

Registered No. 14259

Articles of Association
of
Midland Bank
Public Limited Company

Preliminary

1. The regulations contained in Table A in the First Schedule to the Companies Act 1862 shall not apply to the Company.

Interpretation

2. In these Articles unless there is something in the subject or context inconsistent therewith:

The "Statutes" means the Companies Acts 1948 to 1981 and every other Statute for the time being in force concerning companies insofar as the same applies to the Company;

The "Company" means this Company; and "company" includes any body corporate or association of persons whether or not a company within the meaning of the Act;

The "Articles" means these Articles of association or other the regulations of the Company for the time being in force;

The "Directors" means the Directors for the time being of the Company as a body or a quorum of the Directors present at a meeting of the Directors;

"Member" means a member of the Company;

The "Office" means the registered office for the time being of the Company;

The "Seal" means the common seal of the Company;

The "Securities Seal" means an official seal of the Company kept under The Stock Exchange (Completion of Bargains) Act 1976;

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



"Stock Exchange Nominee" has the meaning given in The Stock Exchange (Completion of Bargains) Act 1976;

"Record Date" in regard to

- (a) an annual general meeting and
- (b) an extraordinary general meeting called to consider a special resolution.

shall mean the date being 28 clear days before such meeting and, in regard to any other extraordinary general meeting, shall mean the date being 21 clear days before such meeting;

The "United Kingdom" means Great Britain and Northern Ireland;

The "Secretary" means the secretary for the time being of the Company and includes any deputy or assistant secretary and any person appointed to perform the duties of secretary temporarily or in any particular case;

Words importing the singular number include the plural number and vice versa;

Words importing the masculine gender include the feminine gender;

Words importing persons include corporations;

Expressions referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form;

Subject as aforesaid, any words and expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meanings in these Articles.

Share Capital

3. The share capital of the Company at the time of adoption of this Article is £1,150,000,000 divided into 1,000,000,000 ordinary shares of £1 each ("ordinary shares") and 150,000,000 non-cumulative preference shares of £1 each ("sterling shares" or "sterling preference shares") and US\$2,000,000 divided into 200,000,000 non-cumulative preference shares of US\$0.01 each ("dollar preference shares").

3A(1) Sterling Preference Shares

The sterling preference shares shall rank pari passu inter se and with the dollar preference shares and with all other shares expressed to rank pari passu

therewith. They shall confer the rights and be subject to the limitations set out in this Article. They shall also confer such further rights (not being inconsistent with the rights set out in this Article) as may be attached by the Directors to such shares prior to allotment. Whenever the Directors have power under this Article to determine any of the rights attached to any of the sterling preference shares, the rights so determined need not be the same as those attached to the sterling preference shares which have then been allotted or issued. The sterling preference shares may be issued in one or more separate series and each series shall be identified in such manner as the Directors may determine without any such determination or identification requiring any alteration to these Articles.

- (2) Each sterling preference share shall confer the following rights as to dividend and capital:-

Income

- (a) the right (subject to the provisions of paragraph (4) of this Article, to the extent applicable) to a non-cumulative preferential dividend payable at such rate (whether fixed or variable) on such dates and on such other terms and conditions as may be determined by the Directors prior to allotment thereof;

Capital

- (b) the right upon return of capital on a winding up or otherwise (but not, unless otherwise provided by the terms of issue of such share, upon a redemption or purchase by the Company of any of its share capital) to receive out of the assets of the Company available for distribution to its members pari passu with the holders of any other shares of the Company ranking pari passu with such share as regards repayment of capital and in priority to the holders of the ordinary shares of the Company:-

- (i) a sum equal to:-

- (A) the amount of any dividend which is due for payment after the date of commencement of the winding up but which is payable in respect of a period ending on or before such date; and
- (B) if the date of commencement of the winding up falls before the last day of a period in respect of which a dividend would have been payable and which began before such date, any further amount of dividend which would have been payable had such date been the last day of that period

but only to the extent that any such amount or further amount was, or would have been, payable as a cash dividend in accordance with or pursuant to this Article; and

- (ii) subject thereto, a sum equal to the amount paid up or credited as paid up on such share together with such premium (if any) as may be determined by the Directors prior to allotment thereof (and so that the Directors may determine that such premium is payable only in specified circumstances).

Limitations

- (3) No sterling preference share shall:-
 - (a) confer any right to participate in the profits or assets of the Company other than that set out in sub-paragraphs (2) (a) and (b) of this Article;
 - (b) subject to the Statutes, confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for additional shares in the Company;
 - (c) confer any right of conversion; or
 - (d) confer any right to participate in any issue of bonus shares save as set out in sub-paragraph 4 (d) of this Article.

Further Provisions as to Income

- (4) All or any of the following provisions shall apply in relation to any particular sterling preference shares ("relevant sterling preference shares") if so determined by the Directors prior to allotment thereof:-
 - (a) (i) if, on any date ("the relevant date") on which a dividend ("the relevant dividend") would otherwise fall to be paid on any relevant sterling preference shares, the profits of the Company available for distribution are in the opinion of the Directors, insufficient to enable payment in full to be made of the relevant dividend, then:-
 - (A) none of the relevant dividend shall be payable; or
 - (B) the Directors shall (after payment in full, or the setting aside of a sum required for payment in full, of (1) all dividends payable on or before the relevant date on any shares in the capital of the Company in priority to the relevant dividend and (2) any special dividend referred to in sub-paragraph (g) below) apply

such profits, if any, in paying dividends to the holders of participating shares (as defined below) pro rata to the amounts of dividend on participating shares accrued and payable on or before the relevant date. For the purposes of this paragraph, the expression "participating shares" shall mean the relevant sterling preference shares and any other shares in the capital of the Company which rank pari passu as to participation in profits with the relevant sterling preference shares and on which either
(1) a dividend is payable on the relevant date or
(2) arrears of cumulative dividend are unpaid at the relevant date;

but so that, if the Directors determine prior to allotment of any relevant sterling preference shares that the provisions of this sub-paragraph (a)(i) shall apply in relation thereto, they shall apply one (but not both) of (A) and (B) above;

- (ii) if it shall subsequently appear that any such dividend which has been paid in whole or in part should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
- (b) if in the judgement of the Directors the payment of any dividend on any relevant sterling preference shares would breach or cause a breach of the Bank of England's capital adequacy requirements from time to time applicable to the Company and/or any of its subsidiaries, then none of such dividend shall be payable;
- (c) if a dividend or any part thereof on any relevant sterling preference shares is not paid for the reasons specified in sub-paragraphs (a) or (b) above, the holders of such shares shall have no claim in respect of such non-payment save as provided in sub-paragraph (d) below (if applicable);
- (d) (i) the provisions of this sub-paragraph (d) shall apply where any dividend otherwise payable on a particular date on any relevant sterling preference shares (a "relevant instalment") is, for the reasons specified in sub-paragraphs (a)(i)(A) or (b) above, not payable and the amounts (if any) standing to the credit of any of the Company's reserves, including capital redemption reserve (if any) and share premium account (if any), or profit and loss account and available for the purpose are in aggregate sufficient to be applied and capable of being applied in paying up in full at

par additional sterling preference shares on the basis hereinafter provided in this sub-paragraph (d);

- (ii) on the date for payment of the relevant instalment had such instalment been paid the Directors shall, subject to the Statutes, allot and issue credited as fully paid to each holder of relevant sterling preference shares such additional nominal amount of sterling preference shares (disregarding any fractional entitlement) as is equal to an amount determined by multiplying the cash amount of the relevant instalment which would have been payable to him had such instalment been payable (exclusive of any imputed tax credit) by a factor to be determined by the Directors prior to allotment of the relevant sterling preference shares
- (iii) for the purposes of paying up additional sterling preference shares to be allotted pursuant to this sub-paragraph (d), the Directors shall capitalise, out of such of the accounts or reserves of the Company available for the purpose as they shall determine, a sum equal to the aggregate nominal amount of the additional sterling preference shares then to be allotted and shall make all appropriations and applications of such sum and all allotments and issues of fully paid sterling preference shares and generally do all acts and things required to give effect thereto as they shall determine to be necessary or expedient for the purpose of giving effect to this sub-paragraph (d);
- (iv) as from the date of allotment thereof the additional sterling preference shares allotted pursuant to this sub-paragraph (d) shall confer the same rights and be subject to the same limitations as, and shall rank pari passu in all respects with, the relevant sterling preference shares save only as regards participation in the relevant instalment;
- (v) if any additional sterling preference shares falling to be allotted pursuant to this sub-paragraph (d) cannot be allotted by reason of any insufficiency in the Company's authorised share capital or in the amount of relevant securities which the Directors are authorised to allot in accordance with Section 80 of the Companies Act 1985, the Directors shall convene a general meeting, to be held as soon as practicable, for the purpose of considering a resolution or resolutions effecting an appropriate increase in the authorised share capital and granting the Directors appropriate authority to allot relevant securities;

- (e) if any dividend on any relevant sterling preference shares is not paid in full (or a sum is not set aside to provide for its payment in full), the Company may not thereafter redeem, purchase or otherwise acquire for any consideration any other share capital of the Company ranking pari passu with or after the relevant sterling preference shares (and may not set aside or establish any sinking fund for any such redemption, purchase or other acquisition) until such time as dividends on the relevant sterling preference shares in respect of such period as the Directors shall determine prior to allotment of the relevant sterling preference shares shall have been paid in full (or a sum shall have been set aside to provide for such payment in full);
- (f) subject as provided in sub-paragraph (g) below, if applicable, except where any payment of dividend is to be made in accordance with Article 3A(4) (a), if any dividend on any relevant sterling preference shares is not paid in full (or a sum is not set aside to provide for its payment in full), no dividend may thereafter be declared or paid on any other share capital of the Company ranking as to dividend pari passu with or after the relevant sterling preference shares (and no sum may be set aside for the payment of any such dividend on any other such share capital) until such time as dividends on the relevant sterling preference shares in respect of the then current dividend period shall have been paid in full in respect of the then current dividend period (or a sum shall have been set aside to provide for such payment in full);
- (g) in any calendar year, whether or not any dividend on any relevant sterling preference shares has been paid in full and notwithstanding any other provision of these Articles, the Directors may, if they so resolve and subject to the Statutes, pay (or set aside a sufficient sum for payment of) a special dividend not exceeding 0.01 pence per share (or, in the case of US dollar-denominated share capital, not exceeding 0.01 US cent per share) on any shares in the capital of the Company in respect of which no dividend has previously been paid in that calendar year. References elsewhere in this Article and in Article 3B to any dividend payable on any sterling preference shares shall not be treated as including a reference to any special dividend paid on any relevant sterling preference shares pursuant to this sub-paragraph (g).

Redemption

- (5) (a) Unless the Directors determine in relation to any particular sterling preference shares prior to allotment thereof that such shares shall be

irredeemable, the sterling preference shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company.

(b) In case of any series of sterling preference shares which are to be so redeemable:

(i) the Company, may, subject to the provisions of the Statutes, redeem on any Redemption Date (as hereinafter defined) all or some only of the sterling preference shares by giving to the holders of the sterling preference shares to be redeemed not less than 30 days' nor more than 60 days' prior notice in writing (a "Notice of Redemption") of the relevant Redemption Date.

"Redemption Date" means, in relation to the sterling preference share of a particular series, any date which falls no earlier than twenty-five years and one day after the first date of allotment of sterling preference shares of that series Provided that, in relation to any series of sterling preference shares allotted after the coming into force of Section 133 of the Companies Act 1989, the Directors may, prior to the allotment of such series, fix the date on or by which, or dates between which, the shares of such series are to be or may be redeemed and such date or dates fixed by the Directors may be different from or in addition to any date derived from or set out in the foregoing provisions of this sub-paragraph (b) (i);

(ii) there shall be paid on each sterling preference share so redeemed, the aggregate of the nominal amount thereof and any premium paid on issue;

(iii) in the case of redemption of some only of the sterling preference shares in any series, the Company shall for the purpose of determining the particular sterling preference shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may approve in the presence of the Auditors for the time being of the Company:

(iv) any Notice of Redemption given under sub-paragraph (b) (i) above shall specify the applicable Redemption Date, the particular sterling preference shares to be redeemed and the redemption price, and shall state the place or places at which documents of title in respect of such sterling preference shares are to be presented and surrendered for redemption and payment of the redemption moneys is to be effected. Upon such Redemption Date, the Company shall redeem the particular sterling preference shares to be redeemed on that date subject to the provisions of this paragraph and of the Statutes. No defect in the

Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;

- (v) the provisions of this and the following sub-paragraphs shall have effect in relation to sterling preference shares for the time being issued and registered in the register of members of the Company ("Registered Shares") and represented by certificates ("Certificates") and in relation to sterling preference shares which, in accordance with Article 12A, are for the time being issued and outstanding in bearer form ("Bearer Shares") and represented by share warrants ("Warrants").

Payments in respect of the amount due on redemption of a Registered Share shall be made by cheque drawn on a bank in London or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to a sterling account maintained by the payee with a bank in London. Such payment will be against presentation and surrender of the relative Certificate at the place or one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any sterling preference shares not to be redeemed on the relevant Redemption Date the Company shall within 14 days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such sterling preference shares.

Payments in respect of the amount due on redemption of a Bearer Share shall be made by cheque drawn on a bank in London or upon the request of the holder not later than the date specified for the purpose in the Notice of Redemption by transfer to a sterling account maintained by the payee with a bank in London. such payments will be made against presentation and surrender of the Warrant and all unmatured dividend coupons and talons (if any) at the place or one of the places specified in the Notice of Redemption. Upon the relevant Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the Warrant so surrendered represents any sterling preference shares not to be redeemed on the relevant Redemption Date the Company shall issue, free of charge, a fresh Warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date.

All payments in respect of redemption moneys will in all respects be subject to any applicable fiscal or other laws;

- (vi) as from the relevant Redemption Date the dividend on the sterling preference shares due for redemption shall cease to accrue except on any such sterling preference share in respect of which, upon the due surrender of the Certificate or, as the case may be, the Warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (b) (v) above, payment of the redemption moneys due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue from the relevant Redemption Date to the date of payment of such redemption moneys. Such sterling preference share shall not be treated as having been redeemed until the redemption moneys in question together with the accrued dividend thereon shall have been paid;
- (vii) if the due date for the payment of the redemption moneys on any sterling preference share is not a day on which banks in London are open for business (a "Sterling Business Day") then payment of such moneys will be made on the next succeeding day which is a Sterling Business Day and without any interest or other payment in respect of such delays; and
- (viii) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of them) and the receipt of the person delivering any Warrant to the place or one of the places specified pursuant to sub-paragraph (b) (iv) above in respect of the moneys payable on redemption of such Registered Share or, as the case may be, such Bearer Share shall constitute an absolute discharge to the Company in respect thereof.
- (c) Upon the redemption or purchase of any sterling preference shares the Directors shall have power to convert the authorised but unissued sterling preference shares existing as a result of such redemption or purchase into shares of any other class of share capital into which the authorised share capital of the Company is or may be divided of the same nominal amount in sterling as the sterling preference shares or into unclassified shares of the same nominal amount in sterling as the sterling preference shares.

Purchase

- (6) Subject to the provisions of the Statutes the Company may at any time purchase any sterling preference shares (a) in the market, (b) by tender (available alike to all holders

of the same class of sterling preference shares) or (c) by private treaty, in each case upon such terms as the Directors shall determine.

Consolidation and Division

- (7) Pursuant to the authority given by the passing of the resolution to adopt this paragraph of Article 3A, the Directors may, at any time prior to allotment or following purchase or redemption thereof, consolidate and divide and/or sub-divide any sterling preference shares into shares of a larger or smaller amount.

Restriction on Capitalisation

- (8) The provisions of this paragraph shall apply in relation to any particular sterling preference shares ("relevant sterling preference shares") if so determined by the Directors prior to allotment thereof. Save with the written consent of the holders of three quarters in nominal value of, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of, the relevant sterling preference shares, the Directors shall not pursuant to paragraph (1) of Article 122 capitalise any part of the amounts available for distribution and referred to in that paragraph if after such capitalisation the aggregate of such amounts would be less than a multiple, determined by the Directors prior to allotment of relevant sterling preference shares, of the aggregate amount of the annual dividends (exclusive of any imputed tax credit) payable on the sterling preference shares then in issue and any other preference shares then in issue ranking as regards dividend *pari passu* with or in priority to them or any of them.

Further Preference Shares

- (9) The special rights attached to any particular sterling preference shares allotted or in issue shall be deemed to be varied by the creation or issue of any further shares ranking as regards participation in profits and assets in priority to such sterling preference shares, but shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any dollar preference shares or of further shares in any currency ("new shares") ranking as regards participation in the profits and assets of the Company in some or all respects *pari passu* with or after such sterling preference shares and so that any new shares ranking in some or all respects *pari passu* with such sterling preference shares may either carry rights identical in all respects with such sterling preference shares or any of them or rights differing therefrom in any respect including but without prejudice to the generality of the foregoing in that:-

- (a) the rate of dividend may differ and the dividend may be cumulative or non-cumulative;
- (b) the new shares or any series thereof 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;
- (c) a premium may be payable on return of capital or there may be no such premium;
- (d) the new shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable, and if redeemable at the option of the Company they may be redeemable at different dates and on different terms from those applying to the sterling preference shares; and
- (e) the new 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 pari passu with or after such sterling preference shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

Dollar Preference Shares

3B(1) The dollar preference shares shall rank pari passu inter se and with the sterling preference shares and with all other shares expressed to rank pari passu therewith. They shall confer the rights and be subject to the limitations set out in this Article. They shall also confer such further rights (not being inconsistent with the rights set out in this Article) as may be attached by the Directors to such shares prior to allotment. Whenever the Directors have power under this Article to determine any of the rights attached to any of the dollar preference shares, the rights so determined need not be the same as those attached to the dollar preference shares which have then been allotted or issued. The dollar preference shares may be issued in one or more separate series and each series shall be identified in such manner as the Directors may determine without any such determination or identification requiring any alteration to these Articles.

- (2) Each dollar preference share shall confer the following rights as to dividend and capital:-

Income

- (a) the right (subject to the provisions of paragraph (4) of this Article, to the extent applicable) to a non-cumulative preferential dividend payable in US dollars at such rate (whether fixed or variable) on such dates and on such other terms and conditions as may be determined by the Directors prior to allotment thereof;

Capital

- (b) the right upon return of capital on a winding up or otherwise (but not, unless otherwise provided by the terms of issue of such share, upon a redemption or purchase by the Company of any of its share capital) to receive in US dollars out of the assets of the Company available for distribution to its members pari passu with the holders of any other shares of the Company ranking pari passu with such share as regards repayment of capital and in priority to the holders of the ordinary shares of the Company:-
 - (i) a sum equal to:-
 - (A) the amount of any dividend which is due for payment after the date of commencement of the winding up or such other return of capital but which is payable in respect of a period ending on or before such date; and
 - (B) if the date of commencement of the winding up or such other return of capital falls before the last day of a period in respect of which a dividend would have been payable and which began before such date, any further amount of dividend which would have been payable had such date been the last day of that period
- but only to the extent that any such amount or further amount was, or would have been, payable as a cash dividend in accordance with or pursuant to this Article; and
- (ii) subject thereto, a sum equal to the amount paid up or credited as paid up on such share together with such premium (if any) as may be determined by the Directors prior to allotment thereof (and so that the Directors may determine that such premium is payable only in specified circumstances).

Limitations

- (3) No dollar preference share shall:-
 - (a) confer any right to participate in the profits or assets of the Company other than that set out in sub-paragraphs (2) (a) and (b) of this Article;
 - (b) subject to the Statutes, confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for additional shares in the Company;
 - (c) confer any right of conversion; or
 - (d) confer any right to participate in any issue of bonus shares save as set out in sub-paragraph 4 (d) of this Article.

