned has not been fairly disclosed.
- (6) The Company may by Ordinary Resolution suspend or relax the provisions of this Article, either generally or in relation to any particular matter, or ratify any transaction not duly authorised by reason of a

contravention of this Article.

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

100. The Directors may elect a Chairman and Deputy Chairman and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting neither be present within thirty minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

101. A resolution in writing signed by all the Directors for the time being in the United Kingdom, if constituting a majority of the Directors, shall be as effective as a resolution duly passed at a meeting of the Directors, and may consist of several documents in the like form each signed by one or more Directors. A resolution signed by an alternate director need not also be signed by his appointor.

102. The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the

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

103. The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

104. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

BORROWING POWERS

105.(1) The Directors may exercise all the powers of the

Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(2) The Directors shall restrict the borrowings of the Company, and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies, so as to secure (so far, as regards subsidiary companies, as by such exercise they can secure) that the aggregate principal amount (together with any fixed or minimum premium payable as final repayment or redemption) for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time, without the previous sanction of an Ordinary Resolution of the Company, exceed an amount equal to four times the Adjusted Capital and Reserves.

(3) For the purposes of this Article "the Adjusted Capital and Reserves" means the aggregate from time to time of:-

- (a) the amount paid up or credited as paid up on the issued share capital of the Company; and
- (b) the amount standing to the credit of the

consolidated capital and revenue reserves (including any share premium account, capital redemption reserve fund and any credit balance on profit and loss account) of the Company and its subsidiaries

all as shown by the latest available audited balance sheet but:-

- (i) adjusted as may be appropriate to reflect any variation since the date of the said balance sheet in the amount of such share capital, in the amount standing to the credit of such reserves (other than variations in the profit and loss account arising from normal trading) and in interests in subsidiaries;
- (ii) adjusted to take account of any subsidiary the balance sheet of which was not consolidated with the said balance sheet;
- (iii) excluding therefrom such amounts, if any, as are attributable to minority interests in subsidiaries;
- (iv) deducting therefrom any debit balance on the consolidated profit and loss account, except to the extent that such deduction has already been reflected in the said balance sheet;
- (v) excluding therefrom (if not otherwise taken into account) any sum set aside for taxation,

- other than sums set aside in respect of taxation equalisation and deferred taxation;
- (vi) deducting therefrom any amount distributed or proposed to be distributed to members of the Company and minority shareholders in subsidiaries out of profits earned down to the dates of and not provided for in the relevant balance sheets;
 - (vii) deducting therefrom any amounts attributable to goodwill (other than goodwill arising only on consolidation) and other intangible assets; and
 - (viii) after making such other adjustments (if any) as the Auditors consider appropriate.
- (4) For the purposes of this Article:-
- (a) the following shall (except in so far as otherwise taken into account) be deemed to be included in the expression "moneys borrowed":-
 - (i) the nominal or principal amount of any share capital, moneys borrowed or other indebtedness of any person or body, whether corporate or unincorporate, the beneficial interest wherein or the right to repayment whereof is not for the time being owned by, and the repayment whereof is guaranteed or secured by or is the subject of an indemnity given by, the Company

- or by a subsidiary;
- (ii) the principal amount raised by the Company or by a subsidiary by acceptances (not being acceptances in relation to the purchase of goods in the ordinary course of trading the amounts raised whereunder are to remain outstanding for not more than 180 days) or under any acceptance credit opened on its behalf and in its favour by any bank or accepting house;
 - (iii) the principal amount for the time being owed in respect of any loan capital or other debenture of the Company or a subsidiary, whether issued in whole or in part for cash or otherwise; and
 - (iv) the nominal amount of any issued share capital of any subsidiary (not being equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital) not for the time being beneficially owned by the Company or another subsidiary which is wholly owned;
- (b) moneys borrowed or raised by, and intended to be applied within six months of first being so borrowed or raised in repaying moneys borrowed by, the Company or a subsidiary shall, pending such

application or the expiry of such period whichever shall be the earlier, be deemed not to be moneys borrowed;

(c) moneys borrowed by a partly-owned subsidiary (after excluding any moneys borrowed owing between companies in the Group) shall be deemed to be reduced by an amount equal to the minority proportion (namely the proportion of the equity share capital of the partly-owned subsidiary which is not beneficially owned directly or indirectly by the Company) of such moneys borrowed; moneys borrowed by the Company or a subsidiary from a partly-owned subsidiary, which would fall to be excluded as being moneys borrowed owing between companies in the Group, shall nevertheless be included to the extent of an amount equal to such minority proportion of such moneys borrowed;

(d) moneys borrowed by the Company or a subsidiary from bankers or others for the purpose of financing any contract in respect of which any part of the price receivable is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade, or any institution carrying on similar business in the United Kingdom, the Channel Islands or the Republic of Ireland, to an amount not exceeding that part of the price receivable

thereunder which is so guaranteed or insured, shall be deemed not to be moneys borrowed;

