

Company No: 27136C

THE COMPANIES ACTS

PUBLIC COMPANY LIMITED BY SHARES

TRIBUNE
TRUST PLC

ARTICLES OF ASSOCIATION

(New Articles of Association adopted by Special
Resolution passed on 14th August, 1998
as amended by Special Resolutions passed on 8th April, 1999,
19th April, 2000 and 23rd April, 2003)

Slaughter and May
One Bunhill Row
London EC1Y 8YY
(WSMR/FFH)

CD030660039



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ARTICLES OF ASSOCIATION

of

TRIBUNE TRUST PLC¹

(Articles adopted on 14th August, 1998
as amended by special resolution on 8th April, 1999
19th April, 2000 and 23rd April, 2003)

Interpretation

1. Exclusion of Table A

No regulations set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute, concerning companies shall apply as the regulations or articles of the company.

2. Definitions

In these articles unless the context otherwise requires:-

"these articles" means these articles of association as altered from time to time and the expression **"this article"** shall be construed accordingly;

"the auditors" means the auditors from time to time of the company or, in the case of joint auditors, any one of them;

"the board" and the "Directors" means the board of directors from time to time of the company or the directors present at a meeting of the directors at which a quorum is present;

"business day" means a day which is not a Saturday, Sunday or a public holiday in England;

¹ The name of the company was changed to the above by Special Resolution dated 14th August, 1998.

"Calculation Time" means, in relation to a Conversion Date or a Deferred Conversion Date, the close of business on that Conversion Date or Deferred Conversion Date, as the case may be, or such other time as the board may determine in accordance with article 14(S) below;

"Certificated Conversion Notice" has the meaning given to it in article 14(D);

"certificated share" means a share which is not an uncertificated share;

"clear days" in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect;

"the Companies Acts" means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the company;

"Conversion Date" means, subject to article 14(S), 1st July, 2003 and each subsequent 1st July, provided that, if any Conversion Date would otherwise fall on a day which is not a business day, such Conversion Date shall be the next business day;

"Conversion Notice" has the meaning given to it in article 14(C);

"Conversion Pool Threshold" has the meaning given thereto in article 14(H)(i);

"Conversion Notice Period" means, subject to article 14(S) below, the period commencing on 18th May in the year in which the relevant Conversion Date occurs and ending at close of business on 24th June, in such year or, if that latter date would otherwise fall on a day which is not a business day, on the following business day, and such other periods and dates as the board may determine;

"Converting Index Shares" has the meaning given to it in article 14(G);

"Converting Ordinary Shares" has the meaning given to it in article 14(G);

"Debenture" means the £25,000,000 9^{1/8} per cent. debenture stock 2012 secured by a floating charge on the company's assets and undertaking;

"Deferred Conversion Date" means the date on which the board certifies that realignment of the Tribune Global Managed Fund and/or the Tribune UK Index Fund as the case may be and the purchase, if any, of the Hedge Asset is completed, provided that such date is not later than one month after the Conversion Date that would have otherwise applied;

"Deferred B Shares" means shares of 25 pence each with the rights set out in article 7;

“Deferred Shares” means shares created pursuant to articles 14(J) and (K) with the rights set out in article 14, which shares shall have the nominal value or values determined in accordance with article 14;

“Hedge Assets” those assets acquired and held by the company within the Hedged Pool;

“Hedged Liabilities” means those liabilities which the Directors by virtue of article 8(C), are directed to discharge primarily out of the Hedged Assets;

“Hedged Pool” means the pool of assets required to be maintained by article 7(A);

“the holder” in relation to any shares means the member whose name is entered in the register as the holder of those shares;

“Tribune UK Index Fund” means the assets of the company from time to time attributable to the Index Shares including:

- (a) the cash or other proceeds or subscription for, or the payment up of, any Index Share; and
- (b) all rights or assets of the company directly or indirectly attaching to, referable to, derived from or acquired using such cash or other proceeds or any rights or assets referred to in this Sub-clause (b);

“Index Shares” means shares with rights over the Tribune UK Index Fund, which shares shall have a nominal value determined in accordance with article 14;

“Index Share Conversion Pool” has the meaning given to it in article 14(H);

“Index Share Liabilities” means those liabilities incurred by the company relating to the management of the assets attributable to the Tribune UK Index Fund but for the avoidance of doubt excluding any Hedged Liabilities;