Further Provisions as to Income

- (4) All or any of the following provisions shall apply in relation to any particular dollar preference shares ("relevant dollar preference shares") if so determined by the Directors prior to allotment thereof:-
- (a) (i) if, on any date ("the relevant date") on which a dividend ("the relevant dividend") would otherwise fall to be paid on any relevant dollar preference shares, the profits of the Company available for distribution are, in the opinion of the Directors, insufficient to enable payment in full to be made of the relevant dividend, then:-
- (A) none of the relevant dividend shall be payable; or
- (B) the Directors shall (after payment in full, or the setting aside of a sum required for payment in full, of (1) all dividends payable on or before the relevant date on any shares in the capital of the Company in priority to the relevant dividend and (2) any special dividend referred to in sub-paragraph (g) below) apply such profits, if any, in paying dividends to the holders of participating shares (as defined below) pro rata to the amounts of dividend on participating shares accrued and payable on or before the relevant date. For the purposes of this paragraph, the expression "participating shares" shall mean the relevant dollar preference shares and any other shares in the capital of the Company which rank *pari passu* as to participation in profits with the relevant dollar preference shares and on which either (1) a dividend is payable on the relevant date or (2) arrears of cumulative dividend are unpaid at the relevant date; but so that, if the Directors determine prior to allotment of any relevant dollar preference shares that the provisions of this sub-paragraph (a)(i) shall apply in relation thereto, they shall apply one (but not both) of (A) and (B) above;
- (ii) if it shall subsequently appear that any such dividend which has been paid in whole or in part should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
- (b) if in the judgement of the Directors the payment of any dividend on any relevant dollar preference shares would breach or cause a breach of the Bank of England's capital adequacy requirements from time to time applicable to the

Company and/or any of its subsidiaries, then none of such dividend shall be payable;

- (c) if a dividend or any part thereof on any relevant dollar preference shares is not paid for the reasons specified in sub-paragraphs (a) or (b) above, the holders of such shares shall have no claim in respect of such non-payment save as provided in sub-paragraph (d) below (if applicable);
- (d) (i) the provisions of this sub-paragraph (d) shall apply where any dividend otherwise payable on a particular date on any relevant dollar preference shares (a "relevant instalment") is, for the reasons specified in sub-paragraphs (a) (i) (A) or (b) above, not payable and the amounts (if any) standing to the credit of any of the Company's reserve accounts, including capital redemption reserve (if any) and share premium account (if any), or profit and loss account and available for the purpose are in aggregate sufficient to be applied and capable of being applied in paying up in full at par additional dollar preference shares on the basis hereinafter provided in this sub-paragraph (d);
- (ii) on the date for payment of the relevant instalment had such instalment been paid, the Directors shall, subject to the Statutes, allot and issue credited as fully paid to each holder of relevant dollar preference shares such additional nominal amount of dollar preference shares (disregarding any fractional entitlement) as is equal to an amount determined by multiplying the cash amount of the relevant instalment which would have been payable to him had such instalment been payable (exclusive of any imputed tax credit) by a factor to be determined by the Directors prior to allotment of the relevant dollar preference shares;
- (iii) for the purposes of paying up additional dollar preference shares to be allotted pursuant to this sub-paragraph (d), the Directors shall capitalise, out of such of the accounts or reserves of the Company available for the purposes as they shall determine (including any reserve denominated in pounds sterling and permitted by law to be so capitalised), a sum equal to the aggregate nominal amount of the additional dollar preference shares then to be allotted and shall make all appropriations and applications of such sum and all allotments and issues of fully paid dollar preference shares and generally do all acts and things required to give effect thereto as they shall determine to be necessary or expedient for the purpose of giving effect to this sub-paragraph (d);

- (iv) (A) this sub-paragraph (d) (iv) shall apply in any case where the amounts standing to the credit of the accounts and reserves of the Company available for the purpose are not in aggregate sufficient to allow the Company lawfully to allot all or some additional preference shares ("unallotted shares") which would otherwise fall to be allotted pursuant to sub-paragraph (d) (ii) above but would be sufficient were the Company to allot sterling preference shares of an aggregate nominal amount, determined by the Directors in the manner described below, equivalent to the aggregate nominal amount of the unallotted shares;
- (B) in any such case the Company shall allot to the persons to whom the unallotted shares would have been allotted a number of additional sterling preference shares of an aggregate nominal amount, credited as fully paid, determined by the Directors as being equivalent to the aggregate nominal amount of the unallotted shares (had they been allotted), such determination to be made by applying an appropriate rate of exchange (selected by the Directors) prevailing at the date on which, but for the reasons specified in sub-paragraphs (a) or (b) above, the relevant instalment would have been payable (but so that fractions of a share shall not be allotted);
- (C) such additional sterling preference shares shall carry such rights as to dividend, capital, voting and otherwise as the Directors deem expedient for the purpose of ensuring so far as practicable that the holders of such additional sterling preference shares shall be in no different position from that in which they would have been had they received the unallotted shares and so that (without prejudice to the generality of the foregoing):-
 - (1) whenever the effect on such additional sterling preference shares of any variation or abrogation of the kind referred to in Article 7(3) is, in the opinion of the Directors, substantially the same as its effect on the dollar preference shares in right of which such additional sterling preference shares were allotted, then such additional sterling preference shares shall be treated as forming part of the same class as such dollar preference shares; and
 - (2) for the purposes of any such meeting or written consent as referred to in Article 7 (3) and notwithstanding any other provision of these Articles, the number of votes exercisable by a holder of such additional sterling preference shares and the nominal value thereof shall be

determined by the Directors by converting the nominal amount of his holding of such additional sterling preference shares into US dollars at the rate of exchange referred to in (B) above (but ignoring any fractions thereby arising);

- (v) as from the date of allotment thereof the additional dollar preference shares so allotted pursuant to this sub-paragraph (d) shall confer the same rights and be subject to the same limitations as, and shall rank *pari passu* in all respects with, the relevant dollar preference shares save only as regards participation in the relevant instalment;
- (vi) if any additional dollar preference shares falling to be allotted pursuant to this sub-paragraph (d) cannot be allotted by reason of any insufficiency in the Company's authorised share capital or in the amount of relevant securities which the Directors are authorised to allot in accordance with Section 80 of the Companies Act 1985, the Directors shall convene a general meeting, to be held as soon as practicable, for the purpose of considering a resolution or resolutions effecting an appropriate increase in the authorised share capital and granting the Directors appropriate authority to allot relevant securities;
- (e) if any dividend on any relevant dollar preference shares is not paid in full (or a sum is not set aside to provide for its payment in full), the Company may not thereafter redeem, purchase or otherwise acquire for any consideration any other share capital of the Company ranking *pari passu* with or after the relevant dollar preference shares (and may not set aside or establish any sinking fund for any such redemption, purchase or other acquisition) until such time as dividends on the relevant dollar preference shares in respect of such period as the Directors shall determine prior to allotment of the relevant dollar preference shares shall have been paid in full (or a sum shall have been set aside to provide for such payment in full);
- (f) subject as provided in sub-paragraph (g) below, if applicable, except where any payment of dividend is to be made in accordance with Article 3B(4) (a), if any dividend on any relevant dollar preference shares is not paid in full (or a sum is not set aside to provide for its payment in full), no dividend may thereafter be declared or paid on any other share capital of the Company ranking as to dividend *pari passu* with or after the relevant dollar preference shares (and no sum may be set aside for the payment of any such dividend on any other such share capital) until such time as dividends on the relevant dollar preference shares in respect of the then current dividend period shall have been paid in full (or a sum

shall have been set aside to provide for such payment in full);

- (g) in any calendar year, whether or not any dividend on any relevant dollar preference shares has been paid in full and notwithstanding any other provision of these Articles, the Directors may, if they so resolve and subject to the Statutes, pay (or set aside a sufficient sum for payment of) a special dividend not exceeding 0.01 pence per share (or, in the case of US dollar-denominated share capital, not exceeding 0.01 US cent per share) on any shares in the capital of the Company in respect of which no dividend has previously been paid in that calendar year. References elsewhere in this Article and in Article 3A to any dividend payable on any dollar preference shares shall not be treated as including a reference to any special dividend paid on any relevant dollar preference shares pursuant to this sub-paragraph (g).

Redemption

- (5) (a) Unless the Directors determine in relation to any particular dollar preference shares prior to allotment thereof that such shares shall be irredeemable, the dollar preference shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company.
- (b) In the case of any series of dollar preference shares which are to be so redeemable:-
 - (i) the Company may, subject to the provisions of the Statutes, redeem on any Redemption Date (as hereinafter defined) all or some only of the dollar preference shares by giving to the holders of the dollar preference shares to be redeemed not less than 30 days' nor more than 60 days' prior notice in writing (a "Notice of Redemption") of the relevant Redemption Date. Where applicable a Relevant Redemption Dividend (as hereinafter defined) shall be payable and, if so, no relevant dollar preference shares to be redeemed shall be redeemed unless such Relevant Redemption Dividend is paid on or before the Redemption Date. "Redemption Date" means, in relation to a dollar preference share of a particular series, any date which falls no earlier than such one of the following dates as shall be determined by the Directors prior to the Relevant Date (as hereinafter defined):
 - (A) the date which is 5 years and one day after the Relevant Date;
 - (B) the date which is 10 years and one day after the Relevant Date;

- (C) the date which is 15 years and one day after the Relevant Date;
- (D) the date which is 20 years and one day after the Relevant Date;

Provided that, in relation to any series of dollar preference shares allotted after the coming into force of Section 133 of the Companies Act 1989, the Directors may, prior to the allotment of such series, fix the date on or by which, or dates between which, the shares of such series are to be or may be redeemed and such date or dates fixed by the Directors may be different from or in addition to any date derived from or set out in the foregoing provisions of sub-paragraph (b) (i);

"Relevant Date" means, in relation to a dollar preference share of a particular series, the first date of allotment of dollar preference shares of that series;

- (ii) there shall be paid on each dollar preference share so redeemed, in US dollars, the aggregate of the nominal amount thereof, and any premium paid on issue in addition (where applicable) to the special dividend in respect of redemption, being the Relevant Redemption Dividend (as hereinafter defined).

"Relevant Redemption Dividend" means a dividend of an amount calculated in accordance with such one (if any) of the following formulae (as applied in relation to a Redemption Date notified under sub-paragraph (b) (i) above which falls within the period of twelve months commencing on the date following the fifth, sixth, seventh, eighth or ninth anniversary of the Relevant Date, as the case may be) as may be determined by the directors prior to the Relevant Date.

The said formulae are as follows:

- (A) $A \times B$ where:

"A" is the amount of dividend (together with any associated tax credit to the extent that such tax credit is taken into account in determining the amount of dividend payable on a Relevant Preference Share (as hereinafter defined)) calculated at the date of allotment payable on a Relevant Preference Share (as hereinafter defined) in respect of the twelve months following allotment by virtue of the terms of issue thereof on the assumption that such amount of dividend has accrued on the Relevant Preference Share during such period and was payable at the end of such period and for this purpose "Relevant Preference Share" means

the dollar preference share to be redeemed or, where dollar preference shares have pursuant to their terms of issue been issued as components of units, means the dollar preference share to be redeemed and the share or shares comprise in the same unit as the dollar preference share to be redeemed; and

"B" is:

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the fifth anniversary of the Relevant Date, 100.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, 80.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, 60.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, 40.00 per cent. or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date, 20.00 per cent.; or

(B) C x D where:

"C" is the amount of dividend (together with any associated tax credit to the extent that such tax credit is taken into account in determining the amount of dividend payable on a Relevant Preference Share (as defined in sub-paragraph (A) above)) calculated at the date of allotment payable on a Relevant Preference Share (as defined in sub-paragraph (A) above) in respect of the twelve months following allotment by virtue of the terms of issue thereof on the assumption that such amount of dividend has accrued on the Relevant Preference Share during such period and was payable at the end of such period; and

"D" is:

in relation to a Redemption Date falling within the period of twelve months commencing on the day

following the fifth anniversary of the Relevant Date, 50.00 per cent., or in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, 40.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, 30.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, 20.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date, 10.00 per cent.; or

(C) $E \times F$ where:

"E" is the amount of US\$25; and

"F" is:

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the fifth anniversary of the Relevant Date, 6.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, 4.80 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, 3.60 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, 2.40 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date, 1.20 per cent.

No special dividend in respect of redemption shall be payable when the Redemption Date falls after the tenth anniversary of the Relevant Date. the product of the

above formula in respect of a dollar preference share may, in the Directors' discretion, be rounded down to the nearest whole US cent;

- (iii) in the case of redemption of some only of the dollar preference shares in any series, the Company shall for the purpose of determining the particular dollar preference shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may approve in the presence of the Auditors for the time being of the Company;
- (iv) any Notice of Redemption given under sub-paragraph (b) (i) above shall specify the applicable Redemption Date, the particular dollar preference shares to be redeemed and the redemption price and shall state the place or places at which documents of title in respect of such dollar preference shares are to be presented and surrendered for redemption and payment of the redemption moneys is to be effected. Upon such Redemption Date, the Company shall redeem the particular dollar preference shares to be redeemed on that date subject to the provisions of this paragraph and of the Statutes. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;
- (v) the provisions of this and the following sub-paragraphs shall have effect in relation to dollar preference shares for the time being issued and registered in the register of members of the Company ("Registered Shares") and represented by certificates ("Certificates") and in relating to dollar preference shares which, in accordance with Article 12A, are for the time being issued and outstanding in bearer form ("Bearer Shares") and represented by share warrants ("Warrants").

Payments in respect of the amount due on redemption of a Registered Share shall be made by US dollar cheque drawn on a bank in London or in the City of New York or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to a US dollar account maintained by the payee with a bank in London or in the City of New York. Such payment will be against presentation and surrender of the relative Certificate at the place or one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any dollar preference shares not to be redeemed on the relevant Redemption Date the Company shall within 14 days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such dollar preference shares.

Payments in respect of the amount due on redemption of a Bearer Share shall be made by US dollar cheque drawn on a bank in London or in the City of New York or upon the request of the holder no later than the date specified for the purpose in the Notice of Redemption by transfer to a US dollar account maintained by the payee with a bank in London or in the City of New York. Such payments will be made against presentation and surrender of the Warrant and all unmatured dividend coupons and talons (if any) at the place or one of the places specified in the Notice of Redemption. Upon the relevant Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the Warrant so surrendered represents any dollar preference shares not to be redeemed on the relevant Redemption Date the Company shall issue, free of charge, a fresh Warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date.

All payments in respect of redemption moneys will in all respects be subject to any applicable fiscal or other laws;

- (vi) as from the relevant Redemption Date the dividend on the dollar preference shares due for redemption shall cease to accrue except on any such dollar preference share in respect of which, upon the due surrender of the Certificate or, as the case may be, the Warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (b)(v) above, payment of the redemption moneys due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue for the relevant Redemption Date to the date of payment of such redemption moneys. Such dollar preference share shall not be treated as having been redeemed until the redemption moneys in question together with the accrued dividend thereon shall have been paid;
- (vii) if the due date for the payment of the redemption moneys on any dollar preference share is not a day on which banks in London and in the City of New York are open for business and on which foreign exchange dealings may be conducted in London and the City of New York (a "Dollar Business Day") then payment of such moneys will be made on the next succeeding day which is a Dollar Business Day and without any interest or other payment in respect of such delay; and
- viii) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of them) and the receipt of the person delivering any Warrant to the place or one of the places

specified pursuant to sub-paragraph (b)(iv) above in respect of the moneys payable on redemption of such Registered Share or, as the case may be, such Bearer Share shall constitute an absolute discharge to the Company in respect thereof.

- (c) Upon the redemption or purchase of any dollar preference shares the Directors shall have power to convert the authorised but unissued dollar preference shares existing as a result of such redemption or purchase into shares of any other class of share capital into which the authorised share capital of the company is or may be divided of the same nominal amount in US dollars as the dollar preference shares or into unclassified shares of the same nominal amount in US dollars as the dollar preference shares.

Purchase

- (6) Subject to the provisions of the Statutes the Company may at any time purchase any dollar preference shares (a) in the market, (b) by tender (available alike to all holders of the same class of dollar preference shares) or (c) by private treaty, in each case upon such terms as the Directors shall determine.

Consolidation and Division

- (7) Pursuant to the authority given by the passing of the resolution to adopt this paragraph of Article 3B, the Directors may, at any time prior to allotment or following purchase or redemption thereof, consolidate and divide and/or sub-divide any dollar preference shares into shares of a larger or smaller amount.

Restriction on Capitalisation

- (8) The provisions of this paragraph shall apply in relation to any particular dollar preference shares ("relevant dollar preference shares") if so determined by the Directors prior to allotment thereof. Save with the written consent of the holders of three quarters in nominal value of, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of, the relevant dollar preference shares, the Directors shall not pursuant to paragraph (1) of Article 122 capitalise any part of the amounts available for distribution and referred to in that paragraph if after such capitalisation the aggregate of such amounts would be less than a multiple, determined by the Directors prior to allotment of relevant dollar preference shares, of the aggregate amount of the annual dividends (exclusive of an imputed tax credit) payable on the dollar preference shares then in issue and any other preference shares then in issue ranking as regards dividend *pari passu* with or in priority to them or any of them.

Further Preference Shares

- (9) The special rights attached to any particular dollar preference shares allotted or in issue shall be deemed to be varied by the creation or issue of any further shares ranking as regards participation in profits and assets in priority to such dollar preference shares, but shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any sterling preference shares or of further shares in any currency ("new shares") ranking as regards participation in the profits and assets of the Company in some or all respects pari passu with or after such dollar preference shares and so that any new shares ranking in some or all respects pari passu with such dollar preference shares may either carry rights identical in all respects with such dollar preference shares or any of them or rights differing therefrom in any respect including but without prejudice to the generality of the foregoing in that:-
- (a) the rate of dividend may differ and the dividend may be cumulative or non-cumulative;
 - (b) the new shares or any series thereof 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;
 - (c) a premium may be payable on return of capital or there may be no such premium;
 - (d) the new shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable, and if redeemable at the option of the Company they may be redeemable at different dates and on different terms from those applying to the dollar preference shares; and
 - (e) the new 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 pari passu with or after such dollar preference shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.
4. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued (which rights may be varied or abrogated in the manner provided by Article 7) any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine, or as the Directors may from time to time determine pursuant to

any power conferred on them by these Articles: Provided that the special rights attached to any shares or calls of shares shall not be varied otherwise than pursuant to these Articles.

5. Subject to the provisions of the Statutes, the Company may purchase its own shares (including any redeemable shares) and may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder. Unless otherwise provided by its terms of issue, the rights attached to any preference share shall not be deemed to be varied or abrogated by the purchase or redemption by the Company of any of its shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after that preference share.
6. If any class of shares shall have any preferential right to dividend or return of capital, the conferring upon other shares of rights to either dividend or return of capital ranking in point of priority either before or *pari passu* with that class shall (unless otherwise expressly provided by the terms of issue of that class or by these Articles) be deemed a variation of the rights of the holders of that class of shares.
- 7.(1) Whenever the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the written consent of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll (subject to the provisions as to votes set out in paragraphs (2) and (3) of this Article) to one vote for every such share held by him, that any holder of shares of the class present or by proxy may demand a poll and that at any meeting of such holders adjourned through want of a quorum one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting.
- (2) Whenever the rights attached to any particular sterling preference shares in issue differ from the rights attached to any other sterling preference shares in issue and:-

- (a) some matter has arisen which would amount to a variation or abrogation of the rights attached to all those sterling preference shares; and
- (b) the effect of such variation or abrogation on all those sterling preference shares is, in the opinion of the Directors, substantially the same,

the rights attached to all those sterling preference shares may be varied or abrogated by the written consent of the holders of three fourths in nominal value of all those sterling preference shares or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of all those sterling preference shares. Whenever any such separate general meeting of the holders of all those sterling preference shares is held pursuant to this paragraph, the second sentence of paragraph (1) of this Article shall apply to such meeting as if all those sterling preference shares formed one uniform class (but so that, if those sterling preference shares have differing nominal values, each holder shall be entitled on a poll to one vote for every £1 in nominal amount of such sterling preference share capital held by him);

- (3) Whenever the rights attached to any particular dollar preference shares in issue differ from the rights attached to any other dollar preference shares in issue and:-

- (a) some matter has arisen which would amount to a variation or abrogation of the rights attached to all those dollar preference shares; and
- (b) the effect of such variation or abrogation on all those dollar preference shares is, in the opinion of the Directors, substantially the same;

the rights attached to all those dollar preference shares may be varied or abrogated by the written consent of the holders of three fourths in nominal value of all those dollar preference shares or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of all those dollar preference shares. Whenever any such separate general meeting of the holders of all those dollar preference shares is held pursuant to this paragraph, the second sentence of paragraph (1) of this Article shall apply to such meeting as if all those dollar preference shares formed one uniform class (but so that, if those dollar preference shares shall have differing nominal values, each holder shall be entitled on a poll to one vote for every US\$1 in nominal amount of such dollar preference share capital held by him).

Shares

- 8.A Subject to the provisions of the Statutes and any relevant resolution of the Company, all shares from time to time unissued shall be at the disposal of the directors and they may offer, allot, grant options over or otherwise dispose of them to such persons, at such time and on such terms as they think proper.
- B(1) Pursuant to and in accordance with section 80 of the Companies Act 1985 ("the 1985 Act") the directors shall be generally authorised to exercise during the prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the prescribed amount.
- (2) Pursuant to and within the terms of the said authority and in accordance with section 95 of the 1985 Act the directors shall be empowered
- (a) during the special prescribed period to allot wholly for cash equity securities not exceeding in nominal amount the limit stated in sub-paragraph (3) below; and
 - (b) during the five years following the beginning of the special prescribed period to allot wholly for cash equity securities in connection with a rights issue
- as if section 89 (1) of the 1985 Act did not apply to any such allotment.
- (3) The aggregate nominal amount of equity securities allotted wholly for cash during each special prescribed period pursuant to the power in sub-paragraph 2 (a) above shall not exceed 5% of the issued ordinary share capital of the Company as shown in its audited accounts published most recently before the beginning of that period.
- (4) The said authority and the said power shall allow the Company before the expiry of a prescribed period or, as the case may be, a special prescribed period to make an offer or agreement which would or might require the allotment of relevant securities or, as the case may be, equity securities after such expiry and the directors may, notwithstanding such expiry, allot relevant securities or, as the case may be, equity securities in pursuance of such offer or agreement.
- (5) For the purposes of this paragraph (B):-
- (a) "prescribed period" means in the first instance the period expiring five years after the date of the adoption of this Article and shall include any other

period (not exceeding five years on any occasion) for which the authority conferred by sub-paragraph (1) above is renewed or extended by ordinary resolution stating the prescribed amount for such period;

- (b) "special prescribed period" means in the first instance the period from the date of adoption of this Article to the conclusion of the annual general meeting in 1989 (or 28 July 1989, if earlier) and shall include any other period (not exceeding fifteen months on any occasion) for which the power conferred by sub-paragraph (2) above is renewed by special resolution;
 - (c) "prescribed amount" shall for the first prescribed period be 182,208,794 and for any other prescribed period shall be the amount stated in the relevant ordinary resolution;
 - (d) "rights issue" means an offer of securities open for acceptance for a period fixed by the directors to holders of relevant shares and relevant employee shares in proportion (as nearly as may be) to their holdings of such shares (or, in the case of securities convertible into shares, to the holding of shares which would fall to be allotted upon exercise in full of conversion rights) but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
 - (e) words and expressions defined in the 1985 Act shall bear the same meanings.
9. The directors shall, as regards any offer or allotment of shares, comply with such of the provisions of the Statutes as may be applicable thereto and in particular shall comply with the Statutes as to the minimum subscription on which the Company may proceed to an allotment of its shares.
10. The Company may exercise the powers of paying commissions conferred by the Statutes. The Company may also on any issue of shares pay such brokerage as may be lawful.
11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or (except as provided by these Articles) any

interest in any fractional part of a share, or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

12. The Company shall not be bound to register more than four persons as the joint holders of any share (except in the case of executors or trustees of a deceased Member).
- 12A. The Company may issue share warrants to bearer in respect of any fully paid shares in the Company, stating that the bearer of a warrant is entitled to the shares represented thereby, and the Company may provide by coupons or otherwise for the payment of any future dividends on the shares so represented. Such powers shall be vested in the Directors who may determine and from time to time vary the conditions upon which warrants shall be issued. Without prejudice to the generality of the foregoing, the Directors may determine the conditions upon which any warrant or coupon shall be replaced, but so that, in the case of the loss of a warrant or coupon, no replacement warrant or coupon shall be issued unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed. The Directors may also determine the conditions upon which the holder of a warrant shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to join in requisitioning general meetings, and upon which a warrant may be surrendered and the name of the holder entered in the Register in respect of the shares represented thereby. Subject to such conditions and to these presents, the holder of a warrant shall be deemed to be a member for all purposes. The holder of a warrant shall hold the same subject to the conditions for the time being in force in regard to warrants for shares of the same class to which the warrant relates and whether such conditions are determined upon by the Directors before or after the issue of such warrant.