- (e) moneys borrowed shall not include any moneys borrowed which are for the time being deposited with H.M. Customs & Excise or other body, or equivalent body in the Channel Islands or in the Republic of Ireland, designated by any relevant legislation or order in connection with import deposits or any similar governmental scheme to the extent that the Company or subsidiary making such deposit retains its interest therein;
- (f) a sum equal to the amount of moneys borrowed of a company which becomes a subsidiary after the date of adoption of these Articles, and which are outstanding at the date when such company becomes a subsidiary, shall for the period of six months from the date of such event be deemed not to be moneys borrowed;
- (g) any company which it is proposed shall become or cease to be a subsidiary contemporaneously with any relevant transaction shall be treated as if it had already become or ceased to be a subsidiary;
- (h) for the avoidance of doubt, amounts prospectively payable for the hire or lease of movable or immovable property shall not be deemed to be moneys borrowed notwithstanding that a capital amount in

respect of such amounts may be included as a liability in the balance sheet;

- (i) when the aggregate amount of moneys borrowed required to be taken into account for the purposes of this paragraph on any particular day is being ascertained, any such moneys denominated or repayable (or repayable at the option of any person other than the Company or a subsidiary) in a currency other than sterling shall be translated for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London, provided that any of such moneys shall be translated at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less; and
- (j) no moneys borrowed shall be included in the same calculation more than once.

- (5) A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed, or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times, shall be conclusive evidence of such amount or fact for the purposes of this Article.
- (6) No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit contained in this Article is observed. No debt incurred in excess of such

limit shall be invalid and no security given for the same 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 would thereby be, exceeded.

GENERAL POWERS OF DIRECTORS

106. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to any regulations, being not inconsistent with the Statutes or these Articles, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

SECRETARY

107. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any agreement between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think

fit, one or more Assistant or Deputy Secretaries.

THE SEAL

108. The Directors shall provide for the safe custody of the Seal and any Securities Seal, and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf. Every instrument to which either shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors, save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature. The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

AUTHENTICATION OF DOCUMENTS

109. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any

committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting.

RESERVES

110. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and, pending such application, may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits.

DIVIDENDS

111. The Company may by Ordinary Resolution declare dividends, but no such dividend shall exceed the amount recommended by the Directors.

112. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof, and may

also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

113. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

114. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

115. Subject to the provisions of the Statutes, where any property or business is bought by the Company as from a past date the profits and losses thereof as from such date may, at the discretion of the Directors, be carried as to the whole or any part thereof to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

116. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

117. The Directors may deduct from any dividend or other moneys payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.
118. The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
119. The Directors may defer payment of any dividend payable on or in respect of a share in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such share or shall transfer the same.
120. The waiver, in whole or in part, of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company, and if and to the extent that the same is accepted as such or acted upon by the Company.
121. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share in to a separate account shall not constitute the Company a trustee in respect thereof, and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

122. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution, and, where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

123. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct, and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company.

Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

124. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

125. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to capitalisations to be effected pursuant to Article 126.

125A. Without prejudice to the provisions of Articles 111 and 112 the Directors may offer members the right to elect to receive shares credited as fully paid, in whole or in part, instead of cash in respect of all or any part of such dividend or dividends as may be declared by the Company pursuant to Article 111 or, as the case may be, by the Directors pursuant to Article 112, subject to such exclusions or restrictions as the Directors may, in their

absolute discretion, seem necessary or desirable in relation to compliance with legal or practical problems under the laws of any territory or the requirements of any recognised regulatory body of any stock exchange in any territory. The following provisions shall apply:-

- (1) the Directors shall not exercise their powers under this Article 125A in respect of a particular dividend or dividends unless the Company by Ordinary Resolution has authorised the exercise of those powers in respect of that dividend or dividends or in respect of dividends (including that dividend or dividends) to be declared or paid during or in respect of a specified period;
- (2) the basis of allotment of shares shall be determined by the Directors so that the Relevant Value (as determined below) of the new shares to be allotted instead of any cash dividend shall be as nearly as possible equal to (but not more than) such cash amount. For the purpose of this Article 125A, the Relevant Value shall be calculated by reference to the average of the middle market quotations of the Company's shares as derived from the Daily Official List of The Stock Exchange on the business day on which the shares are first quoted "ex" the relevant dividend and the four subsequent business days;
- (3) no member may receive a fraction of a share;
- (4) the Directors may make such arrangements as they consider necessary or expedient in relation to any offer to be made

pursuant to this Article 125A and, without prejudice to the foregoing, the Directors shall, after determining the basis of allotment, notify the members in writing of any right of election offered to them, and shall send forms of election (whether in respect of a particular dividend or dividends or generally) and specify the procedure to be followed for making or revoking such elections and the place at which, and the latest time by which, duly completed forms of elections and any other relevant document must be lodged in order to be effective;