“ITO conversion ratio” or **“ITOCR”** is the ratio to be used to determine the number of Ordinary Shares arising from a reclassification of Index Shares on the conversion of all or part of any Index Shares and is determined in accordance with the following formula:

$$\text{ITOCR} = \frac{\text{ISCNAV} \times A}{\text{TOSNAV} \times B}$$

where

- (i) ISCNAV:
 - (a) if the Conversion Pool Threshold is not exceeded, is equal to the value of the assets comprising that proportion of the Tribune UK Index Fund which the total number of Converting Index

Shares bears to the total number of Index Shares as at the close of business on the day immediately prior to the Calculation Time (the "Applicable Proportion") such value being determined in accordance with article 14(R), plus the value of Applicable Proportion of the Hedge Assets transferred (or treated pursuant to article 7 as transferred) to the Tribune Global Managed Fund with effect from the Conversion Date less:

- (1) the nominal amount of such part of the Debenture as is hedged by the Hedge Asset to be transferred (or treated as transferred) to the Tribune Global Managed Fund pursuant to article 7 and the Applicable Proportion of the liabilities of the company, including any liabilities accrued but unpaid, which the board is directed by article 8(A) to discharge primarily out of the Tribune UK Index Fund at the Calculation Time (ignoring for this purpose any liabilities of the company which, pursuant to articles 8(B) and (C) the board is directed to discharge primarily out of the Tribune Global Managed Fund or the Hedged Pool, except to the extent that as at the relevant Calculation Time either such pool is unable to meet such liabilities and excluding also any such liabilities referred to in sub-paragraph (3) below);
 - (2) the costs, fees, expenses, duties, charges, taxes, commissions and spreads associated with the realignment of the assets to be transferred from the Tribune UK Index Fund to the Tribune Global Managed Fund;
 - (3) any amounts due to the manager of the Tribune UK Index Fund pursuant to the investment management agreement to the extent not already taken into account, and
 - (4) any other costs incurred in the conversion of the Index Shares to the Ordinary Shares;
- (b) if the Conversion Pool Threshold is exceeded, is equal to the value as at the Calculation Time of the assets required by article 14(H) to be segregated from the Tribune UK Index Fund, such value being determined in accordance with article 14(R), plus the value of Applicable Proportion of the Hedge Assets (or any assets then representing the same) transferred (or treated pursuant to article 7 as transferred) to the Tribune Global Managed Fund with effect from the Conversion Date less:

- (1) the nominal amount of such part of the Debenture as is hedged by the Hedge Asset to be transferred (or treated as transferred) to the Tribune UK Index Fund pursuant to article 7, and the Applicable Proportion of the liabilities of the company, including any liabilities accrued but unpaid, which the board is directed by article 8(A) to discharge primarily out of the Tribune UK Index Fund at the Calculation Time (ignoring for this purpose any liabilities of the company which, pursuant to articles 8(B) and 8(C) the board is directed to discharge primarily out of the Tribune Global Managed Fund or the Hedged Pool, except to the extent that as at the relevant Calculation Time either such pool is unable to discharge such liabilities and excluding also any such liabilities referred to in article sub-paragraph (2) below);
- (2) any amounts due to the manager of the Tribune UK Index Fund pursuant to the investment management agreement to the extent not already taken into account; and
- (3) any other costs incurred in the conversion of the Index Shares to Ordinary Shares;

provided that if by the Deferred Conversion Date, all necessary costs equivalent to those in sub-clause (i)(a)(2) above in relation to the calculation of ISCNAV where the Conversion Pool Threshold is not exceeded shall not have been incurred prior to the calculation of ISCNAV at the relevant Calculation Time there shall be deducted a fair and reasonable estimate by the board of the outstanding cost, fees, expenses, duties, charges, taxes, commissions and spreads associated with the realignment of the assets to be transferred from the Tribune UK Index Fund to the Tribune Global Managed Fund; and

- (ii) A is the total number of Ordinary Shares in issue as at the relevant Calculation Time;
- (iii) TOSNAV is equal to the value of the assets comprising the Tribune Global Managed Fund as at the close of business on the day immediately prior to the Calculation Time, such value being determined in accordance with article 14(R), less:
 - (1) the liabilities of the company, including any liabilities accrued but unpaid, which the board is directed by article 8(B) to discharge primarily out of the Tribune Global Managed Fund at the

Calculation Time (ignoring for this purpose any liabilities of the company which, pursuant to articles 8(A) and 8(C), the board is directed to discharge primarily out of the Tribune UK Index Fund or the Hedged Pool, except to the extent that as at the relevant Calculation Time either such pool is unable to discharge such liabilities and excluding also any such liabilities referred to in sub-paragraph (2) below); and

