

Articles of Association

OF

John Swire & Sons Limited

(Articles adopted by Special Resolution on 3rd August, 1977)

TABLE A

1. No regulations set out in any schedule to any statute concerning companies shall apply as regulations or articles of the Company.

INTERPRETATION

2. In these Articles unless the context otherwise requires:—

“Board” means the Board of Directors of the Company or the Directors present at a meeting of Directors at which a quorum is present;

“debenture” and “debenture holder” shall include debenture stock and debenture stockholder respectively;

“Executive Director” means a Managing Director, Joint Managing Director or Assistant Managing Director of the Company, or a Director who is the holder of any other employment or executive office with the Company;

“Member” means a member of the Company;

“Office” means the registered office of the Company;

“paid up” means paid up or credited as paid up;

“Register” means the Register of Members of the Company;

“Seal” means the common seal of the Company or any official seal that the Company may be permitted to have under the Companies Acts;



"Secretary" includes a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

"the Companies Acts" means every statute from time to time in force concerning companies insofar as the same applies to the Company;

"these Articles" means these Articles of Association in their present form or as from time to time altered;

"United Kingdom" means Great Britain and Northern Ireland;

references to writing shall include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form;

any words or expressions defined in the Companies Acts in force at the date when these Articles or any part thereof are adopted shall bear the same meaning in these Articles or such part (as the case may be); and

where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is required a special resolution shall also be effective.

REGISTERED OFFICE

3. The Office shall be at such place in England as the Board shall from time to time appoint.

SHARE CAPITAL

4. (a) The authorised share capital of the Company at the date of the adoption of these Articles is £15,000,000 divided into 5,000,000 Ordinary Shares of £1 each and 10,000,000 6.3 per cent. Cumulative Preference Shares of £1 each (in these Articles called the "Preference Shares").

(b) The Preference Shares shall confer upon the holders thereof:

(i) the right to be paid out of the profits of the Company available for dividend and resolved to be distributed in respect of any financial year of the Company a fixed

cumulative preferential dividend at the rate of 6.3 per cent. per annum on the capital for the time being paid up thereon; and

- (ii) the right in a winding-up or on a reduction of capital involving repayment (other than by the purchase by the Company of all or any of its shares of any class) to receive out of the assets of the Company available for distribution amongst the Members the sum per Preference Share hereinafter mentioned together with a sum equal to any arrears or accruals of the said fixed dividend thereon calculated down to the date of repayment and in the case of a winding-up whether earned or declared or not

in priority to any payment to the holders of any other class of shares but shall confer no further right to participate in the profits or assets of the Company.

The sum per Preference Share mentioned above shall be the greater of:—

- (i) the capital paid up thereon; and
- (ii) the average of the means of the daily quotations shown in The Stock Exchange Daily Official List for a Preference Share during the six months immediately preceding the commencement of the winding-up in the case of a compulsory winding-up, or the date of the notice convening the meeting in the case of a voluntary winding-up or of a reduction of capital involving repayment, or, if such Preference Shares shall not have been listed on The Stock Exchange for the whole of such period, during such shorter period as such Preference Shares shall have been so listed, after first deducting from the mean of each day an amount equal to all arrears or accruals of the said fixed dividend (whether earned or declared or not) on such Preference Share up to that day.

In the event of a part only of the capital paid up on the Preference Shares being repaid a proportionate part of the amount (if any) by which the said sum per Preference Share exceeds the capital paid up thereon shall be payable.

(c) The holders of the Preference Shares shall have no right as such to receive notice of or to attend or vote at any general meeting of the Company unless:

- (i) at the date of the notice convening the meeting the dividend on such Preference Shares or any of them is six

months in arrear for which purpose such dividend shall be deemed to be payable half-yearly on 30th June and 31st December in every year; or

- (ii) the business of the meeting includes the consideration of any resolution altering or abrogating any of the special rights attached to the Preference Shares.

In the event of the business of the meeting including a resolution of the kind mentioned in (ii) in this paragraph of this Article the right to vote shall be limited to the resolution or resolutions giving the right to receive notice of the meeting and attend thereat.

(d) The Company shall be entitled at any time and from time to time to create and issue further preference shares ranking as regards participation in the profits and assets of the Company *pari passu* with, but not in priority to, the Preference Shares and any further preference shares previously created or issued as aforesaid and carrying the same or a different rate of dividend or premium (if any) on repayment and being redeemable or irredeemable provided that no further preference shares shall be created or issued as aforesaid except with the consent or sanction given in the manner hereinafter provided of the holders of the Preference Shares and any further preference shares previously created or issued as aforesaid (for which such purpose all such preference shares shall be treated as one class) if the aggregate nominal amount of the Preference Shares and all further preference shares which would be in issue immediately after such further preference shares have been created or issued as aforesaid would exceed 25 per cent. of the share capital and reserves (as defined in Article 5 hereof) of the Company.

(e) So long as any of the Preference Shares remain outstanding:

- (i) the capital of the Company shall not be reduced (other than by the purchase by the Company of all or any of its shares of any class); and
- (ii) neither of the borrowing limits imposed by Article 5 shall be increased

except with the consent or sanction of the holders of the Preference Shares given in the manner hereinafter provided.