- (5) the dividend (or that part of a dividend in respect of which a right of election has been offered) shall not be declared or payable on shares in respect of which the said election has been duly made ("the Elected Shares") and instead new shares shall be allotted to the holders of the Elected Shares on the basis of allotment determined as aforesaid. For such purpose, the Directors shall capitalise out of such of the sums standing to the credit of the Company's reserves (including any share premium account or capital redemption reserve) or out of 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 new shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Elected Shares on such basis;

- (6) the new shares so allotted shall be allotted as of the record date for the dividend in respect of which the right of election has been offered and shall rank pari passu in all respects with the fully paid shares then in issue save only as regards participation in the dividend in place of which they were allotted;
- (7) the Directors may do all acts and things considered necessary or expedient to give effect to the allotment and issue of any shares in accordance with the provisions of this Article 125A and may authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for such allotment and incidental matters, any agreement made under such authority being binding on all such members;
- (8) for the avoidance of doubt, every duly effected election shall be binding on every successor in title to the Elected Shares (or any of them) of the member or members who have effected the same.

CAPITALISATION OF PROFITS AND RESERVES

126. The Directors may with the authority of an Ordinary Resolution of the Company:-

- (1) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium or capital redemption reserve;

- (2) appropriate the sum resolved to be capitalised to the holders of the Ordinary Shares in proportion to the nominal amounts of the Ordinary Shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if those shares were fully paid and that sum were then distributable and it 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 holders of the Ordinary Shares credited as fully paid;
- (3) resolve that any shares so allotted to any member in respect of a holding by him of any Ordinary Shares which are not fully paid shall rank for dividend only to the extent that the latter shares rank for dividend;
- (4) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under

this Article in fractions (including provision for fractional entitlements to be disregarded or the benefit thereof to accrue to the Company rather than to the members otherwise entitled thereto); and

- (5) 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 shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

ACCOUNTS

127. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account, book or document of the Company except as conferred by the Statutes or ordered by a court of competent jurisdiction or authorised by the Directors.

128. A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other

person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles; provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. If all or any of the shares or debentures of the Company shall for the time being be listed or dealt in on The Stock Exchange, there shall be forwarded to the appropriate officer of The Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

AUDITORS

129. Subject to the provisions of the Statutes, all acts done by any persons acting as Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in their appointment or that they were at the time of their appointment not qualified for appointment or subsequently became disqualified.

130. The Auditors shall be entitled to attend all General Meetings, to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns them as Auditors.

NOTICES

131. Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. Subject to the provisions of the Statutes, where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected on the day following that on which the same is posted unless it is sent by second class post in which case it shall be deemed to have been effected on the day next but one after it is posted.

132. Any notice given to that one of the joint holders of a share whose name stands first in the Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices, shall be disregarded.

133. A person entitled to a share in consequence of the death or bankruptcy of a member, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have

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

134. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.

135. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers (at least one of which shall be a London daily newspaper) with appropriate circulation, and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company

shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable. Nothing in this Article or any of the preceding four Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

136. The Directors may at any time require any corporate member to send any information, supported (if the Directors so require) by statutory declaration, which they may consider necessary for the purpose of determining whether or not such member is one to which Section 94 of and Schedule 16 to the Finance Act 1972 (or any statutory modification or re-enactment thereof for the time being in force) applies.

UNTRACED SHAREHOLDERS

137. The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or to which a person is entitled by transmission if and provided that:-

- (1) for a period of 12 years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share at his address on the Register, or at his last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent, has been cashed and no communication has been received by the Company that would enable the Company to trace such member or

- the person entitled by transmission; and
- (2) the Company has at the expiration of the said period of 12 years by advertisement in both a leading London daily newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (1) of this Article is located given notice of its intention to sell such share; and
 - (3) the Company has not, during the further period of 3 months after the date of the advertisement and prior to the exercise of the power of sale, received any communication that would enable the Company to trace such member or person entitled by transmission; and
 - (4) the Company has first given notice in writing to the Quotations Department of The Stock Exchange in London of its intention to sell such share.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share, and such instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such share and the Company shall account to the member or other person entitled to such share for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him, in respect of the same. Until accounted for to the member or other person entitled to such share the net proceeds of sale shall be carried to a separate account and shall be a permanent debt of the Company. Monies carried to such separate account may for the benefit of the Company either be employed in

the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

WINDING UP

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

INDEMNITY

139. Subject to the provisions of, and so far as may be permitted by, the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the

Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto, including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted, or alleged to have been done or omitted, by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted, or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.