- (2) any amounts due to the manager of the Tribune Global Managed Fund pursuant to the investment management agreement to the extent not already taken into account;

- (iv) B is the number of Converting Index Shares

provided that if the ratio resulting from such formula would, when multiplied by the total number of Converting Index Shares to be converted on the relevant Conversion Date or Deferred Conversion Date (as the case may be) give rise to a number of Ordinary Shares which is not a whole number, the ratio shall be rounded down to the least extent necessary to ensure that a whole number of Ordinary Shares so arise;

"liabilities" for the purpose of calculating the relevant conversion ratio, shall include the amount of any interim or final dividend declared prior to the Calculation Time which remains unpaid and any provision authorised by the board for any interim or final dividend to be declared;

"Tribune Global Managed Fund" means the assets of the company from time to time attributable to the Ordinary Shares, including:

- (a) the cash or other proceeds of subscription for, or the payment up of, any Ordinary Share; and
- (b) all rights or assets of the company directly or indirectly attaching to, referable to, derived from or acquired using such cash or other proceeds or any rights or assets referred to in this paragraph (b);

"member" means a member of the company;

"the office" means the registered office from time to time of the company;

"Ordinary Shares" means shares with rights over the Tribune Global Managed Fund, which shares shall have a nominal value determined in accordance with article 14;

"Ordinary Share Conversion Pool" has the meaning given to it in article 14(H);

"Ordinary Share Liabilities" means:

- (a) those liabilities incurred by the company relating to the management of the assets attributable to the Tribune Global Managed Fund; and

- (b) any borrowings or indebtedness associated with the Tribune Global Managed Fund, but for the avoidance of doubt excluding any Hedged Liabilities;

“OTI conversion ratio” or **“OTICR”** is the ratio to be used to determine the number of Index Shares arising from a reclassification of Ordinary Shares on the conversion of all or part of any Ordinary Shares and is determined in accordance with the following formula:

$$\text{OTICR} = \frac{\text{OSCNAV} \times I}{\text{TISNAV} \times O}$$

where

- (i) OSCNAV is:

- (a) if the Conversion Pool Threshold is not exceeded, is equal to the value of the assets comprising that proportion of the Tribune Global Managed Fund which the total number of Converting Ordinary Shares bears to the total number of Ordinary Shares as at the close of business on the day immediately prior to the Calculation Time (the “Applicable Proportion”) such value being determined in accordance with article 14(R), less:
- (1) the Applicable Proportion of the liabilities of the company, including any liabilities accrued but unpaid, which the board is directed by article 8(B) to discharge primarily out of the Tribune Global Managed Fund as at the Calculation Time (ignoring for this purpose the nominal amount of any liabilities in respect of which a Hedge Asset is to be acquired or treated as having been acquired pursuant to article 7 and any other liabilities of the company which, pursuant to articles 8(A) and 8(C) the board is directed to discharge primarily out of the Tribune UK Index Fund or the Hedged Pool, except to the extent that as at the relevant Calculation Time either such pool is unable to discharge such liabilities and excluding also any such liabilities referred to in sub-paragraph (4) below);
 - (2) the costs, fees, expenses, duties, charges, taxes, commissions and spreads associated with the realignment of the assets to be transferred from the Tribune Global Managed Fund to the Tribune UK Index Fund;
 - (3) an amount determined by the board to be equal to the cost of acquisition of any Hedge Asset required to be acquired and transferred to the Hedged Pool pursuant to article 7 and/or, if any Hedge Asset is already owned by the company and by virtue of article 7 is not therefore required to be transferred to the Hedged Pool, the costs which the company would have incurred in acquiring such Hedge Asset;

- (4) any amounts due to the manager of the Tribune Global Managed Fund pursuant to the investment management agreement to the extent not already taken into account; and
 - (5) any other costs incurred in the conversion of the Ordinary Shares into Index Shares; or
- (b) if the Conversion Pool Threshold is exceeded, is equal to the value as at the Calculation Time of the assets required by article 14(H) to be segregated from the Tribune Global Managed Fund, such value being determined in accordance with article 14(R), less:
- (1) the Applicable Proportion of the liabilities of the company, including any liabilities accrued but unpaid, which the board is directed by article 8(B) to discharge primarily out of the Tribune Global Managed Fund at the Calculation Time (ignoring for this purpose the nominal amount of any liabilities in respect of which a Hedge Asset is to be acquired or treated as having been acquired pursuant to article 7 and any other liabilities of the company which, pursuant to articles 8(A) and 3(C) the board is directed to discharge primarily out of the Tribune UK Index Fund or the Hedged Pool, except to the extent that as at the relevant Calculation Time either such pool is unable to discharge such liabilities and excluding also any such liabilities as are referred to in sub-paragraph (2) below);
 - (2) any amounts due to the manager of the Tribune Global Managed Fund pursuant to the investment management agreement to the extent not already taken into account; and
 - (3) any other costs incurred in the conversion of the Ordinary Shares into Index Shares;