Share Certificates

13. (1) Subject to Section 1 of the Stock Exchange (Completion of Bargains) Act 1976, every Member shall be entitled to receive one certificate in respect of each class of shares held by him for all his shares of that class without charge or several certificates each for one or more of his shares of that class upon payment of such sum, if any, as the directors shall from time to time determine for every certificate after the first: Provided always that the Company shall not be bound to issue more than one certificate in respect of a share held jointly by several persons and delivery thereof to one of several joint holders shall be sufficient delivery to all such holders. Delivery of a certificate to the broker or agent acting in regard to the purchase or transfer of shares to which it

relates shall be sufficient delivery to the purchaser or, as the case may be, the transferee.

- (2) A Member who has sold or transferred part of his shares comprised in a share certificate shall be entitled to receive without charge a certificate comprising the shares not sold or transferred. Delivery of such certificate to the broker or agent acting in regard to such sale or transfer shall be sufficient delivery to the Member.
14. Every certificate for shares or debentures or representing any other form of security (other than letters of allotment or scrip certificates) shall be under the Seal or the securities Seal. Every certificate for shares shall specify the number and class of shares to which it relates and the amount paid up thereon.
15. If a share certificate be defaced, worn out, lost or destroyed, it shall be renewed without charge upon delivery up of the old certificate or if it is alleged to have been lost upon such evidence of loss, indemnity and payment of expenses as the Company may require.

Lien

16. The Company shall have a first and paramount lien and charge 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; and the Company shall also have a first and paramount lien and charge on every share (not being a fully paid share) standing registered in the name of each Member (whether solely or jointly with others) for all the debts, liabilities and engagements of such Member or his estate to the Company, whether the same shall have been incurred or entered into 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 or engagements of such Member or his estate and any other person, whether a Member or not. The Company's lien, if any, on a share shall extend to all dividends payable thereon. The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. Unless otherwise agreed with the transferee, the registration of a transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.
17. 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 amount in respect of which the lien exists is presently payable and until a notice in

writing, stating and demanding payment of such amount, has been given to the registered holder for the time being of the share, or the persons, if any, entitled thereto by transmission and default in payment shall have been made by him or them for fourteen days after the service of such notice.

18. To give effect to any such sale the Directors may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of every share comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
19. The net proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

Calls On Shares

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 of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than two months from the date fixed for the payment of the last preceding call; and each Member shall (subject to his having been given at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
21. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
22. If a sum called in respect of a share or an instalment thereof is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

23. Any sum which by the terms of issue of a share becomes payable on allotment or at any prescribed time, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable at the time when by the terms of issue the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses and as to forfeiture or otherwise shall apply as if such sum 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, except as between holders of shares of the same class.
25. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and, upon all or any of the moneys so advanced, may (until the same would, but for such advance, become payable) pay interest at such rate as may be agreed upon between the Directors and the Member paying such sum in advance. Except in a liquidation, sums paid in advance of calls shall not, until the same would but for such advance have become payable, be treated as paid up on the shares in respect of which they have been paid.

Transfer of Shares

26. (1) Any Member may, without payment of any fee, transfer all or any of his shares by instrument in writing in the usual common form or any other form which the Directors may approve, executed by or on behalf of the transferor and, in the case of a transfer of a share not fully paid, by or on behalf of the transferee.
- (2) Any authority to sign an instrument of transfer granted by a Member for the purpose of transferring shares which may be lodged, produced or exhibited with or to the Company at the Transfer Office shall, as between the Company and the grantor of such authority, be taken and deemed to continue and remain in full force and effect and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the Transfer Office at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notice, the Company shall be entitled to give effect to any instrument signed under the authority to sign and certified by any officer of the Company as being in order before the giving and lodging of such notice. The Company shall not be bound to allow the exercise

of any act or matter by an agent for a Member, unless a duly certified copy of such agent's authority be deposited at the Transfer Office.

27. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of Members in respect thereof.
28. (1) The Directors may, in their absolute discretion, decline to register the transfer of any share (whether a fully paid share or not) to an infant or bankrupt.
- (2) The Directors may also in their absolute discretion decline to register a transfer of any share (not being a fully paid share) upon which the Company has a lien or in favour of a transferee of whom they do not approve.
- (3) The Directors may also decline to register any instrument of transfer unless:-
 - (A) the instrument of transfer duly stamped (if so required) is deposited at the Transfer Office or such other place as the Directors may determine, accompanied by the certificate of the shares to which it relates (except, if the transfer is made by a Stock Exchange Nominee, to the extent only that certificates have been issued to such nominee) and such other evidence as the 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, if not previously deposited with the Company); and
 - (B) the instrument of transfer is in respect of only one class of share.
29. 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.
30. All instruments of transfer which shall be registered may be retained by the Company. Any instrument of transfer which the Directors may decline to register shall be returned to the person depositing it, unless the Directors suspect fraud.
31. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

Transmission of Shares

32. In the case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.
33. (1) Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time be required by the Directors, and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the holder thereof.
- (2) If the person so becoming entitled shall elect to be registered himself, he shall give to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing to that person a transfer of the share. 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 aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
34. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to, and may give a discharge for, any dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Forfeiture of Shares

35. (1) If a Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued by reason of such non-payment.

- (2) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made. It shall also name the place where payment is to be made and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the payment was due will be liable to be forfeited.
36. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
37. A forfeiture of a share shall include all dividends in respect of the share not actually paid before the forfeiture, notwithstanding that they shall have been declared.
38. (1) A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit and, at any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Directors think fit.
- (2) The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and, to give effect to any such sale or disposition, the Directors may authorise some person to execute a transfer of the share in favour of the person to whom the share is sold or disposed of and the transferee shall thereupon 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, sale or disposal of the share.
39. A person whose share has been forfeited shall cease to be a Member in respect of the forfeited share but shall, notwithstanding, remain liable to pay to the Company all moneys which were, at the date of forfeiture, payable by him to the Company in respect of the share with interest thereon at such rate as the Directors shall think fit from the date of forfeiture until payment: Provided always that the Directors shall be at liberty to waive such payment either wholly or in part.
40. (1) Notice of any forfeiture shall be given to the holder of the share forfeited or, as the case may be, to the person entitled by transmission to the share forfeited. An entry of the forfeiture, with the date thereof, shall be made in the register of Members

opposite to the share. No forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

- (2) A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share in the Company has been duly forfeited 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.

41. The Directors may accept the surrender of any share which they are in a position to forfeit. The same consequences shall flow from the surrender of such share as if such share had been effectively forfeited by the Directors: in particular any share so surrendered may be disposed of in the same manner as a forfeited share.

Conversion of Shares into Stock

42. The Company may by ordinary resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.
43. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the stock, if existing as shares, might have been transferred, or as near thereto as circumstances admit.
44. Stock may only be transferred in minimum units, or multiples of minimum units, of such amount as the Directors shall from time to time determine, but so that the amount of a minimum unit shall not exceed the nominal amount of the individual shares from which the stock arose.
45. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if the stock held by them existed as shares, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
46. Unless otherwise expressly provided, such of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

Alteration of Capital

47. The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount and with such rights and privileges annexed thereto as the resolution shall prescribe.
48. Except so far as otherwise provided by or pursuant to these Articles or by the conditions of issue, any new share capital shall be considered as part of, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as, the existing share capital.
49. The Company may by ordinary resolution:-
- (A) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (B) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by its Memorandum of Association and so that, as between the resulting shares, one or more of such shares may, by the resolution effecting such sub-division, be given any preferential rights, privileges and advantages as regards dividends, voting at meetings of the Company and otherwise over the others or any other of such shares;
 - (C) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
50. The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner authorised by law, but with and subject to any incident authorised or consent required by law. Unless otherwise provided by its terms of issue, the rights attached to any preference share shall not be deemed to be varied or abrogated by a reduction of any share capital ranking as regards participation in the profits and assets of the Company *pari passu* with or after that preference share.

General Meetings

51. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. Not more than fifteen months shall elapse between the date of one annual general meeting and that of the next.

52. All general meetings other than annual general meetings shall be called extraordinary general meetings.
53. The Directors may, whenever they think fit, convene an extraordinary general meeting and extraordinary general meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by the Statutes. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director within the United Kingdom or any two Members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.
54. The time and place of any meeting shall be determined by the conveners of the meeting.

Notice of General Meetings

55. (1) An annual general meeting and a meeting convened for the passing of a special resolution shall be convened by twenty-one days' notice in writing at the least. Any other meeting of the Company shall be convened by fourteen days' notice in writing at the least.
 - (2) The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business.
 - (3) The notice convening an annual general meeting shall specify the meeting as such.
 - (4) The notice convening a meeting to consider a special or extraordinary resolution shall specify the intention to propose the resolution as a special or, as the case may be, extraordinary resolution.
 - (5) In every notice convening a meeting, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him and that a proxy need not be a Member.
56. (1) Notice of every general meeting shall be given in any manner authorised by these Articles to:-
 - (A) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares in the Company.

- (B) the Directors; and
 - (C) the Auditors.
- (2) No other person shall be entitled to receive notice of general meetings.
 - (3) The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Proceedings at General Meetings

- 57. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of the declaration of dividends, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, the appointment of Directors in the place of those retiring, the appointment of Auditors and the fixing of, or the determination of the manner of the fixing of, the remuneration of the Auditors.
- 58. (1) Three Members personally present and entitled to vote at such meeting shall be a quorum for a general meeting. No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.
- (2) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the chairman of the meeting may determine and, if at the adjourned meeting, a quorum is not present within fifteen minutes from the time appointed for the meeting the Members present and entitled to vote at such meeting shall be a quorum.
- 59. The Chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company or, if there is no such Chairman or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling or unable to act, the senior or Deputy Chairman present and willing to act or, if there is no such Deputy Chairman, then the senior of the Vice-Chairmen present and willing to act, shall preside; and, in default, the Directors present shall elect one of their number to be chairman of the meeting. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for

holding the meeting, the Members present and entitled to vote at such meeting shall choose one of their number to be chairman of the meeting.

60. The chairman of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an 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.
61. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless before, or on the declaration of the result of, the show of hands a poll is demanded:-
- (A) by the chairman of the meeting; or
 - (B) by at least five Members entitled to vote at such meeting present in person or by proxy; or
 - (C) by one or more Members entitled to vote at such meeting present in person or by proxy and holding not less than one-tenth of the total voting rights of all the Members entitled to vote at the meeting; or
 - (D) by one or more Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting 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.

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

62. If at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting and not in that case unless it shall, in the opinion of the chairman of the meeting, be of sufficient magnitude to vitiate the result of the voting.

63. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and at such time and place as the chairman of the meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Any business, other than that upon which a poll has been demanded, may be proceeded with pending the taking of the poll.
64. 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 in addition to the vote or votes to which he may be entitled as a Member.

Votes of Members

65. Subject to any special rights or restrictions attached to any class of shares and to the provisions of the next succeeding Article, on a show of hands every Member present in person shall have one vote and, on a poll, every Member present in person or by proxy shall have one vote for every share held by him: Provided always that no Member shall be entitled to vote at any general meeting or adjournment thereof in respect of any share that he has acquired by transfer unless he shall be registered as the holder thereof on the Record Date for that general meeting.
66. (A) No Member shall, unless the Directors otherwise determine, be entitled in respect of any share held by that Member to vote at any general meeting either personally or by proxy or at any separate meeting of the holders of any class of shares or to exercise any other right conferred by membership in relation to any such meeting if any call or other sum presently payable by the Member in respect of that share remains unpaid.
- (B) If any Member, or any other person appearing to be interested in any shares in the Company held by that Member, has been duly served with a notice (a "Section 212 Notice") under Section 212 of the Companies Act 1985 ("the Act") and is in default for the prescribed period in supplying to the Company the information thereby required, then at any time thereafter the Directors may at their absolute discretion by notice to such Member (a "direction notice") direct:-
- (i) that in respect of shares in relation to which the default occurred ("default shares", which expression shall include any further shares issued after the date of the Section 212 Notice in right of the

first-mentioned shares) such Member shall not be entitled to vote at any general meeting either personally or by proxy or at any separate meeting of the holders of any class of shares or to exercise any other rights conferred by membership in relation to any such meeting; and/or

- (ii) if the default shares represent, at the date of the direction notice, 0.25 per cent or more of the issued shares of the relevant class of shares in the Company, that:-
 - (a) any dividend (or part thereof) or other moneys which would otherwise be payable on such shares shall be retained by the Company until such time as the direction ceases to have effect (without any liability on the part of the Company to pay interest thereon) and that prior to such time the acceptance of an offer made by the Company under Article 114A in respect of any such dividend shall be of no effect; and/or
 - (b) no transfer, other than an approved transfer, of any of the default shares shall be registered.
- (C) The Company shall send a copy of the direction notice to each other person appearing to be interested in the relevant default shares, the address of whom has been notified to the Company, but the failure or omission by the Company to do so shall not invalidate such notice.
- (D) Any direction notice shall have effect in relation to default shares in accordance with its terms but shall cease to have effect:-
 - (i) on the expiry of five business days after the Company has received in writing all information required in respect of those default shares by every Section 212 Notice served on the holder thereof and each other person appearing to be interested in such shares; or
 - (ii) if such shares are transferred by means of an approved transfer; or
 - (iii) if and to the extent that the Directors so determine.
- (E) Where any person appearing to be interested in any shares has been served with a Section 212 Notice and such shares are held by a recognised depository, the provisions of this Article shall be deemed to apply only to those shares held by the recognised depository in which such person appears to be interested and references to default shares shall be construed accordingly.

(F) Where the Member on whom a Section 212 Notice has been served is a recognised depository, the obligations of the recognised depository acting in its capacity as such shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by the recognised depository pursuant to the arrangements entered into by the Company or approved by the Directors pursuant to which it was appointed as a recognised depository.

(G) For the purpose of this Article:-

- (i) a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under Section 212 of the Act which names such person as being so interested or if the Company (after taking into account the said notification and any other notification under the Act or any relevant information otherwise available to the Company) knows or has reasonable cause to believe that the person in question is, or may be, interested in the shares, and references in this Article to persons interested in shares and to interests in shares shall be construed in accordance with Section 212 (5) of the Act;
- (ii) the prescribed period in respect of any shares is 28 days from the date of service of the Section 212 Notice in respect thereof, except where the shares to which such notice relates represent, at the date of the notice, 0.25 per cent. or more of the issued shares of the relevant class of shares in the Company in which case such period shall be 14 days;
- (iii) a transfer is an approved transfer if (but only if):-
 - (a) the transfer results from a sale made through a recognised investment exchange (as defined by the Financial Services Act 1986) or any stock exchange outside the United Kingdom on which the Company's shares (or rights in respect of those shares) are normally traded; or
 - (b) it is a transfer of shares to an offeror by way of acceptance of or in pursuance of a take-over offer (within the meaning of Section 14 of the Company Securities (Insider Dealing) Act 1985) for the Company; or;
 - (c) the Directors are satisfied that the transfer is made pursuant to a sale to a party who, in the opinion of the Directors, is not connected with the holder thereof or with any other person appearing to be interested in such shares prior to such transfer (being a party which itself is

not the holder of any shares in the Company in respect of which a direction notice is then in force or a person appearing to be interested in any such shares) and the Directors do not have reasonable grounds to believe that the transferor or any other person appearing to be interested in such first-mentioned shares will following such transfer have any interest in such shares;

- (iv) a recognised depositary is a custodian or other person appointed under arrangements entered into with the Company or otherwise approved by the Directors whereby such custodian or other person holds or is interested, directly or indirectly through a nominee, in shares of the Company or rights or interests in respect thereof and issues securities or other documents of title, or maintains accounts, evidencing or recording the entitlement of the holders thereof, or account holders, to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Directors for the purposes of this Article and shall include, where so approved by the Directors, the trustees (acting in their capacity as such) of any employees' share scheme established by the Company;
- (v) a reference to a person being in default in supplying to the Company the information required by a Section 212 Notice includes a reference to his having failed or refused to give all or any part of it and also includes a reference to his having given information which he knows to be false in a material respect or having recklessly given information which is false in a material respect.
- (H) None of the provisions contained in this Article shall in any way limit or restrict the rights of the Company under Sections 212 and 216 of the Act or any order made by the court under Section 216 of the Act nor shall any sanction imposed by the Directors pursuant to this Article cease to have effect, otherwise than as provided in this Article, unless it is so ordered by the court.
- 67. If there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto but, if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of Members in respect of such share shall alone be entitled to vote in respect thereof.
- 68. Any corporation which is a Member 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 and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member.

69. Any Member who is a patient for the purpose of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing and administering their property and affairs may vote by his receiver or other person authorised to act on his behalf and such person may give his vote by proxy on a poll; but no person claiming to vote pursuant to this Article shall do so unless such evidence as the Directors may require of his authority shall have been deposited at the Transfer Office or at the place specified in the notice convening the meeting for the deposit of proxies not less than forty-eight hours before the time for holding the meeting at which he wishes to vote.
70. On a poll, votes may be given either personally or by proxy. A proxy need not be a Member.
71. An instrument appointing a proxy shall be in any usual or common form or in any other form which the Directors shall approve. An instrument appointing a proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
72. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney of such corporation. An instrument appointing a proxy need not be witnessed.
73. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of authority, shall be deposited at such place within the United Kingdom as is specified for that purpose in the notice convening the meeting or, if no such place is specified, at the Transfer Office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll and, in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

74. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and generally to act at the meeting for the Member giving the proxy, but no proxy may speak at any meeting otherwise than for the purpose of demanding or concurring in the demand for a poll.
75. A vote given in accordance with the terms of an instrument of proxy shall be treated as valid, notwithstanding the previous death or incapacity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given; Provided that no intimation in writing of such death, incapacity, revocation or transfer as aforesaid shall have been received by the Company at the Transfer Office or at the place specified in the notice of meeting for the deposit of proxies before the commencement of the meeting or adjourned meeting at which the proxy is used.

Directors

76. Unless and until otherwise determined by the Company by ordinary resolution, the number of the Directors shall not be less than seven or such other number as the Company by ordinary resolution shall determine.
77. The Directors shall be entitled to such remuneration as shall from time to time be determined by the Company in general meeting and such remuneration shall, subject to any special directions of the Company in general meeting, be divided among the Directors as they may by resolution determine or, failing such determination, equally except that, in such latter event, any Director holding office for less than a year shall only rank in such division in proportion to the period during which he has held office during such year.
78. If any Director being willing shall be called upon to perform services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director or to make any special exertions in going or residing abroad, the Company may remunerate, as may be determined by the Directors, the Director so doing and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.
79. Each Director shall be entitled to be reimbursed any reasonable out-of-pocket expenses properly incurred by him in the execution of his duties (including expenses of travel, hotel and other expenses properly incurred in attending and returning from meetings of the Company and meetings of the Directors or of any committee appointed by the Directors) as the Directors may determine.

80.(1) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the Statutes.

(2)

(A) Except as provided by this Article, a Director shall not vote (nor be counted in the quorum) on any resolution of the Directors in respect of any contract, arrangement or proposal in which he is materially interested and, if he shall do so, his vote shall not be counted but, subject to the Statutes this prohibition shall not apply to:-

- (i) any contract, arrangement or proposal in which a Director is interested by virtue of his interest in shares or debentures or other securities of the Company, or by reason of any other interest in or through the Company;
- (ii) any contract, arrangement or proposal for giving to a Director any security or indemnity in respect of money lent by him or obligations undertaken by him at the request of, or for the benefit of, the Company or any of its subsidiaries;
- (iii) any contract, arrangement or proposal for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which a Director has made himself responsible in whole or in part, by entering into any guarantee, indemnity or other security;
- (iv) any contract, arrangement or 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 a Director is interested, or is to be interested, as a participant in the underwriting or sub-underwriting thereof;
- (v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to Directors and employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates;
- (vi) any arrangement for the benefit of employees under which the Director benefits in a similar manner as the employees;

- (vii) any contract, arrangement or proposal concerning any other company in which contract, arrangement or proposal a Director is interested by virtue of any relationship with that company, other than one falling within paragraph (2) (b) of this Article.
- (B) For the purpose of this Article, a Director shall be deemed to be materially interested in any contract, arrangement or proposal concerning any other company if he is the holder of (otherwise than as bare trustee) or beneficially interested, directly or indirectly, in one per cent or more of any class of the equity share capital of such company or is entitled to exercise more than one per cent of the votes which may be cast at all general meetings of such company.
- (C) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and, in such case, each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment: Provided that nothing in this Article shall authorise a Director who is materially interested in any such proposal concerning another company to vote thereon.
- (D) If any question shall arise at any meeting of the Directors as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director other than such chairman to vote or be counted in the quorum, and such question is not resolved by his voluntarily agreeing to abstain from voting and not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed at a meeting of the Directors. If any question as aforesaid shall arise in respect of the chairman of the meeting, such question shall be decided by a resolution of the Directors (for which purpose the chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed at a meeting of the Directors.
- (E) The Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any

transaction not duly authorised by reason of a contravention of this Article.

- (3) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure or any such other office or place of profit or as vendor, purchaser or otherwise. No such contract, and no contract or arrangement entered into by or on behalf of the Company, in which any Director is in any way interested shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (4) A Director of the Company may continue to be or may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Directors otherwise direct. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company and may exercise any voting rights to which they are entitled as directors of any such other company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company and voting or providing for the payment of remuneration to the directors or officers of such other company.
- (5) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; Provided always that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.

Powers and Duties of Directors

81. 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 the provisions of the Statutes and of these Articles.