BORROWING POWERS

5. (a) The Board 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 to issue

debentures, and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(b) The Board shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries the Board can procure) that the aggregate principal amount (including any fixed or minimum premium payable on final repayment) for the time being remaining undischarged of all moneys borrowed or secured by the Group (excluding moneys borrowed by any member of the Group from another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company in general meeting exceed an amount equal to twice the share capital and reserves.

(c) The Board shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries the Board can procure) that the aggregate principal amount (including any fixed or minimum premium payable on final repayment) of the permanent loan capital of the Group (excluding any permanent loan capital beneficially owned by any member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company in general meeting exceed an amount equal to one third of the share capital and reserves.

(d) For the purpose of this Article the expression "share capital and reserves" means the aggregate of:

- (i) the amount paid up on the issued share capital of the Company; and
- (ii) the amounts standing to the credit of the capital and revenue reserves (including any share premium account and capital redemption reserve fund and credit balances on profit and loss account) of the Company and all its subsidiaries

all as shown in the latest audited consolidated balance sheet of the Company and its subsidiaries but:

- (1) adjusted as may be appropriate to reflect any variation in the amounts of such paid up share capital of the Company or of such reserves (other than profit and loss account) since the date of such balance sheet or which would result from any transaction contemplated at the time the share capital and reserves is being computed and so that for this purpose if any proposed issue of shares for cash has

been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys (less estimated expenses) payable in respect thereof to the extent that such subscription moneys shall have been underwritten shall be deemed to have been paid up on the date when the underwriting of such shares becomes unconditional;

- (2) excluding any amount set aside for taxation except deferred taxation to the extent that it is not expected to be payable within the foreseeable future and any amounts attributable to minority interests in subsidiaries;
 - (3) deducting any debit balance on profit and loss account; and
 - (4) making such deduction as may be appropriate by reason of any distribution (otherwise than to the Company or any of its subsidiaries) of profits (whether of a revenue or capital nature) earned prior to the date of such balance sheet which may have been declared or recommended since such date and is not provided for therein.
- (e) For the purpose of this Article the expression "moneys borrowed" shall, if not otherwise taken into account, include:
- (i) the nominal amount of any share capital issued and the principal amount of any moneys borrowed (together in each case with any fixed or minimum premium payable on final repayment) the repayment whereof is guaranteed by the Company or any subsidiary;
 - (ii) acceptances by the Company or any subsidiary or by any bank or acceptance house under any acceptance credit opened on behalf of the Company or any subsidiary (not being acceptances in relation to the purchase or sale of goods in the ordinary course of business); and
 - (iii) the principal amount of all debentures issued by the Company or any subsidiary

but shall not include:

- (iv) any amounts borrowed by the Company or any subsidiary and intended to be applied in the redemption or repayment of any other moneys borrowed by the Company or any subsidiary and for the time being outstanding and so applied within six months of the borrowing thereof;

- (v) that proportion of moneys borrowed by a partly owned subsidiary which the equity share capital of that subsidiary not attributable to the Company bears to the total equity share capital of that subsidiary, but only to the extent that an amount equivalent to such proportion exceeds the same proportion of the sums, if any, lent by such partly owned subsidiary to the Company or any subsidiary;
 - (vi) any amounts borrowed for the purpose of financing any contract in respect of which any part of the price receivable by the Company or any subsidiary is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade or by any other Governmental department fulfilling a similar function to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured; or
 - (vii) any amounts borrowed or raised which are for the time being deposited with H.M. Customs & Excise or any other body designated by any relevant legislation or order in connection with import deposits or any similar Governmental scheme to the extent that a member of the Group retains its interest therein.
- (f) For the purpose of this Article the expression the "Group" means the Company and its subsidiaries and the expression "permanent loan capital" means any loan, whether secured or unsecured, which in the opinion of the Auditors for the time being of the Company would commonly be entered in the balance sheet of a company any part of whose share capital was listed on The Stock Exchange as part of the capital structure of such company, but shall not include any borrowing from or overdraft with bankers.
- (g) When the aggregate amount of moneys borrowed or permanent loan capital required to be taken into account for the purposes of this Article on any particular day is being ascertained, any of such moneys or permanent loan capital denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that day in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London six months before such day if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange should be taken as the mean of the buying and selling spot rate as at the close of business).
- (h) A certificate or report by the Auditors for the time being of the Company as to the amount of the share capital and reserves or the amount of any moneys borrowed or to the effect that either of

the limits imposed by this Article has not been exceeded at any particular time or times, or would not have been exceeded at the date of their certificate or report had any transaction contemplated in 5 (d) (1) above been effected at that date, shall be conclusive evidence of such amount or fact for the purposes of this Article.

(i) No lender or other person dealing with the Company shall be concerned to enquire whether the limits hereby imposed are observed and no debt incurred or security given in excess of either of such limits shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time the debt was incurred or the security given, express notice that the relevant limit had been or would thereby be exceeded.

SHARE RIGHTS

6. Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine.

7. Subject to the Companies Acts, any preference shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed. The terms and manner of redemption shall be provided for by alteration of these Articles.

MODIFICATION OF RIGHTS

8. Subject to the Companies Acts, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths 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 such shares. 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 at least 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 to one vote for every such share held by him, that any holder of shares of the class present in person 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 (whichever 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.