provided that if by the Deferred Conversion Date all necessary costs equivalent to those in sub-clauses (a), (2) and (3) above in relation to the calculation of OSCNAV where the Conversion Pool Threshold is not exceeded shall not have been incurred prior to the calculation of OSCNAV at the relevant Calculation Time there shall be deducted further:

- (A) a fair and reasonable estimate by the Board of the outstanding costs, fees, expenses, duties, charges, taxes, commissions and spreads associated with the realignment of the assets to be transferred from the Tribune Global Managed Fund to the Tribune UK Index Fund; and

- (B) a fair and reasonable estimate by the board of the outstanding cost of the Hedged Asset required to be acquired and transferred to the Hedged Pool pursuant to article 7 or, if such Hedge Asset is not to be so transferred, the cost which the company would have incurred in acquiring such Hedge Asset.
- (ii) I is the total number of Index Shares in issue as at the relevant Calculation Time;
- (iii) TISNAV is equal to the value of the assets comprising the Tribune UK Index Fund as at the close of business on the day immediately prior to the Calculation Time, such value being determined in accordance with article 14(R), less:
 - (a) the liabilities of the company, including any liabilities accrued but unpaid, which the board is directed by article 8(A) to discharge primarily out of the Tribune UK Index Fund at the Calculation Time (ignoring for this purpose any liabilities of the company which, pursuant to articles 8(B) and 8(C), the board is directed to discharge primarily out of the Tribune Global Managed Fund or the Hedged Pool, except to the extent that as at the relevant Calculation Time either such pool is unable to discharge such liabilities and excluding also any such liabilities referred to in subparagraph (2) below); and
 - (b) any amounts due to the manager of the Tribune UK Index Fund pursuant to the investment management agreement to the extent not already taken into account.
- (iv) O is the number of Converting Ordinary Shares

provided that if the ratio resulting from such formula would, when multiplied by the total number of Converting Ordinary Shares to be converted on the relevant Conversion Date or Deferred Conversion Date (as the case may be), give rise to a number of Index Shares which is not a whole number, the ratio shall be rounded down to the least extent necessary to ensure that a whole number of Index Shares so arise;

"paid up" means paid up or credited as paid up;

"participating class" means a class of shares title to which is permitted by an Operator to be transferred by means of a relevant system;

"person entitled by transmission" means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the register;

"the register" means the register of members of the company;

"Relevant Index Share Conversion Number" means, in relation to Converting Index Shares due to convert on any Conversion Date or Deferred Conversion Date, as the case may be, held by each registered holder of Converting Index Shares, the result of multiplying the number of those Converting Index Shares by the ITOCR applicable to conversions of Index Shares occurring on that Conversion Date or Deferred Conversion Date, as the case may be, (disregarding any resulting fractions);

"Relevant Ordinary Share Conversion Number" means, in relation to Converting Ordinary Shares due to convert on any Conversion Date or Deferred Conversion Date, as the case may be, held by each registered holder of Converting Ordinary Shares, the result of multiplying the number of those Converting Ordinary Shares by the OTICR applicable to conversions of Ordinary Shares occurring on that Conversion Date or Deferred Conversion Date, as the case may be, (disregarding any resulting fractions);

"1998 Restructuring" means the restructuring of the company described in the circular sent to shareholders dated 21st July, 1998;

"seal" means any common or official seal that the company may be permitted to have under the Companies Acts;

"the secretary" means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the company and includes an assistant or deputy secretary and any person appointed by the board to perform any of the duties of the secretary;

"share" means a share of the company, being an Ordinary Share, an Index Share, a Deferred Share, a Deferred B Share or such other share of the company as may from time to time exist;

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

"Uncertificated Conversion Notice" has the meaning given to it in article 14(E);

"uncertificated share" means a share of a class which is for the time being a participating class title to which is recorded on the register as being held in uncertificated form;

"the Uncertificated Securities Regulations" means The Uncertificated Securities Regulations 1995 as amended from time to time and any provisions of or under the Companies Acts which supplement or replace such Regulations;

"United Kingdom" means Great Britain and Northern Ireland;

references to a document being executed include references to its being executed under hand or under seal or by any other method;

references to writing include references to any method of representing or reproducing words in a legible and non-transitory form;

words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear (if not inconsistent with the subject matter or context) the same meaning in these articles or that part (as the case may be) save that the word "company" shall include any body corporate; and

references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

Headings and notes are included only for convenience and shall not affect meaning.

