

No 14259

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

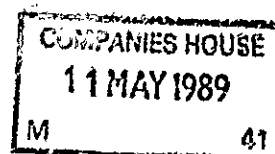
RESOLUTION

OF

MIDLAND BANK PLC

At an EXTRAORDINARY GENERAL MEETING of the above named company convened and held on 27 April 1989 the following resolution was passed as a Special Resolution.


J R Skae
Secretary



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SPECIAL RESOLUTION

- (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 26 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;
- (4) the Articles of Association of the Bank be amended in the following manner:—
 - (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 £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 28 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:—

Sterling preference shares

"3A.(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 thereof (and so that the Directors may determine that such premium is payable only in specified circumstances);

(Continued)

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 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 judgment 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;

(Continued)

- (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;

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- (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:—

Dollar preference shares

"3B.(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 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.

(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;

(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:—

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- (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 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 judgment 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 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);

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- (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 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 dollar preference shares, of the aggregate amount of the annual dividends (exclusive of any 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

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- (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 in 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 thereof 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 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 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.";
- (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";

(Continued)

- (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 therefor 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 therefor 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 most recently payable prior to the date of the Directors' 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 respects 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**
- 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.";
- (T) by the insertion in Article 127 after the words "the Company's shares" of the words "or any of them".

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J R Skae
Secretary