9. Subject as hereinbefore provided in regard to the Preference Shares, the special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

SHARES

10. (A) Subject to the provisions of these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine but so that no Ordinary Share shall be issued for cash at a price in excess of par or the maximum price fixed in accordance with Article 33 (G), whichever is the greater.

(B) Notwithstanding the foregoing provisions of this Article unless the Company in general meeting shall otherwise determine by special resolution all unissued Ordinary Shares (other than any Ordinary Shares falling to be allotted pursuant to a resolution passed in accordance with Article 130) shall before issue be offered to the persons who are holders of Ordinary Shares at the date of the offer and the offer shall be made by notice specifying the number and price (not being more than par or the maximum price fixed in accordance with Article 33 (G), whichever is the greater) of the Ordinary Shares offered and shall invite each of such persons to state in writing within a period not being less than twenty-one days or more than twenty-eight days whether he is willing to take any and, if so, what maximum number of the said Ordinary Shares. At the expiration of the time limit of the offer the Board shall allocate the said Ordinary Shares to or amongst the person or persons who shall have expressed his or their willingness to take such Ordinary Shares as aforesaid and, if more than one, so far as may be *pro rata* according to the number of Ordinary Shares held by such persons respectively, but so that no person shall be obliged to take more than the maximum number of Ordinary Shares so notified by him as aforesaid. Any of the said Ordinary Shares in respect of which the offer is not accepted as afore-

said or which would fall to be allotted in fractions may be disposed of by the Board in such manner as it may think most beneficial to the Company.

11. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts.

12. Except as ordered by a Court of competent jurisdiction or 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 required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as otherwise provided by these Articles or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

CERTIFICATES

13. Every person whose name is entered as a Member in the Register (except a stock exchange nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled, without payment, to receive within two months after allotment or lodgment of transfer (or within such other period as the terms of issue shall provide) one certificate for all his shares of any one class or several certificates each for one or more of his shares of such class upon payment for every certificate after the first of such sum (if any) not exceeding 10p as the Board may from time to time determine. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member (except such a nominee as aforesaid) who has transferred part of the shares comprised in his holding shall be entitled to a certificate for the balance without charge.

14. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

15. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that

the terms and conditions for the time being relating thereto otherwise provide, be issued under a Seal. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

LIEN

16. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share, in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such Member or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Member, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be wholly or in part exempt from the provisions of this Article.

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

18. The net proceeds of the sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the Board may authorise some person to transfer the share sold to the purchaser

thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

19. The Board 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 amount of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Member shall (subject to the Company serving upon him 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 revoked or postponed as the Board may determine.

20. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board 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 shall not be 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, not exceeding 15 per cent. per annum, as the Board may determine, but the Board 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 date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, 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, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

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

25. The Board may, if it thinks 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 presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as may be agreed upon between the Board and the Member paying such sum in advance.

FORFEITURE OF SHARES

26. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such 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 which may have accrued and any expenses which may have been incurred by the Company in consequence of such non-payment.

27. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture shall include surrender.

28. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

29. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

30. A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner

as the Board shall think fit subject to the provisions of Article 33 (H), and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.

31. A person whose shares have been forfeited shall thereupon cease to be a Member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at the rate of 15 per cent. per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.

32. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he 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 relating to the forfeiture, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

33. (A) Except as hereinafter provided no Ordinary Share in the Company shall be transferred by any Member or other person entitled to transfer the same unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.

(B) Every Member or other person entitled to transfer any of the shares in the Company and who wishes to transfer any Ordinary Shares in the Company (such Member or other person as aforesaid being hereinafter called "the vendor") shall give notice in writing (hereinafter called a "transfer notice") to the Board of his intention so to do. Such notice shall specify the number of Ordinary Shares which the vendor desires to transfer and the minimum price (not being in excess of the maximum price hereinafter mentioned) at which he is willing to sell the same and shall constitute the Board his agent for the sale of the said Ordinary Shares in one or more lots at the

discretion of the Board to the holders (hereinafter called "the offerees") of Ordinary Shares of the Company (except the vendor and any other Members or other persons as aforesaid who have served or are then under an obligation to serve a transfer notice in respect of all or any of the Ordinary Shares held by them) at a price not being less than the said minimum price and not being more than the said maximum price. A transfer notice may not be withdrawn except with the permission of the Board.

(c) Upon receipt of a transfer notice the Board shall forthwith give notice to all the offerees stating the number, the maximum price and the minimum price of the Ordinary Shares to be sold and invite each of them to state in writing within twenty-eight days from the date of the notice whether he is willing to purchase any and if so what maximum number of the said Ordinary Shares and at what price

(d) At the expiration of the said period the Board shall allocate the said Ordinary Shares (or such number thereof as shall then have been agreed to be purchased as aforesaid) to or amongst the offeree or offerees who shall have expressed his or their willingness to purchase Ordinary Shares as aforesaid provided that :

- (i) as between two or more offerees who shall have expressed a willingness to purchase all or any of the said Ordinary Shares at different prices preference shall be given to the one prepared to pay the higher price;
- (ii) as between two or more offerees who shall have expressed a willingness to purchase all or any of the said Ordinary Shares at the same price the Ordinary Shares on offer shall (subject to (i) above) be allocated so far as practicable *pro rata* according to the number of Ordinary Shares already held by them respectively; and
- (iii) no offeree shall be obliged to take more than the said maximum number of Ordinary Shares he shall have expressed a willingness to purchase.