3. Form of Resolution

- (A) Subject to the Companies Acts, where for any purpose an ordinary resolution of the company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective.
- (B) A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members.

Share Capital

4. Authorised Share Capital

The authorised share capital of the company at the date of adoption of this article is £17,500,000 divided into 70,000,000 ordinary shares of 25p each.

5. Allotment

Subject to the provisions of the Act and to any relevant authority of the company in general meeting required by the Act, unissued shares at the date of the adoption of these articles and any shares hereafter created, including without limitation Ordinary Shares and Deferred Shares arising on the conversion of Index Shares, whether by reclassification of existing Index Shares or through a capitalisation issue or otherwise, and Index Shares and Deferred Shares arising on the conversion of Ordinary Shares, whether by reclassification of existing Ordinary Shares or through a capitalisation issue or otherwise, shall be at the disposal of the board, which may allot, grant options over, alter or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons (including the Directors themselves), at such times and generally on such terms and conditions as the board may decide, provided that no share shall be issued at a discount.

6. Establishment of the Managed and Tribune UK Index Funds

- (A) The Directors shall create and maintain the Tribune Global Managed Fund, the Tribune UK Index Fund and the Hedged Pool in accordance with the 1998 Restructuring, so that the investments and other assets of the Tribune Global Managed Fund, Tribune UK Index Fund and the Hedged Pool respectively shall be held and maintained separately, or shall otherwise be distinguishable from each other. Any increase or diminution in the value of the investments or assets of the Tribune Global Managed Fund, the Tribune UK Index Fund and the Hedged Pool shall be applied to the Tribune Global Managed Fund, the Tribune UK Index Fund, or the Hedged Pool respectively.
- (B) The Directors shall not incur borrowings which are to be discharged primarily from the Tribune UK Index Fund nor fund the acquisition of investments attributable to the Tribune UK Index Fund through borrowed monies or indebtedness.

7. Establishment of the Hedged Pool

- (A) Where the company acquires Hedge Assets, the board shall establish and maintain a Hedged Pool separate from the Tribune Global Managed Fund and the Tribune UK Index Fund and any Ordinary Share Conversion Pool and Index Share Conversion Pool.
- (B)
 - (i) Subject to the following paragraphs of this article 7(B), the board shall ensure that on any Conversion Date (or, where appropriate, by the Deferred Conversion Date applicable to any Converting Ordinary Shares immediately after such Conversion Date) the company shall acquire Hedge Assets in an amount and of a nature required to hedge that proportion of Offmarket Liabilities which the total number of Converting Ordinary Shares bears to the total number of Ordinary Shares in issue as at the close of business on the day immediately prior to the Calculation Time. Such Hedge Assets shall from the date of acquisition form part of the Hedged Pool;
 - (ii) If on any Conversion Date conversion instructions have been received which require conversion of both Index Shares to Ordinary Shares and Ordinary Shares to Index Shares, the board shall be entitled to treat as acquired any Hedge Asset already owned by the company as transferred to the Hedge Pool for the purposes of article 7(B)(i) if the board procures that assets are transferred between the Tribune Global Managed Fund and the Tribune UK Index Fund to place converting Shareholders in the same position in which they would have been had a gross transfer of Hedge Assets taken place.
 - (iii) The board shall be entitled to determine that, notwithstanding article 7(B)(i), it will not acquire all or some of the Hedge Assets which would otherwise be required by article 7(B)(i) to be acquired but if the board so determines:
 - (a) for the purposes of determining the OTI conversion ratio and the ITO conversion ratio:

- (aa) the Hedge Asset shall be treated as having been acquired for a consideration equal to the Market Quotation on the Conversion Date (or, if applicable, the business day immediately preceding the Deferred Conversion Date) of the cost of acquiring the Hedge Asset not so acquired; and
 - (bb) the Offmarket Liabilities not hedged as a result of such determination shall nevertheless be treated as part of the Hedged Liabilities;
 - (b) the assets to be transferred from the Tribune Global Managed Fund to the Tribune UK Index Fund shall be reduced by assets having a value equal to the Market Quotation on the Conversion Date (or, if applicable, the business day immediately preceding the Deferred Conversion Date) of the cost of acquiring the Hedge Asset not so acquired; and
 - (c) the Offmarket Liabilities not so hedged shall thereafter form part of the Ordinary Share Liabilities.
 - (iv)
 - (a) "Offmarket Liabilities" means those liabilities of the company which form part of the Ordinary Share Liabilities immediately prior to the relevant Conversion Date and which, were a Hedge Asset to be acquired in order to hedge the same, would give rise to a cost to the company which the board (after consultation with the auditors) considers to be of an amount which ought reasonably to be taken into account when determining fairly the respective rights of shareholders in the company;
 - (b) "Market Quotation" means, on any date, the cost determined by the board of acquiring an asset on an arm's length basis from a third party having payment obligations similar to the Offmarket Liabilities to be hedged or the relevant Hedged Liabilities, as the case may be, being obligations of a person have a reasonable credit quality, which determination may be made by the board in consultation with a bank, broker or other financial adviser reasonably elected by it.
- (C) Hedge Assets attributable to the Hedged Pool may be dealt with as follows:-
- (i) to discharge the Hedged Liabilities;
 - (ii) where on any Conversion Date or Deferred Conversion Date as the case may be there is a conversion only of Index Shares into Ordinary Shares or where the number of Converting Index Shares exceeds the number of Converting Ordinary Shares, there shall, unless the board determines otherwise, be a transfer from the Hedged Pool to the Tribune Global Managed Fund of the proportion of the Hedge Asset held in the Hedged Pool at the close of business on the day immediately preceding the Calculation Time which the total number of Converting Index Shares bears to the total number of Index Shares in issue as at the close of business immediately prior to the Calculation Time (but less such

amount of the Hedge Asset, if any, treated as acquired and transferred pursuant to article 7(B)(ii) and the board shall thereafter discharge the same proportion of the Hedged Liabilities (other than Hedged Liabilities treated as transferred pursuant to article 7(B)(ii)) out of the Tribune Global Managed Fund and such Hedged Liabilities shall cease to form part of the Hedged Pool and instead form part of the Ordinary Share Liabilities;

- (iii) where the board so determines, it may in its sole discretion transfer from the Hedged Pool to the Tribune Global Managed Fund such Hedge Assets as it thinks fit provided that in such circumstances the board shall also procure that, with effect from the date of such transfer, there shall be discharged from the Tribune Global Managed Fund that proportion of the Hedged Liabilities as the amount of the Hedged Assets transferred to the Tribune Global Managed Fund bears to the total Hedge Assets held in the Hedged Pool immediately prior to such transfer and those Hedged Liabilities to be so discharged shall thereafter form part of the Ordinary Share Liabilities.

- (D) The holders of the Deferred B Shares shall, subject as provided herein, be entitled to the rights attributable to the Hedged Pool.
- (E) The Deferred B Share shall be in certificated form (unless the board otherwise determines) and, save with the consent of the board, shall not be transferable.
- (F) The Deferred B Share shall be owned and held jointly by the investment managers from time to time of the Tribune Global Managed Fund and the Tribune UK Index Fund.
- (G) The holders of the Deferred B Shares shall not be entitled to any repayment of capital on a return of assets (except for the sum of 1p after the sum of £10,000 has been paid in respect of each Ordinary Share, Index Share and Deferred Share) nor to receive notice of or attend or vote at any general meeting of the company.
- (H) The Deferred B Shares shall entitle the holders to a cumulative dividend at a fixed rate of 10 per cent. of the nominal amount thereof payable on 30th June in each year to the holders of Deferred B Shares on the register on 31st May in each year but shall confer no other right to share in the profits of the company.
- (I) Each Deferred B Share shall be redeemable by the company for an aggregate consideration of 1p for all the Deferred B Shares so redeemed.
- (J) One unissued ordinary share in the company at the date of adoption of these articles shall be sub-divided into and reclassified as 25 Deferred B Shares and the Directors shall be authorised to allot one Deferred B Share to BPIM and BGI jointly for cash.

8. Treatment of Assets and Liabilities of the Company

- (A) The board will discharge the Index Share Liabilities out of the assets attributable to the Tribune UK Index Fund.