82. The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and, subject to the Statutes, to issue debentures, debenture stock, and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.
83. (1) The Directors may from time to time appoint one or more of their body to any office or place of profit under the Company (except that of Auditor) for such period and on such terms as they think fit and, without prejudice to the terms of any agreement entered into in any particular case, may revoke such appointment.
- (2) A Director appointed to an office or place of profit under the Company, shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and his appointment shall be automatically determined 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 contract of service between him and the Company.
- (3) A Director holding any such office or place of profit shall receive such remuneration or emoluments as the Directors may determine.
- (4) The Directors may entrust to, and confer upon, a Director holding any such office or place of profit any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.
84. The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation fund for the benefit of (and may grant or procure the granting of pensions, donations, allowances, gratuities, emoluments, bonuses or benefits to or in respect of) the directors, ex-directors, officers, ex-officers, employees or ex-employees or the company or of any company which is a subsidiary of the Company or allied to or associated in business with the Company or with any such subsidiary company, or of any business acquired by the Company, or to any persons in whose welfare the Company or any such other company as aforesaid is or has been interested and the wives, widows, families, dependents and personal representatives of any such persons and may make payments for or towards the insurance of any such persons as

aforesaid. Any Director or, as the case may be, his personal representatives shall be entitled to participate in and retain for his own benefit or for the benefit of his estate any such pension, donation, allowance, emoluments, gratuity, bonus or benefit.

85. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether in the United Kingdom or elsewhere, in such manner as they think fit and the provisions contained in the three next following Articles shall be without prejudice to the general powers conferred by this Article.
86. The Directors may from time to time and at any time by power of attorney appoint any company or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in, or exercisable by, the Directors under these Articles) and for such period and subject to such conditions as they may think fit; and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.
87. The Directors may appoint any persons as regional directors, corporate finance directors or such other non-board directors with such other titles (but including a qualifying adjective, other than "managing", with the word "director") as they may think fit and as assistants or deputies to or for such non-board directors. Such persons and their assistants or deputies shall not be nor shall they be deemed to be directors of the Company within the meaning of the Statutes or of these Articles and they shall not be entitled to attend or vote at meetings of Directors.

Subject as aforesaid, the Directors may:-

- (A) appoint any such non-board directors or their assistants or deputies for such period and on such terms as they think fit and, without prejudice to the terms of any agreement entered into in any particular case, may revoke any such appointment and;
- (B) define and limit the powers and duties of the non-board directors and their assistants or deputies and may determine the remuneration or emoluments to be received by them.

88. The Directors, may from time to time and at any time, establish any local board, committee or agency for managing any of the affairs of the Company in any specified locality, whether in the United Kingdom or elsewhere, and may appoint any persons to be members of such local board or committee, or to be managers or agents, and may fix their remuneration. And the Directors may, from time to time and at any time, delegate to any such local board, committee or agency or to any such manager or agent any of the powers, authorities and discretions for the time being vested in the Directors, other than their power to make calls, with or without power to sub-delegate and may authorise the members for the time being of such local boards or committees, or any of them, to fill any vacancies therein and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the directors may think fit and the Directors may at any time remove any person so appointed and may annul or vary any such delegation. Every Director while present in the locality in which any such local board, committee or agency shall have been established shall be an *ex-officio* member thereof and entitled to attend and vote at all meetings thereof.
89. The Company may exercise the powers conferred by Section 35 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
90. The Company may exercise the powers conferred upon the Company by the Statutes with regard to the keeping of dominion and branch registers, and the Directors may (subject to the provisions of the Statutes) make and vary such regulations as they may think fit respecting the keeping of any such register.
91. The Directors shall cause minutes to be made in books provided for the purpose:-
- (A) of all appointments of officers made by the Directors;
 - (B) of the names of the Directors present at each meeting of the directors and of the persons present at each meeting of any committee appointed by the Directors; and
 - (C) of all resolutions and proceedings at all meetings of the Company, of the Directors and of committees appointed by the Directors.

Any such minute of any meeting of the Directors or of any committee appointed by the Directors or of the Company shall be signed by the chairman of such meeting or by the chairman of the next succeeding meeting and if purporting

to be so signed shall be sufficient evidence without any further proof of the facts therein stated.

Disqualification of Directors

92. The office of a Director shall ipso facto be vacated:-

- (A) if, by notice in writing to the Company, he resigns the office of Director; or
- (B) if he absents himself from the meetings of the Directors during a continuous period of three calendar months without leave of absence from the Directors and they pass a resolution that he has, by reason of such absence, vacated office; or
- (C) if he violates the declaration of secrecy required of him under these Articles; or
- (D) if he has a receiving order made against him or suspends payment or makes any arrangement or composition with his creditors; or
- (E) if he becomes of unsound mind or a patient for the purposes of any statute relating to mental health and the Directors resolve that his office be vacated; or
- (F) if he is prohibited by law from being a Director; or
- (G) if he is removed by ordinary resolution from office pursuant to, or otherwise ceases to be a Director by virtue of, the Statutes; or
- (H) if he is required by resolution passed or concurred in writing by not less than three-fourths of the Directors for the time being to resign and fails to do so within fourteen days after the receipt of notice of the passing of such resolution: Provided always that not less than seven clear days' prior notice shall be given to the Director concerned of the intention to move such resolution and of the date and time of the meeting of the Directors at which the same will be moved. Such notice shall either be served on him personally or be sent to him through the post addressed to him at the residential address for the time being recorded for him in the Register of Directors and Secretaries kept by the Company.

A resolution of the Directors declaring a Director to have vacated office as aforesaid shall be conclusive as to the fact and the grounds of vacation stated in the resolution.

Appointment and Retirement of Directors

93. Subject to the provisions of these Articles, at the annual general meeting in every year one quarter of the Directors for the time being or, if their number is not a multiple of four, then the number nearest to but not exceeding one quarter shall retire from office. A Director retiring at a general meeting shall hold office until the conclusion of that meeting.
94. The particular Directors to retire at each annual general meeting pursuant to the last proceeding Article shall be selected as follows:-
 - (A) firstly, any Director who by reason of age is due to retire at that meeting pursuant to an applicable provision of the Statutes;
 - (B) secondly, any Director who wishes to retire and does not offer himself for re-appointment;
 - (C) thirdly, those of the other Directors who have been (or, pursuant to any applicable provision of the Statutes, are deemed to have been) longest in office since their last appointment, but as between Directors who have held office since their last appointment for an equal length of time those to retire shall, unless they otherwise agree among themselves, be determined by lot.
 - (D) notwithstanding any provision in the Statutes to the contrary, a person re-appointed a Director on retiring on account of age or a person appointed in place of a Director so retiring shall be deemed for the purpose of the rotation of Directors to have been appointed at the meeting at which he was so re-appointed or appointed and not before.
95. Subject, in the case of a Director who is over the age of 70, to a resolution (of which special notice has been given) being passed as required by any applicable provision of the Statutes, a retiring Director shall be eligible for re-appointment and shall be deemed to offer himself for re-appointment unless he gives to the Company notice in writing of a contrary intention.
96. The Company at any general meeting at which any Directors retire in manner aforesaid may fill the vacated offices by appointing a like number of persons to be Directors and without notice in that behalf may fill any other vacancies.
97. If, at any annual general meeting the place of a Director retiring at that meeting is not filled then the retiring Director, if offering himself for re-appointment, shall be deemed to have been re-appointed unless either:-

- (A) the retiring Director was due to retire at that meeting on account of age pursuant to an applicable provision of the Statutes; or
 - (B) the Company resolves at the meeting not to fill the vacated office; or
 - (C) a resolution for the re-appointment of the retiring Director has been put to the meeting and lost.
98. No person (other than a retiring Director) shall, unless recommended by the Directors, be eligible for appointment to the office of Director at any general meeting unless, not less than seven nor more than forty-two clear days before the date appointed for the meeting, there shall have been left at the Office a notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person as a Director and also a notice in writing signed by the person to be proposed of his willingness to serve as a Director.
99. Subject as aforesaid, the Company may by ordinary resolution appoint any person to be a director either to fill a casual vacancy or as an additional Director. Without prejudice thereto, the Directors shall have power at any time likewise to appoint any person to be a director but so that no such appointment by the Directors shall be effective unless two-thirds of all the Directors for the time being concur therein. Any Director so appointed by the Directors shall hold office only until the next following annual general meeting and shall then be eligible for re-appointment but shall not be taken into account in determining the retirement of Directors by rotation at such meeting.
100. A motion for the appointment or re-appointment of two or more persons as Directors of the Company by a single resolution shall not be made at a general meeting of the Company, unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.

Proceedings of Directors

101. (1) The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary for the transaction of business, provided that less than three Directors shall not be a quorum. Unless and until otherwise determined, three shall be quorum. Questions arising at any meeting shall be decided by a majority of

votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

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

(A) they are in constant communication with each other throughout by telephone, television or other form of communication; and

(B) all Directors entitled to attend such meeting so agree.

102. A Director may and, on the request of a Director, the Secretary shall at any time summon a meeting of the Directors by notice served upon the several Directors. A Director who is absent from the United Kingdom and who has not supplied to the Company an address in the United Kingdom for the giving of notices to him shall not be entitled to notice of any meeting of Directors.

103. The Directors may elect a Chairman and one or more Deputy Chairmen or Vice-Chairmen of their Board of Directors and determine the period for which they are respectively to hold office and may grant them such remuneration or emoluments (in addition to the remuneration to which they may be entitled as Directors under the foregoing provisions of these Articles) as the Directors may determine. Such Chairman shall be entitled to take the chair at all meetings of the Directors, but if no such Chairman is elected or if, at any meeting, the Chairman is not present at the time appointed for holding the same or if he is unable or unwilling to act as chairman of such meeting then the senior of the Deputy Chairmen present and willing to act or, if there is no such Deputy Chairman, then the senior of the Vice-Chairmen present and willing to act shall take the chair and, in default, the Directors present may choose one of their number to be chairman of that meeting. For the purposes of this Article, seniority shall be determined by reference to the length of time for which a Deputy Chairman or, as the case may be, Vice-Chairman has held office as such. As between two or more Deputy Chairmen or two or more Vice-Chairmen of equal seniority, the Deputy Chairman or, as the case may be, Vice-Chairman to take the chair shall, in default of agreement between them, be determined by lot.

104. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the minimum number fixed by or pursuant to these Articles, the continuing Directors or Director may act for the purpose of appointing sufficient Directors to bring the Board up to that

general meeting of the Company, notwithstanding that there shall not be a quorum, but for no other purpose.

105. The Directors may delegate any of their powers (with or without power to sub-delegate) to committees, consisting of such persons as they think fit but always including at least one Director, to be appointed in such manner as the Directors shall by resolution determine. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Directors and, subject thereto, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors. The Chairman and all Deputy Chairmen and Vice-Chairmen, if any, shall be ex-officio members of any such committee and entitled to attend and vote at all meetings thereof, unless the Directors shall expressly resolve to the contrary.
106. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them 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 to be a Director and had been entitled to vote.
107. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, or signed by all the members of a committee appointed by the Directors, shall be as valid and effectual as if it had been passed at a meeting of the directors, or of such committee duly convened and held. Any such resolution may consist of several documents in the like terms each signed by one or more Directors or, as the case may be, one or more of such members.

President

108. (1) The Directors may from time to time appoint any person (whether a Director or not) to be President of the Company for such period and at such remuneration as they think fit and may remove the President from his appointment as such and, if thought fit, appoint another person in his place.
- (2) The President shall be entitled to be reimbursed any reasonable out-of-pocket expenses properly incurred by him in performing, at the request of the Directors, any services for the Company.

- (3) The President shall not by virtue only of his office as President be an officer of the Company for the purposes of the Act.

Secretary

109. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions, as they may think fit; and any Secretary so appointed may be removed by them.
110. A provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

Seals

111. (1) The Directors shall provide for the safe custody of the Seal and the Securities Seal (if any), which shall be affixed only with the authority of a resolution of the Directors or of a committee of the Directors authorised by the Directors in that behalf or of such other person as may from time to time be authorised by the Directors in that behalf.
- (2) Except in respect of certificates for shares or debentures or representing any other form of security, every instrument to which the Seal shall be affixed shall be signed by a Director or the Secretary or a Deputy or Assistant Secretary or such other person as the Directors may from time to time authorise in that behalf and shall also be counter-signed by a person authorised by the Directors in that behalf. In favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.
- (3) The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Such securities and documents, if sealed with the Securities Seal, shall not require to be signed.

Dividends and Reserves

112. Subject to Articles 3A(4)(f) and 3B(4)(f) the Company in general meeting may declare dividends on the ordinary shares provided that no such dividend shall exceed the amount recommended by the Directors.
113. (1) Subject to Articles 3A(4)(f) and 3B(4)(f) the Directors may from time to time pay an interim dividend on the ordinary shares provided that such interim dividend

appears to the Directors to be justified by the profits of the Company.

- (2) Provided that the Directors act bona fide they shall not incur any responsibility to the holders of any shares conferring a preference which may at any time be issued for any damage they may suffer by reason of the payment of an interim dividend on any shares ranking after such preference shares. A resolution of the Directors declaring any interim dividend shall (once announced) be irrevocable and have the same effect in all respect as if such dividend had been declared upon the recommendation of the Directors by an ordinary resolution of the Company.
114. No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Statutes which apply to the Company and the declaration of the Directors in respect thereof shall be conclusive.
- 114A. Subject to and without prejudice to the provisions of Articles 112, 113 and 114, the directors may offer the holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of all or part of such dividend or dividends as may be declared by the Company pursuant to Article 112 or, as the case may be, by the directors pursuant to Article 113, subject to such exclusions or restrictions as the directors may, in their absolute discretion, deem necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory.

The following provisions shall apply:-

- (1) the directors shall not exercise their powers under this Article in respect of a particular dividend unless the Company in general meeting has authorised the exercise of those powers in respect of that dividend or in respect of dividends (including that dividend) to be declared or paid during or in respect of a specified period;
- (2) the basis of allotment shall be determined by the directors so that, as nearly as may be considered convenient without involving any rounding-up of fractions, the value (calculated by reference to the average quotation) of the new shares (including any fractional entitlement) to be allotted instead of any amount of dividend shall equal such amount.

For such purpose, the "average quotation" of a share shall be the average of the middle market quotations for a fully paid ordinary share of the Company 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 shareholder 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 including but not limited to the giving of notice to shareholders of the right of election offered to them, the provision of forms of election (whether in respect of a particular dividend or dividends or generally) and determination of the procedure for making and revoking such elections and the place at which, and the latest time by which, forms of election and any other relevant documents must be lodged in order to be effective;
- (5) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be declared or payable on shares in respect whereof the said election has been duly made (the "elected shares") and instead thereof additional 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 reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the directors may determine, a sum equal to the aggregate nominal amount of the additional 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. A resolution of the directors capitalising any part of the reserves or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 122 and in relation to any such capitalisation the directors may exercise all the powers conferred on them by paragraph (3) of that Article without need of such ordinary resolution;
- (6) the additional ordinary 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 except that the shares so allotted will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date.

115. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
116. The Directors may deduct from any dividend or other moneys payable to a 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.
117. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
118. The Directors may retain any dividends payable upon shares in respect of which any person is by reason of the death or bankruptcy of a member entitled to become a Member, or which any person is under any of such provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same, or the Directors may pay such dividends to such person.
119. Any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of a share held by joint holders, to the registered address of the person first named on the register of Members as a holder of that share, or to such person and to such address as the holder or joint holders may in writing direct: Provided that, in the case of a share held by joint holders, any one of such holders may give an effectual receipt for all dividends and payments on account of dividends in respect of such share. Every such cheque or warrant shall be made payable to the person to whom it is sent and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the persons entitled to the money represented thereby.
120. No dividend or other moneys payable to a Member on or in respect of a share shall bear interest against the Company. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a

share into 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: Provided that, if a claim is subsequently made for any dividend so forfeited, the Directors may at their discretion pay out of the profits of the Company a sum equal to the dividend so forfeited or part thereof to any person who prior to the expiry of the said period of twelve years would have been entitled to such dividend or to the personal representatives of any such person.

121. (1) The Directors may, before recommending any dividend, set aside out of the profits of the Company and carry to a reserve fund such sums as they think proper which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. the Directors may divide the reserve fund into separate funds for special purposes and may consolidate into one reserve fund any such separate funds or any parts thereof: Provided that any part of the reserve fund which the Directors may at any time declare to be in excess of the amount necessary to be retained may, with the consent of the Company in general meeting, be applicable as profits available for dividends. The Directors may also, without placing the same to reserve, carry forward any profits which they may think prudent not to divide.

(2) Notwithstanding the provisions of paragraph (1) of this Article:-

- (A) the Directors shall not set aside out of profits and carry to any reserve fund referred to in paragraph (1), or carry forward in the manner described in paragraph (1), any sum then required for payment of the dividend payable on any sterling preference shares or dollar preference shares; and
- (B) if at any time there shall be insufficient profits standing to the credit of profit and loss account (or any other of the Company's accounts or reserves and available for distribution) for the payment of any such dividend, the Directors shall withdraw from any such reserve fund referred to in paragraph (1) such sums as may be required for the payment of any such dividend (and so that the Directors shall not require the consent of the Company in general meeting to any such withdrawal). Subject to the Statutes, any

sum so withdrawn (and any profits previously carried forward pursuant to paragraph (1) but subsequently required for the payment of any such dividend) may be applied in or towards payment of such dividend.

Capitalisation of Profits and Reserves

- 122.(1) Subject to the provisions of Articles 3A(8) and 3B(8) the Company in general meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve funds, or to the credit of the profit and loss account, or otherwise available for distribution; and accordingly that such sum be set free for distribution amongst the Members who would have been entitled thereto, if distributed by way of dividend, and in the same proportions, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportions aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution: Provided always that a share premium account and a capital redemption reserve fund may for the purposes of this Article only be applied in the paying up of unissued shares to be allotted to Members as fully paid bonus shares.
- (2) The Company in general meeting may on the recommendation of the Directors resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid bonus shares to those members of the Company who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions) and the Directors shall give effect to such resolution.
- (3) Whenever such a resolution shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any; and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of any Member under any such resolution to a fractional part of a share by the issue of fractional certificates, or by payment in cash or

otherwise, as they think fit and also to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members. Further the Directors may, if they think fit, make provision for the registration of any or all of such shares as aforesaid in the names of nominees of the Members entitled thereto.

Record Dates

- 122A. Notwithstanding any other provision of these Articles, the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which any such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared.

Accounts

123. The Directors shall cause proper accounting records to be kept in accordance with the Statutes.
124. The books of account shall be kept at the Office, or, subject to the Statutes, at such other place or places as the Directors think fit and shall always be open during business hours to the inspection of the officers of the Company.
125. The Directors shall from time to time determine whether and to what extent, at what times and places and under what conditions or regulations the accounting records of the Company or any of them shall be open to the inspection of Members not being officers of the Company; and no Member (not being an officer of the Company) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting.
126. The Directors shall from time to time, in accordance with the Statutes, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any)

and reports as may be required by the Statutes. Every balance sheet shall be signed by three Directors and by the Secretary or a General Manager.

127. A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the Auditors' report or, where permitted, a summary financial statement or other document as may be authorised by the Statutes, shall not less than twenty-one days before the date of the meeting be delivered or sent by post to every Member, director and to every holder of debentures of the Company and printed copies of every such document shall at the same time be sent to The Stock Exchange and to any other stock exchange which has granted a quotation for, or a listing of, the Company's shares or any of them, as required by their regulations in force from time to time: Provided always that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

Auditors

128. Auditors shall be appointed and their duties regulated in accordance with the Statutes.

Notices

129. A notice may be given to any Member either personally or by sending it by post to him at his registered address or (if he has no registered address within the United Kingdom) to the address, if any, in the United Kingdom supplied by him to the Company for the giving of notices to him.
130. A notice may be given to the joint holders of a share by giving the notice to the joint holder first named in the register of Members in respect of the share.
131. A notice may be given to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post addressed to them by name or by the title of representatives of the deceased or trustee of the bankrupt Member, or by any like designation, at the address, if any, within the United Kingdom supplied for the purpose by the persons claiming to be entitled, or, whether or not the Company has notice of such death or bankruptcy, by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

132. If the Company is aware that during a period of three consecutive years all notices given by the Company to a Member have not been received by that Member because the registered address or, as the case may be, address for service of that Member is no longer a current address for communications then the Company shall no longer be obliged to give notices to that Member until he notifies the Company of another address to be entered at his registered address or, in the case of a Member whose registered address is outside the United Kingdom, another address in the United Kingdom as his address for service.
133. Any notice required to be given by the Company to the Members or any of them, and not expressly provided for by these Articles, shall be sufficiently given if given by advertisement.
134. (1) Any notice required to be or which may be given by advertisement shall be advertised once in two leading London daily newspapers.
- (2) If postal services in the United Kingdom shall be curtailed or suspended so that the Company is unable to give effective notice by post of a general meeting, notice of a general meeting may be given in two London newspapers as provided for in this Article and shall be deemed to have been given on the day of such publication. In such event, the Company shall as soon as practicable (and, if able so to do prior to the date of the general meeting) send notice by post to all Members.
135. Any document, other than a notice, requiring to be served on a Member may be served in like manner as a notice may be given to him under these Articles and, in the case where notice might be given by advertising the same in a newspaper or newspapers, such document shall be deemed to be duly served if the same is available for him at the Office and a notice to that effect is advertised in a newspaper or newspapers as required by these Articles.
136. Any notice or document, if sent by post, shall be deemed to have been given or served on the day next after that on which the letter containing the same is put into the post, if sent by first-class mail, and on the day next but one after that on which the letter containing the same is put into the post, if sent by second-class mail, and in proving such giving or service it shall be sufficient to prove that the notice or document or the envelope containing the same was properly addressed, prepaid and put into a post office or post box or handed to an authorised official of the Post Office. A notice or document given or served by exhibition or

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

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

Winding Up

138. If the Company shall be wound up, the Liquidator may, with the sanction of an extraordinary resolution passed before, on or after the commencement of the winding up, vest in trustees upon trust for the Members or divide among the Members in specie any part of the assets of the Company and any such vesting or division may be otherwise than in accordance with the existing rights of the members but so that, if any division is resolved on otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a special resolution under the Statutes. A special resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the Liquidator amongst the Members otherwise than in accordance with their existing rights; and any such determination shall be binding upon all the Members, subject to the right of dissent and consequential rights conferred by the said Section.

Secrecy

139. Every Director and employee of the Company shall observe a strict secrecy with regard to all dealings, transactions and other matters of a confidential nature of and concerning the Company and with regard to all transactions of the Company with its customers, the state of their accounts and matters relating thereto, except when required or authorised to disclose particulars thereof by the Directors, a general meeting of the Company, the person to whom such matters relate or by law and except so far as may be necessary in order to comply with any of the provisions of these Articles; and every Director and employee shall sign a declaration to the above effect in such form as the Directors may from time to time prescribe.