Upon such allocation being made the vendor shall on payment of the price bid by the offeree or offerees to or amongst whom the said Ordinary Shares shall have been allocated transfer the Ordinary Shares so sold to such offeree or offerees and, if he make default in so doing, the Board may receive and give a good discharge for the purchase moneys on behalf of the vendor and may authorise some person to execute a transfer or transfers of such Ordinary Shares in favour of the offeree or offerees and enter his or their name or names in the Register as the holder or holders by transfer of the said Ordinary Shares so purchased by him or them. The purchaser or purchasers shall

be registered as the holder or holders of the Ordinary Shares so sold and he or they shall not be bound to see to the application of the purchase moneys nor shall his or their title to the Ordinary Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(E) In the event of any such Ordinary Shares remaining unsold at the expiration of the said period the vendor may at any time within three calendar months thereafter transfer the Ordinary Shares not so sold to any person or persons whether for valuable consideration or not but subject nevertheless to such of the restrictions of these Articles (other than those contained in this Article) as may be applicable.

(F) The foregoing provisions of this Article shall not apply:

- (1) to a transfer (whether for value or not) of any Ordinary Share:
 - (1) by a Member (other than a Member holding such Ordinary Shares in a representative capacity) to any relative of his, or
 - (2) by a Member (other than a Member holding such Ordinary Shares in a representative capacity) to the trustee or trustees of any settlement made or intended to be made primarily for the benefit of any one or more relatives of such Member, the Board being entitled and bound to rely upon the certificate of the solicitor acting for any such Member as to whether such transfer is in favour of a trustee or trustees of a settlement of the kind mentioned in this sub paragraph, or
 - (3) by the trustee or trustees of any such settlement to a beneficiary thereunder who is a relative of the settlor, or
 - (4) by the legal personal representatives of a Member to any relative of such deceased Member or to the trustee or trustees of any such settlement made or intended to be made primarily for the benefit of any one or more relatives of such deceased Member, the Board being entitled and bound to rely upon the certificate of the solicitor acting for such legal personal representatives as to whether such transfer is in favour of a trustee or trustees of a settlement of the kind mentioned in this sub-paragraph, or
 - (5) by a Member (other than a Member holding such Ordinary Shares in a representative capacity) to a person who is, at the time of the transfer, entered in the Company's Register of Members as the holder of any Ordinary Shares in the Company, or who is a person to whom a transfer may be made pursuant to sub-paragraphs (2) and (3) above, provided that

- (i) no transfer may be made pursuant to sub-paragraph (5) to a Member who holds Ordinary Shares merely in a representative capacity unless the transfer to such Member is to him in the same capacity as his existing holding, the Board being entitled and bound to rely upon the certificate of the solicitor acting for any such Member as to whether such transfer is to such Member in the same capacity as such Member's existing holding; and
 - (ii) no transfer of an Ordinary Share or Ordinary Shares pursuant to sub-paragraph (5) shall be effected if that transfer, together with all transfers effected pursuant to sub-paragraph (5) in the twelve-month period ending on, and including, the proposed date of transfer would exceed 0.1 per cent of the nominal value of the Ordinary Shares of the Company in issue on such proposed date of transfer.
- (6) by a Member to any Member holding Ordinary Shares as trustee of any charity which
- (i) is registered pursuant to Section 4(2) of the Charities Act 1960 in the register of charities maintained by the Charity Commissioners for England and Wales or is an 'exempt charity' within the meaning of the said Act, and
 - (ii) is for the time being a charity approved by the Board for this purpose, which approval may be withheld or revoked at any time at the sole discretion of the Board (without assigning any reason therefor) or granted subject to such terms as the Board in its sole discretion shall at any time determine,

provided that no transfer may be made pursuant to sub-paragraph (6) unless the transfer is made to the proposed transferee in his capacity as trustee as aforesaid, the Board being entitled and bound to rely upon the certificate of the solicitor acting for the transferee as to whether such transfer is to him in the same capacity as trustee as his existing holding.

For the purposes of the Articles of Association of the Company "solicitor" means a solicitor or other person of similar legal qualification in jurisdictions outside England and Wales, and the Board's determination as to whether a person is or is not a solicitor for these purposes shall be final and binding on the Members.

- (ii) to a transfer of any Ordinary Shares standing in the name of any deceased Member to his legal personal representatives; or
- (iii) to a transfer of any Ordinary Shares for the purpose only of effecting the appointment of new trustees; or
- (iv) to a transfer of any Ordinary Shares by a Member to a nominee thereof or by the nominee of a Member to such Member.

All references in this paragraph, F, to Member, trustee, legal personal representatives or charity shall be construed so as to include their nominee.

For the purpose of this paragraph, F, the expression "relative" means any grandparent or lineal descendant of any grandparent of the Member in question or any spouse of any such lineal descendant.

Provided that no Ordinary Shares transferred for value pursuant to this paragraph, F, shall be sold at a price in excess of the maximum price hereinafter mentioned; and

(G) (i) At the Annual General Meeting in every year the Company shall fix the maximum price at which any Ordinary Share in the Company may be issued for cash or transferred until the holding of the next General Meeting at which the said maximum price is fixed.