- (B) The board will discharge the Ordinary Share Liabilities out of the assets attributable to the Tribune Global Managed Fund.
- (C) The board will discharge the Hedged Liabilities out of the Hedge Assets.
- (D) Liabilities other than the Ordinary Share Liabilities, the Index Share Liabilities and the Hedged Liabilities shall be discharged out of the assets attributable to the Tribune Global Managed Fund and the Tribune UK Index Fund *pro rata* to the respective net asset value of such pools as at the immediately preceding 30th June or 31st December.
- (E) The board shall procure that the company's books of account, accounting and other records and bank accounts, and those of any nominees of the company, shall be operated and prepared so that the assets attributable to the Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool (if any) and the Index Share Conversion Pool (if any), can be separately identified and that Index Share Liabilities, the Ordinary Share Liabilities, the Hedged Liabilities, the liabilities associated with the Ordinary Share Conversion Pool (if any) and the liabilities associated with the Index Share Conversion Pool (if any) can be separately identified.
- (F) If any question shall arise as to whether any investment, cash or other asset or any liability or expense of the company is attributable to the Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool or the Index Share Conversion Pool, the board (having consulted with the auditors) shall decide on the matter and that decision shall be final and binding on the company and its members.
- (G) The board may, having consulted with the auditors, adjust the attribution of any investment, cash or other asset of the company between the Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool and the Index Share Conversion Pool to compensate for or reflect the contribution of each to the overall tax position of the company.
- (H) The board shall allocate to each of the Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool and the Index Share Conversion Pool such of, or such proportion of, the liabilities (including tax liabilities) and expenses of the company incurred or accrued or provided for from time to time in the general management and administration of the company as the board shall consider to be fair and reasonable having regard to:
 - (i) the specific liabilities and expenses incurred or accrued or provided for in the management and administration of each of the Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool and the Index Share Conversion Pool;
 - (ii) the tax effects for the company of the tax treatment of payments and receipts of the Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool and the Index Share Conversion Pool, of any revenue or capital deficit of the

Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool and the Index Share Conversion Pool and of dividends paid by the company; and

- (iii) the asset value of the Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool and the Index Share Conversion Pool and so that the valuation of the Tribune Global Managed Fund, the Tribune UK Index Fund, the Hedged Pool, the Ordinary Share Conversion Pool and the Index Share Conversion Pool shall be prepared on a consistent basis and may be adjusted for the purposes of these articles to take account of any realisation, acquisition or change in value if and to the extent that the board consider appropriate.
- (l) Without prejudice to article 8(H) above, the expenses incurred by the company (including sales charges) in connection with the 1998 Restructuring shall be borne by the company as a whole immediately prior to the realignment of the assets and liabilities of the company in accordance with the 1998 Restructuring and the establishment of the Tribune Global Managed Fund, the Tribune UK Index Fund and the Hedged Pool.

9. Share Rights

The Ordinary Shares, Index Shares, the Deferred Shares and the Deferred B Shares shall have attached thereto such rights and privileges, and shall be subject to such limitations and restrictions, as are set out in these articles.

10. Dividends

- (A) Subject as provided for in article 10(D) below, the holders of the Ordinary Shares shall have the right to receive the revenue profits of the company (including accumulated revenue reserves) attributable to the Tribune Global Managed Fund and available for distribution and determined to be distributed by way of interim or final dividend at such times as the board may determine.
- (B) The holders of the Index Shares shall have the right to receive the revenue profits of the company (including accumulated revenue reserves) attributable to the Tribune UK Index Fund and available for distribution and determined to be distributed by way of interim or final dividend at such times as the board may determine.
- (C) In respect of any financial year, to the extent that there remain outstanding revenue profits of the company attributable to the Tribune Global Managed Fund and accumulated revenue reserves of the company as a whole, the board may determine to distribute such profits and reserves by way of dividend to holders of Ordinary Shares, provided that following any such distribution the company shall have accumulated revenue reserves in an amount equal to at least the projected dividend payable to holders of Index Shares, taking into account conversions of Index Shares into Ordinary

Shares and Ordinary Shares into Index Shares, in such financial year based upon the distribution policy stated in relation to the Index Shares.

- (D) Whilst the board determines that there remains any arrears of dividends payable on any Index Shares (which arrears shall constitute all such unpaid dividends as should have been paid pursuant to article 10(B) apart from a shortfall in distributable profits arising from the management of the Tribune Global Managed Fund and the Hedged Pool) no dividends or other distributions (except a distribution of assets on a winding up) may be declared, paid or made on the Ordinary Shares.