Indemnity and Responsibility

140. Every Director, manager, auditor, secretary and other officer or servant for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in or about the

business of the Company in which judgement is given in his favour or in which he is acquitted or in connection with any application under the Statutes in which relief is granted to him by the Court or by reason of any contract entered into or any act or thing done by him as such Director, officer or servant or in any way in the discharge of his duties.

141. Subject to the provisions of the Statutes, no Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office, or in relation thereto, unless the same happen through his own wilful act or default.

Destruction of Documents

142. The Company shall be entitled to destroy: (a) all instruments of transfer of shares at any time after the expiration of six years from the date of registration thereof; (b) all share or stock certificates which have been cancelled or have ceased to have effect at any time after the expiration of one year from the date of such cancellation or cessation; and (c) all notifications of change of name or address and dividend mandates after the expiration of one year from the date of the recording thereof.

It shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share or stock certificate so destroyed was a valid and effective document 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 and records of the Company: Provided always that:-

- (A) 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;

- (B) references herein to the destruction of any document include references to the disposal thereof in any manner; and
- (C) references to an instrument of transfer shall be deemed to include references to any document constituting the renunciation of an allotment of any shares in the Company by the allottee in favour of some other person.

Midland Bank Limited

Minute

Approved by Order of Court

Dated 11th November 1957

The capital of Midland Bank Limited was by virtue of a Special Resolution and with the sanction of an Order of the High court of Justice dated the 11th November 1957 reduced from £45,200,000 divided into 2,869,079 shares of £12 each 2,000,000 shares of £2 10s. each and 5,771,052 shares of £1 each, to £17,943,749 10s., divided into 4,869,079 shares of £2 10s. each and 5,771,052 shares of £1 each. At the date of registration of this Minute 4,790,756 of the said shares of £2 10s each and 3,181,731 of the said shares of £1 each have been issued and are deemed to be fully paid up. None of the remaining 78,323 shares of £2 10s each and 2,589,321 shares of £1 each has been issued. The said special Resolution also provided (upon the said reduction of capital taking effect) for sub-dividing the said shares of £2 10s. each into share of 10s. each, increasing the capital to its former amount by the creation of 54,512,501 shares of 10s. each and consolidating the shares of 10s each into shares of £1 each. The capital of the Company is accordingly on the registration of this Minute £45,200,000 divided into 45,200,000 shares of £1 each of which 15,158,621 are issued and are deemed to be fully paid up and 30,041,379 are unissued.

An office copy of the Order of Court confirming the reduction of capital of the Company and a copy of the Minute approved by the Court were duly registered by the Registrar of Companies on 26th November 1957.

No. 14259

The Companies Acts 1948 to 1981

Resolutions

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Friday 7th May 1982 the following Resolutions were duly passed, of which the first, second and fourth were passed as Special Resolutions and the third was passed as an Ordinary Resolution:-

1. That the memorandum of association of Midland Bank plc be altered by substituting for clause 4 thereof (the objects clause) the provisions of the new clause 4 set out in the print of the revised memorandum of association laid before the meeting and signed by the chairman for identification.
2. That the Articles of Association (a print whereof is laid before the meeting and signed by the chairman for identification) be and are hereby approved and adopted as the Articles of Association of Midland Bank plc in substitution for, and to the exclusion of, all existing Articles of Association.
3. That the directors be and they are generally and unconditionally authorised in accordance with section 14 of the Companies Act 1980 to allot relevant securities (and to make any offer or agreement which would or might require relevant securities to be allotted) within the terms of the restrictions and provisions following, namely:
 - (i) this authorisation shall (unless previously revoked or varied) expire five years from the date of the passing of this resolution save that it shall extend to the allotment thereafter of relevant securities pursuant to an offer or agreement duly made prior to such expiry; and
 - (ii) this authorisation shall be limited to the allotment of relevant securities up to an aggregate nominal amount of £33,824,545;

and for the purposes of this resolution, words and expressions defined in, or for the purposes of, Part II of the Companies Act 1980 shall bear the same meaning herein.

4. That the directors be and they are generally authorised in accordance with section 13 of the Companies Act 1980 to allot equity securities (and to make any offer or agreement which would or might require equity securities to be allotted) wholly for cash, pursuant to the authority conferred by the foregoing resolution, as if sub-section (1) of section 17 of the Companies Act 1980 did not apply thereto provided that:-

- (i) this authorisation shall (unless previously revoked or varied) expire five years from the date of the passing of this resolution and shall be limited to the allotment of equity securities in connection with a rights issue in favour of holders of relevant shares and relevant employee shares in proportion (as nearly as may be) to their then holdings of such shares or, in the case of securities convertible into shares, to the holdings of shares which would fall to be allotted upon the exercise in full of the conversion rights subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems arising under the laws of, or arising under the requirements of any recognised regulatory body in, any territory;
- (ii) this authorisation shall be limited to the allotment (otherwise than pursuant to paragraph (i) above) of equity securities up to an aggregate nominal amount of £11,500,000 and shall (unless previously revoked or varied) expire at the end of the next annual general meeting of Midland Bank plc; and
- (iii) such authorisation shall extend beyond its expiry date to the allotment thereafter of equity securities pursuant to an offer or agreement duly made prior to the relevant expiry date;

and, for the purposes of this resolution, words and expressions defined in, or for the purposes of, Part II of the Companies Act 1980 shall bear the same meaning herein.

No. 14259

The Companies Acts 1948 to 1981

Resolution

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Wednesday 27th April, 1983 the following Resolution was duly passed as a Special Resolution:

That:-

- (a) the directors be and they are generally authorised in accordance with section 18 of the Companies Act 1980 to allot equity securities (and to make any offer or agreement which would or might require equity securities to be allotted) wholly for cash, pursuant to the authority conferred by resolution 13 passed at the annual general meeting of Midland Bank plc held on 7th May 1982, as if sub-section (1) of section 17 of the Companies Act 1980 did not apply thereto provided that:-
 - (i) this authorisation shall be limited to the allotment of equity securities up to an aggregate nominal amount of £11,500,000 and shall (unless previously revoked or varied) expire at the end of the next annual general meeting of Midland Bank plc;
 - (ii) such authorisation shall extend beyond its expiry date to the allotment thereafter of equity securities pursuant to an offer or agreement duly made prior to the relevant expiry date; and
 - (iii) the authority hereby given shall be additional to and without prejudice to the unexercised portion of the authorities and powers conferred upon the directors by resolution 14 passed at the annual general meeting of Midland Bank plc held on 7th May 1982;
- (b) for the purposes of this resolution words and expressions defined in, or for the purposes of, Part II of the Companies Act 1980 shall bear the same meaning herein.

No. 14259

The Companies Acts 1948 to 1981

Resolution

of

Midland Bank plc

At the Extraordinary General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Monday 15th August 1983 the following Resolution was duly passed as an Ordinary resolution:

That:-

- (a) the share capital of the Bank be increased from £230,000,000 to £265,000,000 by the creation of 35,000,000 new Shares of £1 each; and
- (b) the Directors be and they are authorised in accordance with Section 14 of the Companies Act 1980 ("the Act") to allot, in connection with the offer which is to be made by way of rights to the holders of Shares in Midland Bank plc and which is described in the circular letter to Shareholders dated 29th July 1983, Shares of £1 each in Midland Bank plc having in total a nominal value of £35,000,000 (such Shares being some only of those which are to be allotted in connection with such offer).
Provided that:-
 - (i) this authority shall be additional to the authority conferred upon the Directors in accordance with Section 14 of the Act on 7th May 1982 to allot relevant securities (as defined in such Section) up to an aggregate nominal amount of £33,824,545 and nothing in this paragraph (b) of this Resolution shall affect or be taken to vary, revoke or terminate such authority or the powers given to the Directors pursuant thereto under Section 18(1) of the Act on 7th May 1982 and on 27th April 1983;
 - (ii) the Directors shall as to the balance of the Shares to be allotted in connection with the said offer be at liberty to act in pursuance of the said authority conferred under Section 14 of the Act on 7th May 1983; and
 - (iii) the authorisation contained in this paragraph (b) of this Resolution shall expire on 31st December 1983.

No. 14259

The Companies Acts 1948 to 1981

Resolutions

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Wednesday 25th April 1984 the following Resolution was duly passed as a Special Resolution:

That:-

- (a) the directors be and they are generally authorised in accordance with section 18 of the Companies Act 1980 to allot equity securities (and to make any offer or agreement which would or might require equity securities to be allotted) wholly for cash, pursuant to the authority conferred by resolution 13 passed at the annual general meeting of Midland Bank plc held on 7th May 1982, as if sub-section (1) of section 17 of the Companies Act 1980 did not apply thereto provided that:
 - (i) this authorisation shall be limited to the allotment of equity securities up to an aggregate nominal amount of £13,250,000 and shall (unless previously revoked or varied) expire at the end of the next annual general meeting of Midland Bank plc;
 - (ii) such authorisation shall extend beyond its expiry date to the allotment thereafter of equity securities pursuant to an offer or agreement duly made prior to the relevant expiry date; and
 - (iii) the authority hereby given shall be additional to and without prejudice to the unexercised portion of the authorities and powers conferred upon the directors by resolution 14 passed at the annual general meeting of Midland Bank plc held on 7th May 1982;
- (b) for the purposes of this resolution words and expressions defined in, or for the purposes of, Part II of the Companies Act 1980 shall bear the same meaning herein.

No. 14259

The Companies Acts 1948 to 1981

Resolutions

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Friday 3rd May 1985 the following Resolution was duly passed as a Special Resolution:

That:

- (a) the directors be and they are generally authorised in accordance with section 18 of the Companies Act 1980 to allot equity securities (and to make any offer or agreement which would or might require equity securities to be allotted) wholly for cash, pursuant to the authority conferred by resolution 13 passed at the annual general meeting of Midland Bank plc held on 7th May 1982, as if sub-section (1) of section 17 of the Companies Act 1980 did not apply thereto provided that:
 - (i) this authorisation shall be limited to the allotment of equity securities up to an aggregate nominal amount of £13,250,000 and shall (unless previously revoked or varied) expire at the end of the next annual general meeting of Midland Bank plc;
 - (ii) such authorisation shall extend beyond its expiry date to the allotment thereafter of equity securities pursuant to an offer or agreement duly made prior to the relevant expiry date; and
 - (iii) the authority hereby given shall be additional to and without prejudice to the unexercised portion of the authorities and powers conferred upon the directors by resolution 14 passed at the annual general meeting of Midland Bank plc held on 7th May 1982;
- (b) for the purposes of this resolution words and expressions defined in, or for the purposes of, Part II of the Companies Act 1980 shall bear the same meaning herein.

No. 14259

The Companies Acts 1985

Resolutions

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Wednesday 23rd April 1986 the following Resolutions were duly passed:-

Ordinary Resolution

That:-

the authorised share capital of the Company be increased from £265,000,000 to £315,000,000 by the creation of 50,000,000 shares of £1 each.

Special Resolution

That:-

the directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 to allot relevant securities (and to make any offer or agreement which would or might require relevant securities to be allotted) within the terms of the restrictions and provisions following, namely:

- (i) this authorisation shall (unless previously revoked or varied) expire five years from the date of the passing of this resolution save that the allotment thereafter or relevant securities pursuant to an offer or agreement duly made prior to such expiry may be permitted; and
- (ii) this authorisation shall be limited to the allotment of relevant securities up to an aggregate nominal amount of £73,095,587 and the passing of this resolution shall have effect completely and unconditionally to revoke the authorisation of Midland Bank plc conferred at its annual general meeting on Friday 7th May 1982 and numbered 13 whereby the directors were generally and unconditionally authorised to allot relevant securities in accordance with section 14 of the Companies Act 1980 up to an aggregate nominal amount of £33,825,527 save that any allotment made pursuant to an offer or agreement requiring relevant securities to be allotted which may have been made pursuant to such authority prior to the revocation thereof shall be valid and, for the purposes of this resolution, words and expressions defined in, or for the purposes of Part IV of the Companies Act 1985 shall bear the same meaning herein.

Special Resolution

That:-

the directors be and they are hereby generally authorised in accordance with section 95 of the Companies Act 1985 to allot equity securities (and to make any offer or agreement pursuant to which equity securities may be allotted) wholly for cash, pursuant to the authority conferred by the foregoing resolution as if sub-section (1) of section 89 of the said Act did not apply to such allotment provided that:

- (i) this authorisation shall (unless previously revoked or varied) expire five years from the date of the passing of this resolution and shall be limited to the allotment of equity securities in connection with a rights issue in favour of holders of relevant shares and relevant employee shares in proportion (as nearly as may be) to their holdings of such shares or, in the case of securities convertible into shares, to the holding of shares which would fall to be allotted upon the exercise in full of the conversion rights, subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems arising under the laws of, or arising under the requirements of any recognised regulatory body in, any territory;
- (ii) this authorisation shall be limited to the allotment (otherwise than pursuant to paragraph (ii) above) of equity securities up to an aggregate nominal amount of £15,188,649 and shall (unless previously revoked or varied) expire at the end of the next annual general meeting of Midland Bank plc and;
- (iii) such authorisation shall extend beyond its expiry date to the allotment thereafter of equity securities pursuant to an offer or agreement duly made prior to the relevant date, and the passing of this resolution shall have effect completely and unconditionally to revoke the authorisation of Midland Bank plc conferred at its annual general meeting on Friday 7th May 1982 and numbered 14 in respect of sub-paragraph (i) thereof save that any allotment made pursuant to an offer or agreement requiring relevant securities to be allotted which may have been made pursuant to such authority prior to the revocation thereof shall be valid, and, for the purposes of this resolution, words and expressions defined in, or for the purposes of, Part IV of the Companies Act 1985 shall bear the same meaning herein.

No. 14259

The Companies Acts 1985

Resolutions

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Thursday 30th April 1987 the following Resolutions were duly passed:-

Ordinary Resolution

That the authorised share capital of the Company be increased from £315,000,000 to £400,000,000 by the creation of 85,000,000 shares of £1 each.

Special Resolution

That the directors be and they are hereby generally authorised in accordance with the section 95 of the Companies Act 1985 to allot equity securities wholly for cash, pursuant to the authority conferred by the foregoing resolution as if sub-section (1) of Section 89 of the said Act did not apply to such allotment provided that:

- (i) this authorisation shall (unless previously revoked or varied) expire five years from the date of the passing of this resolution and shall be limited to the allotment of equity securities in connection with a rights issue in favour of holders of relevant shares and relevant employee shares in proportion (as nearly as may be) to their holdings of such shares or, in the case of securities convertible into shares, to the holding of shares which would fall to be allotted upon the exercise in full of the conversion rights, subject only to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems arising under the laws of, or arising under the requirements of any recognised regulatory body in, any territory;
- (ii) this authorisation shall be limited to the allotment (otherwise than pursuant to paragraph (i) above) of equity securities up to an aggregate nominal amount of £15,457,325 and shall (unless previously revoked or varied) expire at the end of the next annual general meeting of Midland Bank plc and;

- (iii) such authorisation shall allow Midland Bank plc to make before such expiry, offers or agreements which would or might require the making of allotments after such expiry;

and the authority granted to the directors by resolution 10 passed at the annual general meeting held on 23rd April 1986 be and is hereby revoked.

For the purposes of this resolution, words and expressions defined in, or for the purposes of, Part IV of the Companies Act 1985 shall bear the same meaning herein.

No. 14259

The Companies Acts 1985

Resolutions

of

Midland Bank plc

At the Extraordinary General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Monday 10th August 1987 the following Resolution was passed:-

Ordinary Resolution

That:-

- a. the authorised share capital of the Bank be increased from £400,000,000 to £750,000,000 by the creation of 350,000,000 new Shares of £1 each;
- b. the Directors be and hereby are unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to allot Shares having a maximum aggregate nominal value of £232,926,169 in connection with the proposed rights issue as described in the circular to Shareholders of the Bank dated 23rd July 1987, and this authority shall expire on 30th September 1987;
- c. the Directors be and hereby are generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to allot relevant securities up to an aggregate nominal amount of £77,997,485, and this authority (unless previously revoked or varied) shall expire five years after the date of the passing of this Resolution but shall allow the Bank before such expiry to make an offer or agreement which would or might require relevant securities to be allotted after such expiry;
- d. the authorities conferred by paragraphs (b) and (c) of this Resolution shall be in addition to, and shall not vary, revoke or terminate, the authority conferred upon the Directors by Resolution 14 passed at the Annual General Meeting of the Bank held on 30th April 1987.

No. 14259

The Companies Acts 1985

Resolution

of

Midland Bank plc

At the Extraordinary General Meeting of Midland Bank plc held at the Head Office, Poultry, London EC2 on Monday 21 December 1987 the following Resolution was passed:-

Special Resolution

That:-

- a. pursuant to the provisions of the Circular to members of the Bank dated 27 November 1987:-
 - (1) the Directors be and hereby are generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to allot relevant securities up to an aggregate nominal amount of £80,637,681 and this authority (unless previously revoked or varied) shall expire on 31 July 1988 but shall allow the Bank before such expiry to make an offer or agreement which would or might require relevant securities to be allotted after such expiry;
 - (2) the Directors be and hereby are empowered in accordance with Section 95 of the Companies Act 1985 pursuant to the authority conferred by paragraph (a) (1) of this Resolution to allot for cash to a subsidiary of The Hongkong and Shanghai Banking Corporation equity securities up to an aggregate nominal amount of £80,637,681 as if Section 89 (1) of that Act did not apply, and this powers shall expire on 31 July 1988 but shall allow the Bank before such expiry to make an offer or agreement which would or might require the allotment of such equity securities after such expiry;
- b. the authorities and powers conferred by paragraph (a) of this Resolution shall be in addition to, and shall not vary, revoke or terminate, the authorities and powers conferred upon the Directors by Resolutions 14 and 15 passed at the Annual General Meeting of the Bank held on 30 April 1987 and by the Resolution passed at the Extraordinary General Meeting of the Bank held on 10 August 1987;

- c. the proposals for the transfer of assets and operations and other future business arrangements between the Bank and The Hongkong and Shanghai Banking Corporation more specifically described in such circular be and they are hereby approved and that the Board of Directors of the Bank be and it is hereby authorised to implement such proposals in such manner as it may consider appropriate.

No. 14259

The Companies Acts 1985

Resolutions

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Merchant Taylors' Hall, 30 Threadneedle Street, London EC2 on Thursday 28th April 1988 the following Resolutions were duly passed:-

Special Resolution (directors' authority to allot shares and disapplication of pre-emption rights)

That the Articles of Association of the Bank be altered by the deletion of Article 8 and the substitution therefore of the following new Article:-

"8. (A)

Subject to the provisions of the statutes and any relevant resolution of the Company, all shares from time to time unissued shall be at the disposal of the directors and they may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

- (B)
- (1) Pursuant to and in accordance with section 80 of the Companies Act 1985 ("the 1985 Act") the directors shall be generally authorised to exercise during the prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the prescribed amount.
 - (2) Pursuant to and within the terms of the said authority and in accordance with section 95 of the 1985 Act the directors shall be empowered.
 - a. during the special prescribed period to allot wholly for cash equity securities not exceeding in nominal amount the limit stated in sub-paragraph (3) below; and
 - b. during the five years following the beginning of the special prescribed period to allot wholly for cash equity securities in connection with a rights issue

as if section 89 (1) of the 1985 Act did not apply to any such allotment.

Special Resolution (directors; authority to allot shares and
disapplication of pre-emption rights)
(Continued)

- (3) The aggregate nominal amount of equity securities allotted wholly for cash during each special prescribed period pursuant to the power in sub-paragraph 2 (a) above shall not exceed 5% of the issued ordinary share capital of the Company as shown in its audited accounts published most recently before the beginning of that period.
- (4) The said authority and the said power shall allow the Company before the expiry of a prescribed period or, as the case may be, a special prescribed period to make an offer or agreement which would or might require the allotment of relevant securities, or as the case may be, equity securities and after such expiry and the directors may, notwithstanding such expiry, allot relevant securities or, as the case may be, equity securities in pursuance of such offer or agreement.
- (5) For the purposes of this paragraph (B):-
 - (a) "prescribed period" means in the first instance the period expiring five years after the date of the adoption of this Article and shall include any other period (not exceeding five years on any occasion) for which the authority conferred by sub-paragraph (1) above is renewed or extended by ordinary resolution stating the prescribed amount for such period;
 - (b) "special prescribed period" means in the first instance the period from the date of adoption of this Article to the conclusion of the annual general meeting in 1989 (or 28 July 1989, if earlier) and shall include any other period (not exceeding fifteen months on any occasion) for which the power conferred by sub-paragraph (2) above is renewed by special resolution;
 - (c) "prescribed amount" shall for the first prescribed period be £182,208,794 and for any other prescribed period shall be the amount stated in the relevant ordinary resolution;
 - (d) "rights issue" means an offer of securities open for acceptance for a period fixed by the directors to holders of relevant shares and relevant employee shares in proportion (as nearly as may be) to their holdings of such shares (or, in the case of securities convertible into shares, to the holding of shares which would fall to be allotted upon exercise in full of conversion rights) but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical

problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;

- (e) words and expressions defined in the 1985 Act shall bear the same meanings."

and, to the extent not exercised, the authorities and powers conferred on the directors by resolutions 14 and 15 passed at the annual general meeting of the Bank held on 30 April 1987 and by paragraph (c) of the resolution passed at the extraordinary general meeting of the Bank held on 10 August 1987 be and hereby are revoked.

Special Resolution (Scrip Dividend Scheme)

- (a) That the Articles of Association of the Bank be altered by adding the following new Article 114A:-

"114A Subject to and without prejudice to the provisions of Articles 112, 113 and 114, the directors may offer the holders of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of all or part of such dividend or dividends as may be declared by the Company pursuant to Article 112 or, as the case may be, by the Directors pursuant to Article 113, subject to such exclusions or restrictions as the Directors may, in their absolute discretion, deem necessary or desirable in relation to compliance with legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in, any territory.