(ii) If, before the holding of the Annual General Meeting next following any General Meeting at which the said maximum price is fixed, an Extraordinary General Meeting shall be convened for the purpose of authorising or effecting a change in the issued share capital of the Company, or the Board shall determine to offer, allot, grant options over or otherwise dispose of any unissued shares pursuant to any power for the time being conferred on the Board, and in either case the value of each Ordinary Share in issue after the event in question would (in the opinion of the Board) be materially affected thereby, the Company shall consider and, if thought fit, alter the said maximum price at the said Extraordinary General Meeting or, if an Extraordinary General Meeting would not otherwise be convened in connection with the event giving rise to the change, at an Extraordinary General Meeting held on or prior to the date on which such event shall take place.

(iii) No price so fixed shall be in excess of that recommended by the Board.

(iv) For the purpose of this paragraph of this Article an Ordinary Share shall be deemed to be issued for cash on the date on which the same is offered for subscription and to be transferred on the date on which a valid transfer notice is served in accordance with the provisions of paragraph (B) of this Article or (in the case of a transfer for value pursuant to paragraph (F) on the date on which the relevant transfer is presented to the Company for registration.

34. Subject to such of the restrictions of these Articles as may be applicable, any Member may transfer all or any of his shares by an instrument of transfer in the usual common form or in any other form which the Board may approve.

35. The instrument of transfer of a share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer, when registered, may be retained by the Company.

36. The Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any Ordinary Share whether or not it is a fully paid share and of any other share which is not a fully paid share.

37. The Board may also decline to register any transfer unless:—

- (a) the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer,
- (b) the instrument of transfer is in respect of only one class of share, and
- (c) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

38. If the Board declines to register a transfer it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.

39. No fee shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making any entry in the Register relating to any share.

TRANSMISSION OF SHARES

40. In the case of the death of a Member the survivor or survivors, where the deceased was a joint holder, and the executors or administrators 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 jointly held by him solely or jointly with other persons.

41. Any person becoming entitled to a share in consequence of the death of a Member may, subject as hereinafter provided and subject, only in the case of Ordinary Shares, to the provisions of Article 33, and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall, if the share to be transferred is not an Ordinary Share or

if such nominee is any of the persons to whom a transfer may be made pursuant to paragraph (f) ~~or (g)~~ of Article 33 signify his election by signing an instrument of transfer of such share in favour of his nominee. In all other cases he shall serve a transfer notice on the Company in accordance with the provisions of paragraph (b) of Article 33 and the following paragraphs of that Article shall then apply.

42. Any person becoming entitled to an Ordinary Share in consequence of the bankruptcy of a Member, or of any other event (except the death of a Member) giving rise to the devolution of the Ordinary Share by operation of law shall serve a transfer notice upon the Company in accordance with the provisions of paragraph (b) of Article 33 and the following paragraphs of that Article shall then apply.

43. Subject to the provisions of Article 41, 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 transfers, notices or registrations effected or purported or attempted to be effected upon the death or bankruptcy of a Member or otherwise upon such transfer, notice or registration arising by operation of law as if the death or bankruptcy of the Member or other event giving rise to the transmission had not occurred and as if such notice, registration or transfer had been effected by such Member.

44. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

STOCK

45. The Company may from time to time by ordinary resolution convert any fully paid up shares into stock and may reconvert any stock into fully paid up shares of any denomination. After the passing of any resolution converting all the fully paid up shares of any class in the capital of the Company into stock, any shares of that class which subsequently become fully paid up and rank *pari passu* in all other respects with such shares shall, by virtue of this Article and such resolution, be converted into stock transferable in the same units as the shares already converted.

46. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not, without the sanction of an ordinary resolution of the Company, exceed the nominal amount of each of the shares from which the stock arose.

47. The holders of stock shall, according to the amount of the stock held by them, have the same rights as regards dividends, voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such right (except as to participation in dividends and in assets on a reduction of capital or a winding-up shall be conferred by an amount of stock which would not, if existing in shares, have conferred such right.

48. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" herein shall include "stock" and "stockholder" respectively.

INCREASE OF CAPITAL

49. The Company may from time to time by extraordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

50. The new shares shall be subject to all the provisions of these Articles with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

ALTERATIONS OF CAPITAL

51. The Company may from time to time by ordinary resolution:—

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Companies Acts) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such deferred or qualified rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new 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 authorised share capital by the amount of the shares so cancelled;

and may also by special resolution:—

- (d) subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve fund or any share premium account in any manner.

Where any difficulty arises in regard to any consolidation and division under paragraph (a) of this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

GENERAL MEETINGS

52. The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts at such times and places as the

Board shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.

53. The Board may, whenever it thinks fit, convene an extraordinary general meeting. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum any Director or any two Members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

54. An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice in writing and a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of meeting, and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Notice of every general meeting shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Article, it shall be deemed to have been duly called if it is so agreed:—

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

55. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

56. All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of:—

- (a) the declaration and sanctioning of dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the reports of the Directors and other documents required to be annexed to the accounts;
- (c) the election of Directors in place of those retiring (by rotation or otherwise);
- (d) the re-election of the Auditors;
- "(e) the fixing of the maximum price pursuant to paragraph (d) of Article 33 at which any Ordinary Share in the Company may be issued for cash or transferred until the holding of the next General Meeting at which the said maximum price is fixed;".
- (f) the election of a Chairman and Deputy Chairman of the Board; and
- (g) the fixing of, or the determining of the method of fixing, the remuneration of the Directors and of the Auditors.

57. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, at least three Members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of these Articles to be present in person if represented by proxy or in accordance with the provisions of the Companies Acts.

58. If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the

meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than fourteen nor more than twenty-eight days thereafter) and at such other time or place as the chairman of the meeting may determine and at such adjourned meeting two Members present in person or by proxy (whatever the number of shares held by them) shall be a quorum. The Company shall give not less than seven days' notice in writing of any meeting adjourned through want of a quorum and such notice shall state that two Members present in person or by proxy (whatever the number of shares held by them) shall be a quorum.

59. Each Director shall be entitled to attend and speak at any general meeting of the Company.

60. The Chairman (if any) of the Board or, in his absence, a Deputy Chairman (if any) shall preside as chairman at every general meeting. If there is no such Chairman or Deputy Chairman, or if at any meeting neither the Chairman nor a Deputy Chairman is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.

61. The chairman 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 except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

62. Save as expressly provided by these Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING

63. Subject as herein provided in regard to the Preference Shares and subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show

of hands every Member who is present in person at a general meeting of the Company shall have one vote, and on a poll every Member who is present in person or by proxy shall have one vote for every £1 nominal amount of preference share capital and four votes for every £1 nominal amount of ordinary share capital of which he is the holder.

64. 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 or on the withdrawal of any other demand for a poll) a poll is demanded by:—

- (a) the chairman of the meeting; or
- (b) at least two Members present in person or by proxy and entitled to vote; or
- (c) any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
- (d) any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number of the votes recorded for or against such resolution.

65. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

66. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

67. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

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

69. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

70. In the case of an equality of votes at a general meeting whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote.

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

72. A Member who is a patient for any 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 their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, *curator bonis* or other person in the nature of a committee or *curator bonis* appointed by such Court, and such receiver, committee, *curator bonis* or other person may vote on a poll by proxy, and may otherwise act and be treated as such Member for the purposes of general meetings.

73. No Member shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

74. If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting

and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES

75. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

76. A proxy need not be a Member.

77. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than forty-eight hours before the time appointed 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 taken subsequently to the date of a meeting or adjourned meeting, 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 named in it as the date of its execution.

78. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of 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.

79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation

in writing of such death, insanity or revocation shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

APPOINTMENT AND REMOVAL OF DIRECTORS

80. Subject to the provisions of these Articles, the Company may by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board.

81. Without prejudice to the power of the Company in general meeting in pursuance of any of the provisions of these Articles to appoint any person to be a Director, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.

82. The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with the Companies Acts, remove any Director before the expiration of his period of office and may (subject to these Articles) by ordinary resolution appoint another person in his place. Any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

83. No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, not less than six and not more than twenty-eight clear days before the day appointed for the meeting, there has been given to the Secretary notice in writing by some Member (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

NUMBER OF DIRECTORS

84. Unless and until otherwise determined by ordinary resolution of the Company, the Directors shall be not less than two in number and there shall be no maximum number of Directors.

DIRECTORS' FEES

85. The aggregate fees of the Directors as such shall in respect of each financial period of the Company be such sum as shall from time to time be determined by ordinary resolution of the Company. Such fees shall be divided among the Directors as the Board may by resolution determine or, failing such determination, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he has held office.

AGE OF DIRECTORS

86. No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age, nor need the age of any such person or Director or the fact that any such person or Director is over 70 or any other age be stated in any notice or resolution relating to his appointment or re-appointment, nor shall it be necessary to give special notice under the Companies Acts of any resolution appointing, re-appointing or approving the appointment of a Director by reason of his age.

DIRECTORS' SHAREHOLDING QUALIFICATION

87. No shareholding qualification for Directors shall be required.

DISQUALIFICATION OF DIRECTORS

88. Without prejudice to the provisions for retirement by rotation hereinafter contained, the office of a Director shall be vacated in any of the events following, namely:—

- (a) if (not being an Executive Director) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board;

- (b) if (being an Executive Director) his appointment as an Executive Director is terminated and the Board resolves that his office is vacated;
- (c) if he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the Board resolves that his office is vacated;
- (d) if, without leave, he is absent from meetings of the Board (whether or not an alternate Director appointed by him attends) for twelve consecutive months, and the Board resolves that his office is vacated;
- (e) if he becomes bankrupt or compounds with his creditors;
- (f) if he is prohibited by law from being a Director; or
- (g) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Articles.

ROTATION OF DIRECTORS

89. At every annual general meeting one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting.

90. Notwithstanding any other provision of these Articles, any Executive Director of the Company shall not whilst holding office as such be subject to retirement by rotation nor be taken into account in determining the number of Directors to retire in each year.

91. The Directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

92. A retiring Director shall be eligible for re-election.

93. Subject to the provisions of these Articles, the Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

EXECUTIVE DIRECTORS

94. The Board may from time to time appoint one or more of its body to be a Managing Director, Joint Managing Director, an Assistant Managing Director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and may revoke or terminate any of such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such Director may have against the Company or the Company may have against such Director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.