The following provisions shall apply:

- (1) the directors shall not exercise their powers under this Article in respect of a particular dividend unless the Company in general meeting has authorised the exercise of those powers in respect of that dividend or in respect of dividends (including that dividend) to be declared or paid during or in respect of a specified period;
- (2) the basis of allotment shall be determined by the directors so that, as nearly as may be considered convenient without involving any rounding-up of fractions, the value (calculated by reference to the average quotation) of the new shares (including any fractional entitlement) to be allotted instead of any amount of dividend shall equal such amount. For such purpose, the "average quotation" of a share shall be the average of the middle market quotations for a fully paid share of the Company 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 shareholder 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 including but not limited to the giving of notice to shareholders of the right of election offered to them, the provision of forms of election (whether in respect of a particular dividend or dividends or generally) and determination of the procedure for making and revoking such elections and the place at which, and the latest time by which, forms of election and any other relevant documents must be lodged in order to be effective;
- (5) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be declared or payable on shares in respect whereof the said election has been duly made (the "elected shares") and instead thereof additional 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 reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the directors may determine, a sum equal to the aggregate nominal amount of the additional 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. A resolution of the directors capitalising any part of the reserves or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 122 and in relation to any such capitalisation the directors may exercise all the powers conferred on them by paragraph (3) of that Article without need of such ordinary resolution;
- (6) the additional ordinary 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 except that the shares so allotted will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date" and
- (b) the directors be and hereby are authorised to exercise the powers conferred on them by Article 114A of the Banks Articles of Association (scrip dividends) in respect of any dividend to be declared by the directors before the annual general meeting in 1989.

No. 14259

The Companies Acts 1985

Resolution

of

Midland Bank plc

At the Annual General Meeting of the above named Company convened and held on 27 April 1989 the following resolutions were passed, the first two as Ordinary Resolutions and the third as a Special Resolution.

Ordinary Resolution

Capitalisation Issue

- (a) the authorised share capital of the Bank be increased from £750,000,000 to £1,000,000,000 by the creation of 250,000,000 shares of £1 each;
- (b) such part of the sum standing to the credit of the Bank's property revaluation reserves as shall equal two fifths of the aggregate nominal value of:-
 - (i) the shares of the bank in issue at the close of business on 7 April 1989 ("the record date"); and
 - (ii) the shares of the Bank allotted pursuant to valid elections to receive the scrip dividend alternative in lieu of the second interim dividend for 1988 ("the scrip dividend shares")

be capitalised and applied in paying up in full new shares of £1 each in the capital of the Bank to be allotted at par as fully paid up and distributed to and amongst the registered holders at the record date of the shares then in issue in the proportion of two new shares for every five shares then held and to and amongst the allottees of the scrip dividend shares in the proportion of two new shares for every five scrip dividend shares allotted (save that fractions of new shares will not be allotted but will be aggregated and sold in the market and the proceeds of sale, less expenses of sale and distribution, will be distributed among shareholders in proportion to their respective entitlements, if any, except that sums of less than £2.50 will be retained for the benefit of the Bank) and so that the new shares shall rank pari passu with the shares in issue at the record date save that they shall not rank for any dividend declared or payable in respect of the year end 31 December 1988.

- (c) the Directors be and hereby are authorised in accordance with section 80 of the Companies Act 1985 to allot shares having a maximum aggregate nominal value of £227 million in connection with the capitalisation issue referred to in paragraph (b) of this resolution and so that this authority shall expire on 31 May 1989 and shall be in addition to the authority conferred on the Directors by resolution 10 passed at the annual general meeting of the Bank held on 28 April 1988 and any renewal of such authority effected by the passing of resolution 12 comprised in this notice.

Directors' Authority to Allot Shares

That the general authority conferred on the Directors by Article 8(B) (1) of the Articles of Association of the Bank be renewed for a period of five years from the date of the passing of this resolution and that for such period the prescribed amount (as referred to in that article) be £183,195,911 or, if resolution 11 comprised in this notice shall be passed, £205,173,656

Special Resolution

Disapplication of pre-emption rights

That for the purposes of Article 8 of the Articles of Association of the Bank:-

- (a) the power conferred by paragraph (B) (2) (a) of that Article (disapplication for small cash issues) be renewed and the special prescribed period (as referred to in that Article) be the period from the date of the passing of this resolution to the conclusion of the annual general meeting in 1990 (or 27 July 1990, if earlier) provided that (notwithstanding anything in the Articles of Association of the Bank), if resolution 12 comprised in this notice shall be passed, the maximum aggregate nominal value of shares which the Directors shall be empowered to allow for cash pursuant to this resolution shall be £39,743,817; and
- (b) conditionally upon the passing of resolution number 12 comprised in this notice, the power conferred by paragraph (B) (2) (b) of that article (five year disapplication for rights issues) be renewed.

No. 14259

The Companies Acts 1985

Resolutions

of

Midland Bank plc

At the Extraordinary General Meeting of Midland Bank plc held at the Merchant Taylors' Hall, 30 Threadneedle Street, London EC2 on Thursday 27 April 1989 the following Resolutions were duly passed:

That

- (1) the authorised share capital of the bank be increased by the creation of 150,000,000 non-cumulative preference shares of £1 each and by the creation of 2,500,000 non-cumulative preference shares of US\$100 each, such shares having attached thereto the respective rights and being subject to the respective limitations set out in the Articles of Association of the Bank as altered by paragraph (4) of this resolution;
- (2) in addition to and without prejudice to the authority conferred by Article 8(B)(1) of the Bank's Articles of Association, the Directors be and hereby are generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Bank to allot all the 150,000,000 non-cumulative preference shares of £1 each and 2,500,000 non-cumulative shares of US\$100 each created by paragraph (1) of this resolution, and this authority (unless previously revoked or varied) shall expire on 26th April 1994 but shall allow the Bank before such expiry to make an offer or agreement which would or might require the allotment of all or any of those shares after such expiry;
- (3) each of the shares of £1 each comprised in the authorised capital of the bank immediately prior to the passing of this resolution be re-designated as an ordinary share of £1;

The Articles of Association of the Bank be amended in the following manner:-

- A. by the deletion of Article 3 and the substitution therefore of the following new Article 3:-
- "3. The share capital of the Company at the time of adoption of this Article is £900,000,000 divided into 750,000,000 ordinary shares of £1 each ("ordinary shares") and

150,000,000 non-cumulative preference shares of £1 each ("sterling preference shares") and US\$250,000,000 divided into 2,500,000 non-cumulative preference shares of US\$100 each ("dollar preference shares")."

Provided that, if resolution 11 in the notice of Annual General Meeting of the Bank dated 28th March 1989 shall be passed, there shall be substituted for the figures "900,000,000" and "750,000,000" as set out above in new Article 3 the figures "1,150,000,000" and "1,000,000,000" respectively.

B. by the insertion after Article 3 of the following new Article:-

3A Sterling Preference Shares

- (1) The sterling preference shares shall rank pari passu inter se and with the dollar preference shares. They shall confer the rights and be subject to the limitations set out in this Article. They shall also confer such further rights (not being inconsistent with the rights set out in this Article) as may be attached by the Directors to such shares prior to allotment. Whenever the Directors have power under this Article to determine any of the rights attached to any of the sterling preference shares, the rights so determined need not be the same as those attached to the sterling preference shares which have then been allotted or issued.
- (2) Each sterling preference share shall confer the following rights as to dividend, capital, the receipt of notices of meetings, attendance at meetings and voting:-

Income

- (a) the right (subject to the provisions of paragraph (4) of this Article, if applicable) to a non-cumulative preferential dividend payable at such rate (whether fixed or variable) on such dates and on such other terms and conditions as may be determined by the Directors prior to allotment thereof;

Capital

- (b) the right in a winding up or upon any other return of capital of the Company, other than (unless otherwise provided by the terms of issue of such share) a redemption or purchase of any shares by the Company, to receive out of the assets of the Company available for distribution to its members pari passu with the holders of any other shares of the Company ranking pari passu with such share as regards repayment of capital and in

priority to the holders of the ordinary shares of the Company:-

(i) a sum equal to:-

- (A) the amount of any dividend which is due for payment after the date of commencement of the winding up or other return of capital but which is payable in respect of a period ending on or before such date; and
- (B) if the date of commencement of the winding up or other return of capital falls before the last day of a period in respect of which a dividend would have been payable and which began before such date, any further amount of dividend which would have been payable had such date been the last day of that period

but only to the extent that any such amount or further amount was, or would have been, payable as a cash dividend in accordance with or pursuant to this Article; and

- (ii) subject thereto, a sum equal to the amount paid up or credited as paid up on such share together with such premium (if any) as may be determined by the Directors prior to allotment therefore (and so that the Directors may determine that such premium is payable only in specified circumstances);

Receipt of Notices

- (c) the right to have sent to the holder of such share (at the same time as the same are sent to the holders of ordinary shares) all notices of general meetings of the Company and a copy of every circular or other like document sent out by the Company to the holders of ordinary shares;

Attendance and Voting at Meetings

- (d) the right to attend and vote at general meetings of the Company if but only if:-
 - (i) the dividend most recently payable on such share due to be paid prior to such meeting shall not have been paid in cash; or
 - (ii) a resolution is to be proposed at the meeting varying or abrogating any of the rights attached to the class of shares of which such share forms part, and then to vote only on any such resolution.

Whenever holders of sterling preference shares are entitled to vote on a resolution on a show of hands every such holder who is present in person shall have

one vote and on a poll every such holder who is present in person or by proxy shall have one vote for every £1 in a nominal amount of sterling preference share capital held by him.

Limitations

- (3) No sterling preference share shall:-
- (a) confer any right to participate in the profits or assets of the Company other than that set out in sub-paragraphs (2) (a) and (b) of this Article;
- (b) subject to the Statutes, confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for additional shares in the Company;
- (c) confer any right of conversion; or
- (d) confer any right to participate in any issue of bonus shares save as set out in sub-paragraph 4 (d) of this Article.

Further Provisions as to Income

- (4) The following shall apply in relation to any particular sterling preference shares ("relevant sterling preference shares") if so determined by the Directors prior to allotment thereof:-
- (a) if, on any date on which a dividend would otherwise fall to be paid on any relevant sterling preference shares, the profits of the Company available for distribution are insufficient to enable payment in full to be made of such dividend, then none of such dividend shall be payable. If it shall subsequently appear that any such dividend which has been paid should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
- (b) if in the judgement of the Directors, the payment of any dividend on any relevant sterling preference shares would breach or cause a breach of the Bank of England's capital adequacy requirements from time to time applicable to the Company, then none of such dividend shall be payable;
- (c) if a dividend on any relevant sterling preference shares is not payable for the reasons specified in sub-paragraphs (a) or (b) above:-

- (i) the holders of such shares shall have no claim in respect of such non-payment save as provided by sub-paragraph (d) below;
 - (ii) if they so resolve, the Directors may, subject to the Statutes, pay a special non-cumulative preferential dividend on the relevant sterling preference shares at a rate not exceeding 0.1p per share (and so that references elsewhere in this Article and in Articles 3B, 112, 113 and 121 to any dividend payable on any sterling preference shares shall not be treated as including a reference to any such special dividend);
- (d) (i) the provisions of this sub-paragraph (d) shall apply where any dividend otherwise payable on a particular date on any relevant sterling preference shares (a "relevant instalment") is, for the reasons specified in sub-paragraphs (a) or (b) above, not payable and the amounts (if any) standing to the credit of any of the Company's reserves, including capital redemption reserve (if any) and share premium account (if any), or profit and loss account and available for the purpose are in aggregate sufficient to be applied and capable of being applied in paying up in full at par additional sterling preference shares on the basis hereinafter provided in this sub-paragraph (d);
- (ii) on the date for payment of the relevant instalment had such instalment been paid in cash, the Directors shall, subject to the Statutes, allot and issue credited as fully paid to each holder of relevant sterling preference shares such additional nominal amount of sterling preference shares (disregarding any fractional entitlement) as is equal to an amount determined by multiplying the cash amount of the relevant instalment which would have been payable to him had such instalment been payable in cash (exclusive of any imputed tax credit) by a factor to be determined by the Directors prior to allotment of the relevant sterling preference shares;
 - (iii) for the purposes of paying up additional sterling preference shares to be allotted pursuant to this sub-paragraph (d), the Directors shall appropriate, out of such of the accounts or reserves of the Company available for the purpose as they shall determine, a sum equal to the aggregate nominal amount of the additional sterling preference shares then to be allotted and shall make all appropriations and applications of such sum and all allotments and issues of fully paid sterling preference shares and generally do all acts and things required to give effect thereto as they shall determine to be necessary or expedient for the purpose of giving effect to this sub-paragraph (d);

- (iv) as from the date of allotment thereof the additional sterling preference shares allotted pursuant to this sub-paragraph (d) shall confer the same rights and be subject to the same limitations as, and shall rank pari passu in all respects with, the relevant sterling preference shares save only as regards participation in the relevant instalment;
- (v) if any additional sterling preference shares falling to be allotted pursuant to this sub-paragraph (d) cannot be allotted by reason of any insufficiency in the Company's authorised share capital or in the amount of relevant securities which the Directors are authorised to allot in accordance with Section 80 of the Companies Act 1985, the Directors shall convene a general meeting, to be held as soon as practicable, for the purpose of considering a resolution or resolutions effecting an appropriate increase in the authorised share capital and granting the Directors appropriate authority to allot relevant securities.

Redemption

- (5) (a) Unless otherwise determined by the Directors in relation to any particular sterling preference shares prior to allotment thereof, the sterling preference shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company. In the case of any particular sterling preference shares which are to be so redeemable:-
 - (i) such shares shall be redeemable at par together with (A) the sum which would have been payable pursuant to sub-paragraph (2) (b) (i) of this Article if the date fixed for redemption had been the date of commencement of a winding up of the Company and (B) such premium (if any), whether fixed or variable, as the Directors shall determine prior to allotment of such shares;
 - (ii) such shares shall be redeemable during such period as the Directors shall prior to allotment thereof determine commencing with the first date on which a dividend is payable on such shares or with such later date as the Directors shall prior to allotment thereof determine;
 - (iii) prior to allotment of such shares the Directors shall determine whether the Company may redeem (A) all (but not merely some) of such shares or (B) all or any of such shares, and the basis on which any necessary selection of such shares for redemption is to be made from time to time.

- (b) The Company shall give to the holders of the sterling preference shares to be redeemed not less than 14 days' notice in writing of the date on which such redemption is to be effected. Such notice shall specify the place at which the certificates for such sterling preference shares are to be presented for redemption and upon such date each of such holders shall be bound to deliver to the Company at such place the certificates for such of those sterling preference shares as are held by him. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption.
- (c) As from the date fixed for redemption no dividend shall be payable on the sterling preference shares to be redeemed except on any such shares in respect of which, upon due presentation of the certificate relating thereto, payment of the moneys due at such redemption shall be refused.
- (d) Upon the redemption of any sterling preference shares the nominal amount of such shares comprised in the capital of the Company shall thereafter be divided into, and reclassified, as ordinary shares without any further resolution or consent.
- (e) The receipt of the registered holder for the time being of any sterling preference shares or, in the case of joint registered holders, the receipt of any of them for the moneys payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.

Purchase

- (6) (a) Subject to the provisions of the Statutes the Company may at any time purchase any sterling preference shares (a) in the market, (b) by tender (available alike to all holders of the same class of sterling preference shares) or (c) by private treaty, in each case upon such terms as the Directors shall determine.
- (b) Upon the purchase of any sterling preference shares the nominal amount of such shares comprised in the capital of the Company shall thereafter be divided into, and reclassified as, ordinary shares without any further resolution or consent.

Consolidation and Division

- (7) Pursuant to the authority given by the passing of this resolution the Directors may consolidate and divide and/or sub-divide any sterling preference shares into shares of a larger or smaller amount.

Restriction on Capitalisation

- (8) Save with the written consent of the holders of three quarters in nominal value of, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of, the sterling preference shares, the Directors shall not pursuant to paragraph (1) of Article 122 capitalise any part of the amounts available for distribution and referred to in that paragraph if after such capitalisation the aggregate of such amounts would be less than a multiple, determined by the Directors prior to the first allotment of sterling preference shares, of the aggregate amount of the annual dividends (exclusive of any imputed tax credit) payable on the sterling preference shares then in issue and any other preference shares then in issue ranking as regards dividend *pari passu* with or in priority to them or any of them.

Further Preference Shares

- (9) The special rights attached to any sterling preference shares allotted or in issue shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any dollar preference shares or of further shares ("new shares") ranking as regards participation in the profits and assets of the Company *pari passu* with or in priority to such sterling preference shares and so that any new shares ranking *pari passu* with such sterling preference shares may either carry rights identical in all respects with such sterling preference shares or any of them or rights differing therefrom in any respect including but without prejudice to the generality of the foregoing in that:-
- (a) the rate of dividend may differ and the dividend may be cumulative or non-cumulative;
 - (b) the new shares or any series thereof 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;
 - (c) a premium may be payable on return of capital or there may be no such premium;
 - (d) the new shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable, and if redeemable at the option of the Company they may be

redeemable at different dates and on different terms from those applying to the sterling preference shares; and

- (e) the new 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 pari passu with or after such sterling preference shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof;

- (C) By the insertion after new Article 3A of the following new Article:-

3B Dollar Preference Shares

- (1) The dollar preference shares shall rank pari passu inter se and with the sterling preference shares. They shall confer the rights and be subject to the limitations set out in this Article. They shall also confer such further rights (not being consistent with the rights set out in this Article) as may be attached by the Directors to such shares prior to allotment. Whenever the Directors have power under this Article to determine any of the rights attached to any of the dollar preference shares, the rights so determined need not be the same as those attached to the dollar preference shares which have then been allotted or issued.
- (2) Each dollar preference share shall confer the following rights as to dividend, capital, the receipt of notices of meetings, attendance at meetings and voting:-

Income

- (a) the right (subject to the provisions of paragraph (4) of this Article, if applicable) to a non-cumulative preferential dividend payable in US dollars at such rate (whether fixed or variable) on such dates and on such other terms and conditions as may be determined by the Directors prior to allotment thereof;

Capital

- (b) the right in a winding up or upon any other return of capital of the Company, other than (unless otherwise provided by the terms of issue of such share) a redemption or purchase of any shares by the Company to receive in US dollars out of the assets of the Company available for distribution to its members pari passu with the holders of any other shares of the Company ranking pari passu with such share as regards repayment of capital and in priority to the holders of the ordinary shares of the Company:-

- (i) a sum equal to:-
 - (A) the amount of any dividend which is due for payment after the date of commencement of the winding up or other return of capital but which is payable in respect of a period ending on or before such date; and
 - (B) if the date of commencement of the winding up or other return of capital falls before the last day of a period in respect of which a dividend would have been payable and which began before such date, any further amount of dividend which would have been payable had such date been the last day of that period
- but only to the extent that any such amount or further amount was, or would have been, payable as a cash dividend in accordance with or pursuant to this Article; and
- (ii) subject thereto, a sum equal to the amount paid up or credited as paid up on such share together with such premium (if any) as may be determined by the Directors prior to allotment thereof (and so that the Directors may determine that such premium is payable only in specified circumstances);

Receipt of Notices

- (c) the right to have sent to the holder of such share (at the same time as the same are sent to the holders of ordinary shares) all notices of general meetings of the Company and a copy of every circular or other like document sent out by the Company to the holders of ordinary shares;

Attendance and Voting at Meetings

- (d) the right to attend and vote at general meetings of the Company if but only if:-
 - (i) the dividend most recently payable on such share due to be paid prior to such meeting shall not have been paid in cash; or
 - (ii) a resolution is to be proposed at the meeting varying or abrogating any of the rights attached to the class of shares of which such share forms part, and then to vote only on any such resolution.

Whenever holders of dollar preference shares are entitled to vote on a resolution, on a show of hands every such holder who is present in person shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote for every £1 of the sterling amount determined by the Directors as being equivalent to the nominal amount of dollar

preference share capital held by him, such determination to be made by applying an appropriate rate of exchange (selected by the Directors) prevailing at the date, or respective dates, of allotment of such share capital.

Limitations

- (3) No dollar preference share shall:-
- (a) confer any right to participate in the profits or assets of the Company other than that set out in sub-paragraphs (2) (a) and (b) of this Article;
- (b) subject to the Statutes, confer any right to participate in any offer or invitation by way of rights or otherwise to subscribe for additional shares in the Company;
- (c) confer any right of conversion; or
- (d) confer any right to participate in any issue of bonus shares save as set out in sub-paragraph 4 (d) of this Article.

Further Provisions as to Income

- (4) The following shall apply in relation to any particular dollar preference shares ("relevant dollar preference shares") if so determined by the Directors prior to allotment thereof:-
 - (a) if, on any date on which a dividend would otherwise fall to be paid on any relevant dollar preference shares, the profits of the Company available for distribution are insufficient to enable payment in full to be made of such dividend, then none of such dividend shall be payable.

If it shall subsequently appear that any such dividend which has been paid should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Director shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
 - (b) if in the judgement of the Directors the payment of any dividend on any relevant dollar preference shares would breach or cause a breach of the Bank of England's capital adequacy requirements from time to time applicable to the Company, then none of such dividend shall be payable;
 - (c) if a dividend on any relevant dollar preference shares is not payable for the reasons specified in sub-paragraphs (a) or (b) above:-

- (i) the holders of such shares shall have no claim in respect of such non-payment save as provided by sub-paragraph (d) below;
 - (ii) if they so resolve, the Directors may, subject to the Statutes, pay a special non-cumulative preferential dividend on the relevant dollar preference shares at a rate not exceeding 1 US cent per share (and so that references elsewhere in this Article and in Articles 3A, 112, 113 and 121 to any dividend payable on any dollar preference shares shall not be treated as including a reference to any such special dividend);
- (d)
- (i) the provisions of this sub-paragraph (d) shall apply where any dividend otherwise payable on a particular date on any relevant dollar preference shares (a "relevant instalment") is, for the reasons specified in sub-paragraphs (a) or (b) above, not payable and the amounts (if any) standing to the credit of any of the Company's reserve accounts, including capital redemption reserve (if any) and share premium account (if any), or profit and loss account and available for the purpose are in aggregate sufficient to be applied and capable of being applied in paying up in full at par additional dollar preference shares on the basis hereinafter provided in this sub-paragraph (d);
 - (ii) on the date for payment of the relevant instalment had such instalment been paid in cash, the Directors shall, subject to the Statutes, allot and issue credited as fully paid to each holder of relevant dollar preference shares such additional nominal amount of dollar preference shares (disregarding any fractional entitlement) as is equal to an amount determined by multiplying the cash amount of the relevant instalment which would have been payable to him had such instalment been payable in cash (exclusive of any imputed tax credit) by a factor to be determined by the Directors prior to allotment of the relevant dollar preference shares;
 - (iii) for the purposes of paying up additional dollar preference shares to be allotted pursuant to this sub-paragraph (d), the Directors shall appropriate, out of such of the accounts or reserves of the Company available for the purposes as they shall determine (including any reserve denominated in pounds sterling and permitted by law to be so appropriated), a sum equal to the aggregate nominal amount of the additional dollar preference shares then to be allotted and shall make all appropriations and applications of such sum and all allotments and issues of fully paid dollar preference shares and generally do all acts and things required to give effect thereto

as they shall determine to be necessary or expedient for the purpose of giving effect to this sub-paragraph (d);

(iv)

(A) this sub-paragraph (d) (iv) shall apply in any case where the amounts standing to the credit of the accounts and reserves of the Company available for the purpose are not in aggregate sufficient to allow the Company lawfully to allot all or some additional dollar preference shares ("unallotted shares") which would otherwise fall to be allotted pursuant to sub-paragraph (d) (ii) above but would be sufficient were the Company to allot sterling preference shares of an aggregate nominal amount, determined by the Directors in the manner described below, equivalent to the aggregate nominal amount of the unallotted shares;

(B) in any such case the Company shall allot to the persons to whom the unallotted shares would have been allotted a number of additional sterling preference shares of an aggregate nominal amount, credited as fully paid, determined by the Directors as being equivalent to the aggregate nominal amount of the unallotted shares (had they been allotted), such determination to be made by applying an appropriate rate of exchange (selected by the Directors) prevailing at the date on which, but for the reasons specified in sub-paragraphs (a) or (b) above, the relevant instalment would have been payable (but so that fractions of a share shall not be allotted);

(C) such additional sterling preference shares shall carry such rights as to dividend, capital, voting and otherwise as the Directors deem expedient for the purpose of ensuring so far as practicable that the holders of such additional sterling preference shares shall be in no different position from that in which they would have been had they received the unallotted shares and so that (without prejudice to the generality of the foregoing):-

(1) whenever the effect on such additional sterling preference shares of any variation or abrogation of the kind referred to in Article 7(3) is, in the opinion of the Directors, substantially the same as its effect on the dollar preference shares in right of which such additional sterling preference shares were allotted, then such additional sterling preference shares shall be treated as forming part of the same class as such dollar preference shares; and

- (2) for the purposes of any such meeting or written consent as referred to in Article 7 (3) and notwithstanding any other provision of these Articles, the number of votes exercisable by a holder of such additional sterling preference shares and the nominal value thereof shall be determined by the Directors by converting the nominal amount of the holding of such additional sterling preference shares into US dollars at the rate of exchange referred to in (B) above (but ignoring any fractions thereby arising);
- (v) as from the date of allotment thereof the additional dollar preference shares so allotted pursuant to this sub-paragraph (d) shall confer the same rights and be subject to the same limitations as, and shall rank pari passu in all respects with, the relevant dollar preference shares save only as regards participation in the relevant instalment;
- (vi) if any additional dollar preference shares falling to be allotted pursuant to this sub-paragraph (d) cannot be allotted by reason of any insufficiency in the Company's authorised share capital or in the amount of relevant securities which the Directors are authorised to allot in accordance with Section 80 of the Companies Act 1985, the Directors shall convene a general meeting, to be held as soon as practicable, for the purpose of considering a resolution or resolutions effecting an appropriate increase in the authorised share capital and granting the Directors appropriate authority to allot relevant securities.

Redemption

- (5) (a) Unless otherwise determined by the Directors in relation to any particular dollar preference shares prior to allotment thereof, the dollar preference shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company. In the case of any particular dollar preference shares which are to be so redeemable:-
 - (i) such shares shall be redeemable at par together with (A) the sum which would have been payable pursuant to sub-paragraph (2) (b) (i) of this Article if the date fixed for redemption had been the date of commencement of a winding up of the Company and (B) such premium (if any), whether fixed or variable, as the Directors shall determine prior to allotment of such shares;
 - (ii) such shares shall be redeemable during such period as the Directors shall prior to allotment thereof determine commencing with the first date on which a dividend is payable on such shares or with such later

date as the Directors shall prior to allotment thereof determine;

- (iii) prior to allotment of such shares the Directors shall determine whether the Company may redeem (A) all (but not merely some) of such shares or (B) all or any of such shares, and the basis on which any necessary selection of such shares for redemption is to be made from time to time.
- (b) The Company shall give to the holders of the dollar preference shares to be redeemed not less than 14 days' notice in writing of the date on which such redemption is to be effected. Such notice shall specify the place at which the certificates for such dollar preference shares are to be presented for redemption and upon such date each of such holders shall be bound to deliver to the Company at such place the certificates for such of those dollar preference shares as are held by him. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption.
- (c) As from the date fixed for redemption no dividend shall be payable on the dollar preference shares to be redeemed except on any such shares in respect of which, upon due presentation of the certificate relating thereto, payment of the moneys due at such redemption shall be refused.
- (d) The receipt of the registered holder for the time being of any dollar preference shares or, in the case of joint registered holders, the receipt of any of them for the moneys payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof.

Purchase

- (6) Subject to the provisions of the Statutes the Company may at any time purchase any dollar preference shares (a) in the market, (b) by tender (available alike to all holders of the same class of dollar preference shares) or (c) by private treaty, in each case upon such terms as the Directors shall determine.

Consolidation and Division

- (7) Pursuant to the authority given by the passing of this resolution, the Directors may consolidate and divide and/or sub-divide any dollar preference shares into shares of a larger or smaller amount.

Restriction on Capitalisation

- (8) Save with the written consent of the holders of three quarters in nominal value of, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of, the dollar preference shares, the Director shall not pursuant to paragraph (1) of Article 122 capitalise any part of the amounts available for distribution and referred to in that paragraph if after such capitalisation the aggregate of such amounts would be less than a multiple, determined by the Directors prior to the first allotment of dollar preference shares, of the aggregate amount of the annual dividends (exclusive of an imputed tax credit) payable on the dollar preference shares then in issue and any other preference shares then in issue ranking as regards dividend *pari passu* with or in priority to them or any of them.

Further Preference Shares

- (9) The special rights attached to any dollar preference shares allotted or in issue shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any sterling preference shares or of further shares ("new shares") ranking as regards participation in the profits and assets of the Company *pari passu* with or in priority to such dollar preference shares and so that any new shares ranking *pari passu* with such dollar preference shares may either carry rights identical in all respects with such dollar preference shares or any of them or rights differing therefrom in any respect including but without prejudice to the generality of the foregoing in that:-
- (a) the rate of dividend may differ and the dividend may be cumulative or non-cumulative;
 - (b) the new shares or any series thereof 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;
 - (c) a premium may be payable on return of capital or there may be no such premium;
 - (d) the new shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable, and if redeemable at the option of the Company they may be redeemable at different dates and on different terms from those applying to the dollar preference shares; and
 - (e) the new 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

pari passu with or after such dollar preference shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

(D) By the insertion in Article 4 after the word "determine" of the words "or as the Directors may from time to time determine pursuant to any power conferred on them by these Articles";

(E) By the insertion at the end of Article 5 of the following new sentence:-

"Unless otherwise provided by its terms of issue, the rights attached to any preference share shall not be deemed to be varied or abrogated by the purchase by the Company of any of its shares ranking as regards participation in the profits and assets of the Company pari passu with or after that preference share";

(F) By the insertion of Article 6 after the words "the terms of issue of that class" of the words "or by these Articles";

(G) By the deletion in Article 7 of the words "shall be entitled on a poll to vote" and the substitution therefore of the words "shall be entitled on a poll (subject to the provisions as to votes set out in paragraphs (2) and (3) of this Article) to one vote";

(H) By the re-designation of Article 7 as Article 7(1) and the insertion thereafter of the following new paragraphs:-

"(2) Whenever the rights attached to any particular sterling preference shares in issue differ from the rights attached to any other sterling preference shares in issue and:-

(a) some matter has arisen which would amount to a variation or abrogation of the rights attached to all those sterling preference shares and

(b) the effect of such variation or abrogation on all those sterling preference shares is, in the opinion of the Directors, substantially the same,

the rights attached to all those sterling preference shares may be varied or abrogated by the written consent of the holders of three fourths in nominal value of all those sterling preference shares or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of all those sterling preference shares.

Whenever any such separate general meeting of the holders of all those sterling preference shares is held pursuant to this paragraph, the second sentence of paragraph (1) of this Article shall apply to such meeting as if all those sterling preference shares formed one uniform class (but so that, if those sterling preference shares have differing nominal values, each holder shall be entitled on a poll to one vote for every £1 in nominal amount of such sterling preference share capital held by him);

(3) Whenever the rights attached to any particular dollar preference shares in issue differ from the rights attached to any other dollar preference shares in issue and:-

- (a) some matter has arisen which would amount to a variation or abrogation of the rights attached to all those dollar preference shares; and
- (b) the effect of such variation or abrogation on all those dollar preference shares is, in the opinion of the Directors, substantially the same,

the rights attached to all those dollar preference shares may be varied or abrogated by the written consent of the holders of three fourths in nominal value of all those dollar preference shares or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of all those dollar preference shares. Whenever any such separate general meeting of the holders of all those dollar preference shares is held pursuant to this paragraph, the second sentence of paragraph (1) of this Article shall apply to such meeting as if all those dollar preference shares formed one uniform class (but so that, if those dollar preference shares shall have differing nominal values, each holder shall be entitled on a poll to one vote for every US\$1 in nominal amount of such dollar preference share capital held by him)";

(I) By the insertion after Article 12 of the following new Article:-

"12A. The Company may issue share warrants to bearer in respect of any fully paid shares in the Company, stating that the bearer or a warrant is entitled to the shares represented thereby, and the Company may provide by coupons or otherwise for the payment of any future dividends on the shares so represented. Such powers shall be vested in the Directors who may determine and from time to time vary the conditions upon which warrants shall be issued. Without prejudice to the generality of the foregoing, the Directors may determine the conditions upon which any warrant or coupon shall be

replaced, but so that, in the case of the loss of warrant or coupon, no replacement warrant or coupon shall be issued unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed.

The Directors may also determine the conditions upon which the holder of a warrant shall be entitled to receive notice of, and to attend and vote at, general meeting of the Company and to join in requisitioning general meetings, and upon which a warrant may be surrendered and the name of the holder entered in the Register in respect of the shares represented thereby. Subject to such conditions and to these presents, the holder of a warrant shall be deemed to be a member for all purposes. The holder of a warrant shall hold the same subject to the conditions for the time being in force in regard to warrants for shares of the same class to which the warrant relates and whether such conditions are determined upon by the Directors before or after the issue of such warrant";

- (J) By the insertion at the end of Article 50 of the following new sentence:-

"Unless otherwise provided by its terms of issue, the rights attached to any preference share shall not be deemed to be varied or abrogated by a reduction of any share capital ranking as regards participation in the profits and assets of the Company *pari passu* with or after that preference share";

- (K) By the insertion at the end of paragraph (1)(A) of Article 56 of the words "and every Member holding sterling preference shares or dollar preference shares";

- (L) By the insertion in paragraph (1) of Article 58 after the words "and entitled to vote" of the words "at such meeting";

- (M) By the insertion in Articles 58(2) and 59 after the words "the Members present" of the words "and entitled to vote at such meeting";

- (N) By the deletion of Article 112 and the substitution therefore of the following new Article:-

"112. The Company in general meeting may declare dividends on the ordinary shares provided that:-

- (a) the dividend on the sterling preference shares and the dollar preference shares most recently payable prior to that general meeting shall have been paid in cash;
- (b) no such dividend on the ordinary shares shall exceed the amount recommended by the Directors

but nothing in paragraph (a) of this Article shall prevent the declaration of a dividend on the ordinary shares at a rate not exceeding 0.1 pence per ordinary share";

- (O) By the deletion of Article 113 and the substitution therefore of the following new Article:-

"113 (1) The Directors may from time to time pay an interim dividend on the ordinary shares provided that:-

- (a) the dividends on the sterling preference shares and the dollar preference shares that recently payable prior to the date of the final resolution to pay such interim dividend shall have been paid in cash, and
- (b) such interim dividend appears to the Directors to be justified by the profits of the Company

but nothing in sub-paragraph (a) above shall prevent the Directors from paying an interim dividend on the ordinary shares at a rate not exceeding 0.1 pence per ordinary share.

- (2) Provided that the Directors act bona fide they shall not incur any responsibility to the holders of any shares conferring a preference which may at any time be issued for any damage they may suffer by reason of the payment of an interim dividend on any shares ranking after such preference shares. A resolution of the Directors declaring any interim dividend shall (once announced) be irrevocable and have the same effect in all respect as if such dividend had been declared upon the recommendation of the Directors by an ordinary resolution of the Company;

- (P) By making the following alterations to Article 114A:-

1. the insertion before the word "shares" where it first and secondly occurs of the word "ordinary"; and
2. the insertion in paragraph (2) of the Article after the words "fully paid" of the word "ordinary".

- (Q) By the re-designation of Article 121 as Article 121(1) and the insertion thereafter of the following new paragraph.

"(2) Notwithstanding the provisions of paragraph (1) of this Article:-

- (a) the Directors shall not set aside out of profits and carry to any reserve fund referred to in paragraph (1), or carry forward in the manner described in paragraph (1), any sum then required for payment of

the dividend payable on any sterling preference shares or dollar preference shares; and

- (b) if at any time there shall be insufficient profits standing to the credit of profit and loss account (or any other of the Company's accounts or reserves and available for distribution) for the payment of any such dividend, the Directors shall withdraw from any such reserve fund referred to in paragraph (1) such sums as may be required for the payment of any such dividend (and so that the Directors shall not require the consent of the Company in general meeting to any such withdrawal). Subject to the Statutes, any sum so withdrawn (and any profits previously carried forward pursuant to paragraph (1) but subsequently required for the payment of any such dividend) may be applied in or towards payment of such dividend.
- (R) By the insertion at the beginning of paragraph (1) of Article 122 of the words "Subject to the provisions of Articles 3A(8) and 3B(8)";
- (S) By the insertion after Article 122 of the following heading and new Article:-

"Record Dates

122

(A) Notwithstanding any other provision of these Articles, the Company or the Directors may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before any date on which any such dividend, distribution, allotment or issue is paid or made and on or at any time before or after any date on which such dividend, distribution, allotment or issue is declared."
- (T) By the insertion in Article 127 after the words "the Company's shares" of the words "or any of them".

No. 14259

The Companies Acts 1985

Resolution

of

Midland Bank plc

At the Extraordinary General Meeting of Midland Bank plc held at Poultry, London EC2 on Monday 2nd October 1989 the following Resolution was duly passed as a special resolution:

That

- (1) the 2,500,000 non-cumulative preference shares of US\$100 each in the capital of the Bank be sub-divided into 10,000,000 non-cumulative preference shares of US\$25 each, having attached thereto the rights and being subject to the limitations set out in the Articles of Association of the Bank as altered by paragraph (4) of this resolution;
- (2) the authorised share capital of the Bank be increased by the creation of 10,000,000 non-cumulative preference shares of US\$25 each to rank pari passu in all respects with the 10,000,000 non-cumulative preference shares of US\$25 each arising on the sub-division effected by paragraph (1) of this resolution;
- (3) in addition to and without prejudice to the authority conferred by Article 8(B) (1) of the Articles of Association of the Bank or (save as hereinafter provided) to the authority conferred by the special resolution passed on 27 April 1989, the directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Bank to allot all the said 20,000,000 non-cumulative preference shares of US\$25 each, and this authority (unless previously revoked or varied) shall expire on 1 October 1994 but shall allow the Bank before such expiry to make an offer or agreement which would or might require the allotment of all or any of those shares after such expiry; and the said authority conferred on 27 April 1989, insofar as it relates to dollar preference shares, be and is hereby revoked; and
- (4) the alterations to the Articles of Association of the Bank as set out in Appendix 4 to the circular to ordinary shareholders of the Bank dated 8 September 1989 a copy of which was produced to the Meeting and initialled by the Chairman for the purpose of identification, be and are hereby approved.

No. 14259

The Companies Acts 1985

Resolutions

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Merchant Taylors' Hall, 30 Threadneedle Street, London EC2 on Tuesday 24th April 1990 the following Resolutions were duly passed:

That

9. Ordinary Resolution (Directors' authority to allot shares)

That the general authority conferred on the directors by article 8B(1) of the articles of association of the bank be renewed for a period of five years from the date of the passing of this resolution and that for such period the prescribed amount (as referred to in that article) be £221,331,112.

10. Special Resolution (Disapplication of pre-emption rights)

That for the purposes of article 8 of the articles of association of the bank:-

- (a) the power conferred by paragraph B(2)(a) of that article (disapplication for small cash issues) be renewed and the special prescribed period (as referred to in that article) be the period from the date of the passing of this resolution to the conclusion of the annual general meeting in 1991, or 23 July 1991 if earlier (so that the aggregate nominal amount of equity securities allotted for cash during such period shall not exceed 38,933,444).
- (b) conditionally upon the passing of resolution 9 comprised in this notice the power conferred by paragraph B(2)(b) of that article (five year disapplication for rights issues) be renewed.

No. 14259

The Companies Acts 1985

Resolutions

of

Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Merchant Taylors' Hall, 30 Threadneedle Street, London EC2 on Thursday, 2 May 1991, the following Resolutions were duly passed:

That

9 Ordinary resolution (Scrip dividend)

That the directors of the bank be and are hereby authorised to exercise the powers conferred on them by article 114A of the bank's articles of association in respect of any ordinary dividend declared by the shareholders in general meeting or by the directors before the annual general meeting of the bank in 1996.

10 Ordinary resolution (Directors' authority to allot shares)

That the general authority conferred on the directors by article 8B (1) of the articles of association of the bank be renewed for a period of five years from the date of the passing of this resolution and that for such period the prescribed amount (as referred to in that article) be £216,368,686.

11 Special resolution (Disapplication of pre-emption rights)

That for the purposes of article 8 of the articles of association of the bank:-

- (a) the power conferred by paragraph B (2) (a) of that article (disapplication for small cash issues) be renewed and the special prescribed period (as referred to in that article) be the period from the date of the passing of this resolution to the conclusion of the annual general meeting in 1992, or 2 August 1992 if earlier (so that the aggregate nominal amount of equity securities allotted for cash during such period shall not exceed £39,181,565).
- (b) conditionally upon the passing of resolution 10 comprised in this notice, the power conferred by paragraph B (2) (b) of that article (five year disapplication for rights issues) be renewed.

12 Special resolution (Summary financial statements)

That article 127 of the articles of association of the bank be and it is hereby amended by the insertion, immediately before the words "shall not less than twenty one days", of the following words:-

"or, where permitted, a summary financial statement or other document as may be authorised by the Statutes".

13 Special resolution (Investigation of share ownership)

That the articles of association of the bank be and they are hereby amended by the deletion of article 66 (when right to vote excluded) and the substitution therefor of the following new article:-

"66 (A) No Member shall, unless the Directors otherwise determine, be entitled in respect of any share held by that Member to vote at any general meeting either personally or by proxy or at any separate meeting of the holders of any class of shares or to exercise any other right conferred by membership in relation to any such meeting if any call or other sum presently payable by the Member in respect of that share remains unpaid.

(B) If any Member, or any other person appearing to be interested in any shares in the Company held by that Member, has been duly served with a notice (a "Section 212 Notice") under Section 212 of the Companies Act 1985 ("the Act") and is in default for the prescribed period in supplying to the Company the information thereby required, then at any time thereafter the Directors may at their absolute discretion by notice to such Member (a "direction notice") direct:-

(i) that in respect of shares in relation to which the default occurred ("default shares", which expression shall include any further shares issued after the date of the Section 212 Notice in right of the first-mentioned shares) such Member shall not be entitled to vote at any general meeting either personally or by proxy or at any separate meeting of the holders of any class of shares or to exercise any other rights conferred by membership in relation to any such meeting; and/or

(ii) if the default shares represent, at the date of the direction notice, 0.25 per cent or more of the issued shares of the relevant class of shares in the Company, that:-

- (a) any dividend (or part thereof) or other moneys which would otherwise be payable on such shares shall be retained by the Company until such time as the direction ceases to have effect (without any liability on the part of the Company to pay interest thereon) and that prior to such time the acceptance of an offer made by the Company under Article 114A in respect of any such dividend shall be of no effect; and/or
- (b) no transfer, other than an approved transfer, of any of the default shares shall be registered.
- (C) The Company shall send a copy of the direction notice to each other person appearing to be interested in the relevant default shares, the address of whom has been notified to the Company, but the failure or omission by the Company to do so shall not invalidate such notice.
- (D) Any direction notice shall have effect in relation to default shares in accordance with its terms but shall cease to have effect:-
 - (i) on the expiry of five business days after the Company has received in writing all information required in respect of those default shares by every Section 212 Notice served on the holder thereof and each other person appearing to be interested in such shares; or
 - (ii) if such shares are transferred by means of an approved transfer; or
 - (iii) if and to the extent that the Directors so determine.
- (E) Where any person appearing to be interested in any shares has been served with a Section 212 Notice and such shares are held by a recognised depository, the provisions of this Article shall be deemed to apply only to those shares held by the recognised depository in which such person appears to be interested and references to default shares shall be construed accordingly.
- (F) Where the Member on whom a Section 212 Notice has been served is a recognised depository, the obligations of the recognised depository acting in its capacity as such shall be limited to disclosing to the Company such information relating to any person appearing to be interested

in the shares held by it as has been recorded by the recognised depositary pursuant to the arrangements entered into by the Company or approved by the Directors pursuant to which it was appointed as a recognised depositary.