95. An Executive Director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.

ALTERNATE DIRECTORS

96. (A) Each Director shall have the power to appoint any person to be his alternate Director and may at his discretion remove such alternate Director. If such alternate Director is not another Director, such appointment, unless previously approved by the Board, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate Director shall be effected by notice in writing signed by the appointor and delivered to the Office or tendered at a meeting of the Board. An alternate Director shall, if his appointor so requests, be entitled to receive notices of meetings of the Board or of committees of the Board to the same extent as, but in lieu of, the Director appointing him and shall be entitled to such extent to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to exercise and discharge all the functions, powers and duties of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director.

(B) Every person acting as an alternate Director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director may be paid

expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but shall not be entitled to receive from the Company any fee in his capacity as an alternate Director.

(c) Every person acting as an alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as the signature of his appointor.

(d) An alternate Director shall *ipso facto* cease to be an alternate Director if his appointor ceases for any reason to be a Director provided that, if at any meeting any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

ADDITIONAL REMUNERATION AND EXPENSES

97. Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

DIRECTORS' INTERESTS

98. (A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

(b) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(c) A Director of the Company 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, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company.

The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks 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, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(d) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

(e) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit 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 (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns one per cent. or more.

(f) Subject to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested

be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(g) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. A general notice to the Board given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

(h) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters namely:—

- (i) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company;
- (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company which the Director has himself guaranteed or secured in whole or in part;
- (iii) any contract or arrangement by a Director to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares, debentures or other securities of the Company;

- (iv) any contract or arrangement in which he 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;
- (v) any contract or arrangement concerning any other company (not being a company in which the Director owns one per cent. or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
- (vi) 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 of the Company or of any of its subsidiaries 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;
- (vii) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner as the employees.

(i) A company shall be deemed to be a company in which a Director owns one per cent. or more if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.

(j) Where a company in which a Director holds one per cent. or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

(k) If any question shall arise at any meeting of the Board 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 or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such 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 to the Board. 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 Board (for which purpose such 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 to the Board.

(L) 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.

POWERS AND DUTIES OF THE BOARD

99. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Companies Acts or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Companies Acts and of these Articles and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

100. The Board may establish local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

101. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, 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 Board under these Articles) and for such period and subject to such conditions as it 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 Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

102. The Board may entrust to and confer upon any Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

103. The Company may exercise all the powers conferred by the Companies Acts with regard to having official seals, and such powers shall be vested in the Board.

104. Subject to the provisions of the Companies Acts, the Company may keep an overseas or local or other register in any place, and the Board may make and vary such regulations as it may think fit respecting the keeping of any such register.

105. All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

106. The Board shall cause minutes or records to be made in books provided for the purpose:—

- (a) of all appointments of officers made by the Board;
- (b) of the names of the Directors present at each meeting of the Board or committee of the Board; and
- (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of any committee of the Board.

Any minute of any such Meeting if signed by any person purporting to be the chairman of such meeting or of the next following meeting or to be the Chairman of the Board or by any two of the Directors shall be receivable as evidence of the facts therein stated without further proof.

107. The Board on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries (or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director or former Director) without the approval of an ordinary resolution of the Company. A Director or former Director shall not be accountable to the Company or the Members for any benefit of any kind conferred under or pursuant to this Article and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

PROCEEDINGS OF THE BOARD

108. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting.

109. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him at his last known address or any other address given by him to the Company for this purpose, provided that it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

110. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a

Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

111. The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in the Board but, if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director, notwithstanding that the number of Directors is below the number fixed by or in accordance with these Articles as the quorum or that there is only one continuing Director, may act for the purpose of filling up vacancies in the Board or of summoning general meetings of the Company but not for any other purpose.

112. Immediately prior to the annual general meeting in each year the Board shall elect a Chairman and, if thought fit, a Deputy Chairman of its meetings to hold office until the next annual general meeting but each such election shall be subject to ratification by the Company at the annual general meeting immediately following and if any such appointment shall not be so ratified the Company in general meeting shall appoint some other Director to be Chairman or (as the case may be) Deputy Chairman. If no such Chairman or Deputy Chairman be elected, or if at any meeting neither the Chairman nor the Deputy Chairman be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the chairman of the meeting.

113. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

114. The Board may delegate any of its powers, authorities and discretions to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board.

115. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.

116. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (provided that number is sufficient to constitute a quorum) or by all

the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.

117. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

SECRETARY

118. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit and any Secretary so appointed may be removed by the Board.

119. A provision of the Companies Acts 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

120. The Board shall provide for the custody of every Seal. A Seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by one or more Directors and the Secretary or by two or more Directors, and any instrument to which an official seal is affixed need not, unless the Board for the time being otherwise determines, be signed by any person.

DIVIDENDS AND OTHER PAYMENTS

121. The Company in general meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits, but no dividend shall be declared in excess of the amount recommended by the Board.

122. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide: —

- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share; and
- (b) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

123. The Board may from time to time pay to the Members such interim dividends as appear to the Board to be justified by the position of the Company; the Board may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such position, in the opinion of the Board, justifies such payment.

124. The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

125. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

126. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his registered address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

127. 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 and the payment by the Board of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

128. Any general meeting declaring a dividend may by ordinary resolution, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board.

RESERVES

129. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think it prudent not to distribute.