(G) For the purpose of this Article:-

- (i) a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification under Section 212 of the Act

which names such person as being so interested or if the Company (after taking into account the said notification and any other notification under the Act or any relevant information otherwise available to the Company) knows or has reasonable cause to believe that the person in question is, or may be, interested in the shares, and references in this Article to persons interested in shares and to interests in shares shall be construed in accordance with Section 212 (5) of the Act;

- (ii) the prescribed period in respect of any shares is 28 days from the date of service of the Section 212 Notice in respect thereof, except where the shares to which such notice relates represent, at the date of the notice, 0.25 per cent. or more of the issued shares of the relevant class of shares in the Company in which case such period shall be 14 days;

- (iii) a transfer is an approved transfer if (but only if):-

- (a) the transfer results from a sale made through a recognised investment exchange (as defined by the Financial Services Act 1986) or any stock exchange outside the United Kingdom on which the Company's shares (or rights in respect of those shares) are normally traded; or

- (b) it is a transfer of shares to an offeror by way of acceptance of or in pursuance of a take-over offer (within the meaning of Section 14 of the Company Securities (Insider Dealing) Act 1985) for the Company; or;
- (c) the Directors are satisfied that the transfer is made pursuant to a sale to a party who, in the opinion of the Directors, is not connected with the holder thereof or with any other person appearing to be interested in such shares prior to such transfer (being a party which itself is not the holder of any shares in the Company in respect of which a direction notice is then in force or a person appearing to be interested in any such shares) and the Directors do not have reasonable grounds to believe that the transferor or any other person appearing to be interested in such first-mentioned shares will following such transfer have any interest in such shares;
- (iv) a recognised depositary is a custodian or other person appointed under arrangements entered into with the Company or otherwise approved by the Directors whereby such custodian or other person holds or is interested, directly or indirectly through a nominee, in shares of the Company or rights or interests in respect thereof and issues securities or other documents of title, or maintains accounts, evidencing or recording the entitlement of the holders thereof, or account holders, to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Directors for the purposes of this Article and shall include, where so approved by the Directors, the trustees (acting in their capacity as such) of any employees' share scheme established by the Company;

- (v) a reference to a person being in default in supplying to the Company the information required by a Section 212 Notice includes a reference to his having failed or refused to give all or any part of it and also includes a reference to his having given information which he knows to be false in a material respect or having recklessly given information which is false in a material respect.
- (H) None of the provisions contained in this Article shall in any way limit or restrict the rights of the Company under Sections 212 and 216 of the Act or any order made by the court under Section 216 of the Act nor shall any sanction imposed by the Directors pursuant to this Article cease to have effect, otherwise than as provided in this Article, unless it is so ordered by the court."

No. 14259

The Companies Acts 1985

Resolutions
of
Midland Bank plc

At the Annual General Meeting of Midland Bank plc held at the Merchant Taylors' Hall, 30 Threadneedle Street, London EC2 on Tuesday, 5 May 1992 the following Resolutions were duly passed:

8 Ordinary resolution (Directors' authority to allot shares)

That the general authority conferred on the directors by article 8B(1) of the articles of association of the bank be renewed for a period of five years from the date of the passing of this resolution and that for such period the prescribed amount (as referred to in that article) be £215,090,622.

9 Special resolution (Disapplication of pre-emption rights)

That for the purposes of article 8 of the articles of association of the bank:-

- (a) the power conferred by paragraph B(2)(a) of that article (disapplication for small cash issues) be renewed and the special prescribed period (as referred to in that article) be the period from the date of the passing of this resolution to the conclusion of the annual general meeting in 1993, or 5 August 1993 if earlier (so that the aggregate nominal amount of equity securities allotted for cash during such period shall not exceed £39,245,469).
- (b) conditionally upon the passing of resolution 8 comprised in this notice, the power conferred by paragraph B(2)(b) of that Article (five year disapplication for rights issues) be renewed.

10 Special Resolution (Alteration to Articles of Association concerning preference shares and renewal of Directors' authority to allot preference shares)

That:

- (a) the alterations to the Articles of Association of the Bank as set out in the Appendix to the circular letter to ordinary shareholders dated 7 April 1992, a copy of which was produced to the Meeting and initialled by the Chairman for the purpose of identification, be and are hereby approved; and
- (b) in addition to and without prejudice to the authority conferred by Article 8B(1) of the Articles of Association of the Bank, the directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Bank to allot sterling-denominated non-cumulative preference shares up to an aggregate nominal amount of £150,000,000 and US dollar-denominated non-cumulative preference shares up to an aggregate nominal amount of US dollars 500,000,000 and this authority (unless previously revoked or varied) shall expire on 4 May 1997 but shall allow the Bank before such expiry to make an offer or agreement which would or might require the allotment of all or any of those shares after such expiry; and the authorities conferred by the special resolutions passed on 27 April 1989 (to the extent not previously revoked) and on 2 October 1989 (relating to dollar preference shares only) be and are hereby revoked.

APPENDIX

Proposed alterations to the articles of association

- (A) By the insertion at the end of the first sentence in each of Articles 3A(1) and 3B(1) of the following:

"and with all other shares expressed to rank pari passu therewith".
- (B) By the deletion in sub-paragraph (a) of each of Articles 3A(2) and 3B(2) of the word "if" and the substitution therefor of the words "to the extent".
- (C) By the deletion in sub-paragraph (d)(i) in each of Articles 3A(2) and 3B(2) of the words "most recently" and the addition after the words "such share" of the following:

"in respect of such period as the Directors may determine prior to allotment".
- (D) By the deletion in sub-paragraph (d)(iii) in Article 3A(4) of the word "appropriate" and the substitution therefor of the word "capitalise".

- (E) By the deletion in sub-paragraph (d)(iii) in Article 3B(4) of the words "appropriate" and "appropriated" and the substitution therefor of the words "capitalise" and "capitalised" respectively.
- (F) By the insertion in sub-paragraph (f) in each of Articles 3A(4) and 3B(4) after the word "below" of the words "if applicable".
- (G) By the deletion of Article 3A(5) and the substitution therefor of the following:

"Redemption

- (5) (a) Unless the Directors determine in relation to any particular sterling preference shares prior to allotment thereof that such shares shall be irredeemable, the sterling preference shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company.
- (b) In case of any series of sterling preference shares which are to be so redeemable:
 - (i) the Company, may, subject to the provisions of the Statutes, redeem on any Redemption Date (as hereinafter defined) all or some only of the sterling preference shares by giving to the holders of the sterling preference shares to be redeemed not less than 30 days' nor more than 60 days' prior notice in writing (a "Notice of Redemption") of the relevant Redemption Date.

"Redemption Date" means, in relation to the sterling preference share of a particular series, any date which falls no earlier than twenty-five years and one day after the first date of allotment of sterling preference shares of that series Provided that, in relation to any series of sterling preference shares allotted after the coming into force of Section 133 of the Companies Act 1989, the Directors may, prior to the allotment of such series, fix the date on or by which, or dates between which, the shares of such series are to be or may be redeemed and such date or dates fixed by the Directors may be different from or in addition to any date derived from or set out in the foregoing provisions of this sub-paragraph (b)(i);

- (ii) there shall be paid on each sterling preference share so redeemed, the aggregate of the nominal amount thereof and any premium paid on issue;
- (iii) in the case of redemption of some only of the sterling preference shares in any series, the Company shall for the purpose of determining the particular sterling preference shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may approve in the presence of the Auditors for the time being of the Company:
- (iv) any Notice of Redemption given under sub-paragraph (b)(i) above shall specify the applicable Redemption Date, the particular sterling preference shares to be redeemed and the redemption price, and shall state the place or places at which documents of title in respect of such sterling preference shares are to be presented and surrendered for redemption and payment of the redemption moneys is to be effected. Upon such Redemption Date, the Company shall redeem the particular sterling preference shares to be redeemed on that date subject to the provisions of this paragraph and of the Statutes. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;
- (v) the provisions of this and the following sub-paragraphs shall have effect in relation to sterling preference shares for the time being issued and registered in the register of members of the Company ("Registered Shares") and represented by certificates ("Certificates") and in relation to sterling preference shares which, in accordance with Article 12A, are for the time being issued and outstanding in bearer form ("Bearer Shares") and represented by share warrants ("Warrants").

Payments in respect of the amount due on redemption of a Registered Share shall be made by cheque drawn on a bank in London or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to a sterling account maintained by the payee with a bank in London. Such payment will be against presentation and

surrender of the relative Certificate at the place or one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any sterling preference shares not to be redeemed on the relevant Redemption Date the Company shall within 14 days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such sterling preference shares.

Payments in respect of the amount due on redemption of a Bearer Share shall be made by cheque drawn on a bank in London or upon the request of the holder not later than the date specified for the purpose in the Notice of Redemption by transfer to a sterling account maintained by the payee with a bank in London. such payments will be made against presentation and surrender of the Warrant and all unmatured dividend coupons and talons (if any) at the place or one of the places specified in the Notice of Redemption. Upon the relevant Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the Warrant so surrendered represents any sterling preference shares not to be redeemed on the relevant Redemption Date the Company shall issue, free of charge, a fresh Warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date.

All payments in respect of redemption moneys will in all respects be subject to any applicable fiscal or other laws;

- (vi) as from the relevant Redemption Date the dividend on the sterling preference shares due for redemption shall cease to accrue except on any such sterling preference share in respect of which, upon the due surrender of the Certificate or, as the case may be, the Warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (b)(v) above, payment of the redemption moneys due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to

accrue from the relevant Redemption Date to the date of payment of such redemption moneys. Such sterling preference share shall not be treated as having been redeemed until the redemption moneys in question together with the accrued dividend thereon shall have been paid;

(vii) if the due date for the payment of the redemption moneys on any sterling preference share is not a day on which banks in London are open for business (a "Sterling Business Day") then payment of such moneys will be made on the next succeeding day which is a Sterling Business Day and without any interest or other payment in respect of such delays; and

(viii) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of them) and the receipt of the person delivering any Warrant to the place or one of the places specified pursuant to sub-paragraph (b)(iv) above in respect of the moneys payable on redemption of such Registered Share or, as the case may be, such Bearer Share shall constitute an absolute discharge to the Company in respect thereof.

(c) Upon the redemption or purchase of any sterling preference shares the Directors shall have power to convert the authorised but unissued sterling preference shares existing as a result of such redemption or purchase into shares of any other class of share capital into which the authorised share capital of the Company is or may be dividend of the same nominal amount in sterling as the sterling preference shares or into unclassified shares of the same nominal amount in sterling as the sterling preference shares".

(H) By making the following alterations to Article 3B(5):

(1) deleting sub-paragraph (a) and substituting therefor the following:

"Unless the Directors determine in relation to any particular dollar preference shares prior to allotment thereof that such shares shall be irredeemable, the dollar preference shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company."

- (2) deleting the second sentence of sub-paragraph (b)(i) and substituting therefor the following:

"Redemption Date" means, in relation to a dollar preference share of a particular series, any date which falls no earlier than such one of the following dates as shall be determined by the Directors prior to the Relevant Date (as hereinafter defined):

- (A) the date which is 5 years and one day after the Relevant Date;
- (B) the date which is 10 years and one day after the Relevant Date;
- (C) the date which is 15 years and one day after the Relevant Date;
- (D) the date which is 20 years and one day after the Relevant Date;

Provided that, in relation to any series of dollar preference shares allotted after the coming into force of Section 133 of the Companies Act 1989, the Directors may, prior to the allotment of such series, fix the date on or by which, or dates between which, the shares of such series are to be or may be redeemed and such date or dates fixed by the Directors may be different from or in addition to any date derived from or set out in the foregoing provisions of sub-paragraph (b)(i);

"Relevant Date" means, in relation to a dollar preference share of a particular series, the first date of allotment of dollar preference shares of that series";

- (3) deleting sub-paragraph (b)(ii) and substituting therefor the following:

"(ii) there shall be paid on each dollar preference share so redeemed, in US dollars, the aggregate of the nominal amount thereof, any premium paid on issue and, where applicable, the Relevant Redemption Premium (as hereinafter defined).

"Relevant Redemption Premium" means an amount calculated in accordance with such one (if any) of the following formulae (as applied in relation to a Redemption Date notified under sub-paragraph (b)(i) above which falls within the period of twelve

months commencing on the date following the fifth, sixth, seventh, eighth or ninth anniversary of the Relevant Date, as the case may be) as may be determined by the directors prior to the Relevant Date.

The said formulae are as follows:

(A) $A \times B$ where:

"A" is the amount of dividend (including any associated tax credit) calculated at the date of allotment to which the holder of the dollar preference share to be redeemed would become entitled in respect of the twelve months following allotment by virtue of the terms of issue thereof on the assumption that such amount of dividend has accrued on the dollar preference share during such period and was payable at the end of such period; and

"B" is:

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the fifth anniversary of the Relevant Date, 100.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, 80.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, 60.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, 40.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date, 20.00 per cent.; or

(B) C x D where:

"C" is the amount of dividend (including any associated tax credit) calculated at the date of allotment to which the holder of the dollar preference share to be redeemed would become entitled in respect of the twelve months following allotment by virtue of the terms of issue thereof on the assumption that such amount of dividend has accrued on the dollar preference share during such period and was payable at the end of such period; and

"D" is:

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the fifth anniversary of the Relevant Date, 50.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, 40.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, 30.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, 20.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date, 10.00 per cent.; or

(C) E x F where:

"E" is the aggregate of the nominal amount of the dollar preference share to be redeemed together with any premium paid on issue thereof; and

"F" is:

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the fifth anniversary of the Relevant Date, 6.00 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, 4.80 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, 3.60 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, 2.40 per cent., or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date, 1.20 per cent.;

No premium shall be payable when the Redemption Date falls after the tenth anniversary of the Relevant Date. the product of the above formula in respect of a dollar preference share may, in the Directors' discretion, be rounded down to the nearest whole US cent";

- (4) deleting the words from and including "(specifying" down to and including the words "accrue on redemption)" in sub-paragraph (b) (iv)
- (I) By the deletion of sub-paragraph (b) in Article 3A(6) and the renumbering of sub-paragraph (a) therein as Article 3A(6)
- (J) By the deletion of sub-paragraph (7) in Article 3A and the substitution therefor of the following:

"Consolidation and Division

- (7) Pursuant to the authority given by the passing of the resolution to adopt this paragraph of Article 3A, the Directors may, at any time prior to allotment or following purchase or redemption

thereof, consolidate and divide and/or sub-
any sterling preference shares into shares
larger or smaller amount".

- (K) By the deletion of sub-paragraph (7) in Article 3E and
the substitution therefor of the following:

"Consolidation and Division

- (7) Pursuant to the authority given by the pass
the resolution to adopt this paragraph of 1
3B, the Directors may, at any time prior to
allotment or following purchase or redempti
thereof, consolidate and divide and/or sub-
any dollar preference shares into shares of
larger or smaller amount".

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THE COMPANIES ACTS 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

MIDLAND BANK PLC

("the Company")

Extraordinary General Meeting (the "Meeting") of the
ny held at 10 Lower Thames Street, London EC3 on 27 August
the following resolution was passed as a special
ution:

SPECIAL RESOLUTION

the dollar denominated authorised share capital of the
Company be diminished from US\$500,000,000 to
US\$2,000,000 by the cancellation of 19,920,000 non-
cumulative preference shares of US\$25 each;

the 80,000 non-cumulative preference shares of US\$25
each in the capital of the Company remaining after the
cancellation effected by paragraph (1) above be sub-
divided into 200,000,000 non-cumulative preference
shares of US\$0.01 each, having attached thereto the
rights and being subject to the limitations set out in
the Articles of Association of the Company as altered by
paragraph (3) of this resolution; and

the alterations to the Articles of Association of the
Company as set out in the Appendix to the Notice
convening the Extraordinary General Meeting, a copy of
which Appendix was produced to the Meeting and
initialled by the Chairman for purposes of
identification, be and are hereby approved.

APPENDIX TO NOTICE CONVENING
EXTRAORDINARY GENERAL MEETING OF
MIDLAND BANK PLC

Proposed Alterations to the Articles of Association
of Midland Bank plc

- (A) By the deletion of Article 3 and the substitution therefor of the following new Article 3:-
- "3. The share capital of the Company at the time of adoption of this Article is £1,150,000,000 divided into 1,000,000,000 ordinary shares of £1 each ("ordinary shares") and 150,000,000 non-cumulative preference shares of £1 each ("sterling shares" or "sterling preference shares") and US\$2,000,000 divided into 200,000,000 non-cumulative preference shares of US\$0.01 each ("dollar preference shares")."
- (B) By the deletion from Article 3A(2) of the words "dividend, capital, the receipt of notices of meetings, attendance at meetings and voting" and the substitution therefor of the words "dividend and capital"
- (C) By the deletion of the first thirty seven words of Article 3A(2)(b) and the substitution therefor of the words "the right upon return of capital on a winding up or otherwise (but not, unless otherwise provided by the terms of issue of such share, upon a redemption or purchase by the Company of any of its share capital)"
- (D) By the deletion of Articles 3A(2)(c) and 3A(2)(d)
- (E) By the deletion in Article 3A(4)(e) of the words "(without the written consent of three-fourths in nominal value of, or the sanction of an extraordinary resolution passed at a separate general meeting of the holders of relevant sterling preference shares)" and by the deletion in such sub-paragraph of the word "reduce" and the word "reduction"
- (F) By the insertion in Article 3A(4)(f) after the words "if applicable," of the words "except where any payment of dividend is to be made in accordance with Article 3A(4)(a),", by the insertion after the words "ranking as to dividend" of the words "pari passu with or" and by the insertion before the words "shall have been paid in full" of the words "in respect of the then current dividend period"

- (G) By the insertion in Article 3A(9) after the fourteenth word of the words "shall be deemed to be varied by the creation or issue of any further shares ranking as regards participation in profits and assets in priority to such sterling preference shares, but" and by the deletion in such sub-paragraph where they next appear of the words "or in priority to"
- (H) By the deletion in Article 3B(2) of the words "dividend, capital, the receipt of notices of meetings, attendance at meetings and voting" and the substitution therefor of the words "dividend and capital"
- (I) By the deletion of the first thirty seven words of Article 3B(2)(b) and the substitution therefor of the words "the right upon return of capital on a winding up or otherwise (but not, unless otherwise provided by the terms of issue of such share, upon a redemption or purchase by the Company of any of its share capital)" and by the insertion in Article 3B(2)(b)(i)(A) after the nineteenth word thereof of the words "or such other return of capital" and by the insertion in Article 3B(2)(b)(i)(B) after the ninth word thereof of the words "or such other return of capital"
- (J) By the deletion of Articles 3B(2)(c) and 3B(2)(d)
- (K) By the deletion in Article 3B(4)(e) of the words "(without the written consent of three-fourths in nominal value of, or the sanction of an extraordinary resolution passed at a separate general meeting of, the holders of relevant dollar preference shares)" and by the deletion in such sub-paragraph of the word "reduce" and the word "reduction"
- (L) By the insertion in Article 3B(4)(f) after the words "if applicable," of the words "except where any payment of dividend is to be made in accordance with Article 3B(4)(a),", by the insertion after the words "ranking as to dividend" of the words "pari passu with or" and by the deletion of the words "such period as the Directors shall determine prior to allotment of the relevant dollar preference shares" and the substitution therefor of the words "the then current dividend period"
- (M) By the insertion in Article 3B(5)(b)(i) at the end of the first sentence thereof and before the words "'Redemption Date'" of the words "Where applicable a Relevant Redemption Dividend (as hereinafter defined) shall be payable and, if so, no relevant dollar preference shares to be redeemed shall be redeemed unless such Relevant Redemption Dividend is paid on or before the Redemption Date"

(N) By the deletion in Article 3B(5)(b)(ii) of the words "any premium paid on issue and, where applicable" and the substitution therefor of the words "and any premium paid on issue in addition (where applicable) to the special dividend in respect of redemption, being", by the deletion of the words "Relevant Redemption Premium" where they first occur in such sub-paragraph and the substitution therefor of the words "Relevant Redemption Dividend" and by the deletion of the words "Relevant Redemption Premium" means" and the substitution therefor of the words "Relevant Redemption Dividend" means a dividend of"

(O) By the deletion in Article 3B(5)(b)(ii) of all the words immediately following the words "The said formulae are as follows:" to, but excluding, the words "B" is:" and the substitution therefor of the following:-

"(A) $A \times B$ where:

"A" is the amount of dividend (together with any associated tax credit to the extent that such tax credit is taken into account in determining the amount of dividend payable on a Relevant Preference Share (as hereinafter defined)) calculated at the date of allotment payable on a Relevant Preference Share (as hereinafter defined) in respect of the twelve months following allotment by virtue of the terms of issue thereof on the assumption that such amount of dividend has accrued on the Relevant Preference Share during such period and was payable at the end of such period and for this purpose "Relevant Preference Share" means the dollar preference share to be redeemed or, where dollar preference shares have pursuant to their terms of issue been issued as components of units, means the dollar preference share to be redeemed and the share or shares comprised in the same unit as the dollar preference share to be redeemed; and"

(P) By the deletion in Article 3B(5)(b)(ii) of all the words immediately following the words "following the ninth anniversary of the Relevant Date, 20.00 per cent.; or "to, but excluding, the words "D" is:" and the substitution therefor of the following:-

"(B) $C \times D$ where:

"C" is the amount of dividend (together with any associated tax credit to the extent that such tax credit is taken into account in determining the amount of dividend payable on a Relevant Preference Share (as defined in sub-paragraph (A) above)) calculated at the date of allotment payable on a Relevant Preference Share (as defined in sub-paragraph (A) above) in respect of the twelve months following allotment by virtue of the terms of issue thereof on the assumption that such

amount of dividend has accrued on the Relevant Preference Share during such period and was payable at the end of such period; and"

- (Q) By the deletion in Article 3B(5)(b)(ii) of all the words immediately following the words "(C) E x F where: " to, but excluding, the words "'F" is:" and the substitution therefor of the words "'E" is the amount of US\$25; and"
- (R) By the deletion in the penultimate sentence of Article 3B(5)(b)(ii) of the word "premium" and the substitution therefor of the words "special dividend in respect of redemption"
- (S) By the insertion in Article 3B(9) after the fourteenth word of the words "shall be deemed to be varied by the creation or issue of any further shares ranking as regards participation in profits and assets in priority to such dollar preference shares, but" and by the deletion in such sub-paragraph where they next appear of the words "or in priority to"
- (T) By the insertion at the beginning of Article 4 of the following words:-

"Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued (which rights may be varied or abrogated in the manner provided by Article 7) "
- (U) By the deletion in Article 56(1)(A) of the words "and every Member holding sterling preference shares or dollar preference shares".