CAPITALISATION OF PROFITS

130. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if distributed by way of dividend and in the same proportions, on the

feoting that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution, provided that, for the purposes of this Article, a share premium account and a capital redemption reserve fund may be applied only in the paying up of unissued shares to be issued to such Members credited as fully paid.

131. Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.

RECORD DATES AND CLOSING THE REGISTERS

132. Notwithstanding any other provision of these Articles the Company or the Board 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 or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

133. The Board may close any Register during such period or periods (not exceeding in the case of each such Register thirty days altogether in each year) as it thinks fit.

ACCOUNTING RECORDS

134. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Companies Acts.

135. The accounting records shall be kept at the Office or, subject to the Companies Acts, at such other place or places as

the Board may think fit and shall always be open to inspection by the officers of the Company. No Member (other than an officer of the Company) shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law or authorised by the Board.

136. A copy of every balance sheet and profit and loss account, 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, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts, and copies shall also be sent in appropriate numbers to The Stock Exchange in accordance with the terms of any Listing Agreement for the time being binding on the Company.

AUDIT

137. Auditors shall be appointed and their duties regulated in accordance with the Companies Acts.

SERVICE OF NOTICES AND OTHER DOCUMENTS

138. Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.

139. Any Member described in the Register by an address not within the United Kingdom who shall, from time to time, give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no Member other than a Member described in the Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.

140. Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day after the day when it was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly

addressed, stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.

141. Any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

DESTRUCTION OF DOCUMENTS

142. The Company may destroy:-

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of twelve years from the date of registration; and
- (iv) any other document on the basis of which any entry in the Register is made at any time after the expiry of twelve years from the date an entry in the Register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid

and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:—

- (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) references in this Article to the destruction of any document include references to its disposal in any manner.

WINDING UP

143. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Acts, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY

144. Every Director, Executive Director, manager, officer and auditor of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Executive Director, manager, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the Court.

PURCHASE OF OWN SHARES

145. (a) Subject to the Companies Acts and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its shares of any class, including any redeemable shares, and may make payments in respect of the purchase or redemption of such shares otherwise than out of distributable profits or the proceeds of a fresh issue of shares. Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the Companies Acts. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

(b) Notwithstanding anything to the contrary contained in these Articles, the special rights attached to the Preference Shares or any other class of shares shall be deemed not to be altered or abrogated by the purchase by the Company of all or any of its shares of any class.

146. INVESTIGATION OF OWNERSHIP OF SHARES

- (A) The Board may by notice in writing (a "Disclosure Notice") require any Member or other person appearing to be interested in the Ordinary Shares or the Preference Shares of the Company to disclose to the Company in writing such information as the Board shall require relating to the ownership (both legal and equitable) in the shares in question as lies within the knowledge of such Member or other person (supported if the Board so requires by a statutory declaration and/or by independent evidence satisfactory to the Board) including (without prejudice to the generality of the foregoing):
 - (i) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
 - (ii) (if that fact is confirmed) to give particulars of his own past or present interest in the Ordinary Share capital and/or Preference Share capital of the Company held by him at any time during the 3 year period immediately preceding the service of a Disclosure Notice.
- (B) The Board may give a Disclosure Notice pursuant to paragraph (A) above at any time and the Board may give one or more than one such notice to the same Member or other person in respect of the same shares.
- (C) Where any person appearing to be interested in the Ordinary Shares or the Preference Shares as the case may be fails to comply with a Disclosure Notice within 21 days of receipt of such notice, the Board may give the registered holder of those shares a further notice in writing (a "Restriction Notice") to the effect that from the service of the Restriction Notice those shares will be subject to the Restrictions and from service of the Restriction Notice those shares shall, notwithstanding any other provisions of these Articles, be subject to those Restrictions accordingly.

- (D) If after the service of a Restriction Notice in respect of any Ordinary Shares or any Preference Shares the Board is satisfied that every failure to comply with any Disclosure Notice relating to those shares or any of them by their registered holder or any other person appearing to be interested in the shares (the subject of the Restriction Notice) has been remedied, the Board shall, within not more than 7 days, cancel the Restriction Notice. The Board may at any time at its discretion cancel or suspend any Restriction Notice or exclude any shares from it.
- (E) Where any Restriction Notice is cancelled or ceases to have effect, any moneys withheld by reason of that notice shall be paid without interest to the person who would but for the notice have been entitled to them or as he may direct.
- (F) Any new Ordinary Shares or new Preference Shares in the Company issued in right of any shares subject to a Restriction Notice shall also be subject to the Restriction Notice, and the Board may make any right to an allotment of such shares subject to restrictions corresponding to those which will apply to those shares by reason of the Restriction Notice when such shares are issued.
- (G) Any registered holders of shares on whom a Restriction Notice has been served may at any time request the Board to give in writing the reason why the Restriction Notice has been served, or why it remains uncanceled, and within 21 days of receipt of such notice the Board shall give that information accordingly.
- (H) In this Article, "Restrictions" means in the case of a Restriction Notice served on a person:
 - (i) that the shares shall not confer on the registered holder any right to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company;
 - (ii) the Board may withhold payment of all or any part of any dividends or other moneys payable in respect of the shares; and
 - (iii) the Board may decline to register a transfer of the shares or any of them unless such a transfer is shown to the Board to be, in the case of an Ordinary Share, to a permitted transferee or, in the case of a Preference Share, pursuant to an arm's length sale.