11. Return of Assets

- (A) On a return of assets, on a liquidation or otherwise, the surplus assets of the company comprised in the Tribune Global Managed Fund, after payment of all debts and satisfaction of all Ordinary Share Liabilities of the company and any other liabilities, including without limitation the Index Share Liabilities and the Hedged Liabilities not otherwise paid and satisfied, shall be paid to the holders of the Ordinary Shares (and distributed amongst such holders rateably according to the amounts paid up on the Ordinary Shares held by them respectively).
- (B) On a return of assets, on a liquidation or otherwise, the surplus assets of the company comprised in the Tribune UK Index Fund, after payment of all debts and satisfaction of all Index Share Liabilities of the company and any other liabilities, including without limitation the Ordinary Share Liabilities and the Hedged Liabilities not otherwise paid and satisfied shall be paid to the holders of the Index Shares (and distributed amongst such holders rateably according to the amounts paid up on the Index Shares held by them respectively).
- (C) If, in the course of the liquidation of the company, an amount of a debt or liability which is attributable to one pool is met in whole or in part from assets attributable to the other pool then assets of the first mentioned pool of a value (conclusively determined by the board) equivalent to such amount shall (on such debt or liability met) become attributed to the second mentioned pool.

12. Voting - Ordinary Shares

- (A) The holders of the Ordinary Shares shall have the right to receive notice of and to attend and vote at any general meeting of the company except that the holders of the Ordinary Shares shall not have the right to vote on the declaration of a dividend on the Index Shares or the appointment of a manager of the Tribune UK Index Fund or the termination of any such appointment or the terms (including any amendment or variation thereof) of any contract appointing such manager. At any general meeting on a show of hands every holder of Ordinary Shares who is present in person shall have one vote and on a poll every holder of Ordinary Shares who is present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder.

- (B) The company shall not, without the previous sanction of an extraordinary resolution of the holders of the Ordinary Shares passed at a separate meeting of such holders convened and held in accordance with the provisions of these articles:
- (i) pass a resolution to reduce the share capital or share premium of the company attributable to the Tribune Global Managed Fund in any manner; or
 - (ii) pass a resolution to alter, increase, consolidate, divide, cancel or purchase by the company its share capital, except:
 - (a) as required on a conversion of shares or in circumstances contemplated in article 14;
 - (b) to authorise the purchase by the company, pursuant to section 162 to section 170 of the Companies Act 1985, of such number of Ordinary Shares and Index Shares as shall together constitute not more than 15 per cent. of the total issued share capital of the company as at the date of such resolution and so that:
 - (aa) the purchase of Index Shares shall be deemed not to constitute a variation of the class rights of holders of Ordinary Shares; and
 - (bb) there shall be no limit to the number of such resolutions which may be passed.
 - (c) to authorise the purchase of Deferred Shares, pursuant to section 162 to 170 of the Companies Act 1985, for a nominal consideration and so that the purchase of Deferred Shares shall be deemed not to constitute a variation of the class rights of holders of Ordinary Shares; or
 - (iii) pass a resolution to authorise the issue and allotment of any security convertible into any share capital of the company except:
 - (a) as required on a conversion of shares in the manner contemplated in article 14;
 - (b) to authorise the allotment by the company, pursuant to section 80 of the Companies Act 1985, of relevant securities up to an aggregate nominal amount not exceeding one-third of the then issued share capital of the company as shown in the then latest published annual accounts of the Company; and
 - (c) to authorise the allotment by the company, pursuant to section 95 of the Companies Act 1985, of equity securities for cash on a

non pre-emptive basis up to an aggregate nominal amount not exceeding 5 per cent of the then issued share capital of the company as shown in the then latest published annual accounts of the company, and so that section 89 of the Companies Act 1985 does not apply to the allotment of such equity securities; or

- (iv) pass a resolution for the voluntary winding-up of the company; or
- (v) alter the Memorandum or Articles of Association of the company; or
- (vi) pass a resolution authorising a liquidator to distribute in specie assets of the company attributable to the Tribune Global Managed Fund on a winding-up of the company; or
- (vii) pass a resolution sanctioning borrowings of the company in excess of the limit imposed in these articles.

13. Voting - Index Shares

- (A) The holders of the Index Shares shall have the right to receive notice of and to attend and vote at any general meeting of the company except that the holders of the Index Shares shall not have the right to vote on the declaration of a dividend on the Ordinary Shares or appointment of a manager of the Tribune Global Managed Fund or the termination of any such appointment or the terms (including any amendment or variation thereof) of any contract appointing such manager. At any general meeting on a show of hands every holder of Index Shares who is present in person shall have one vote and on a poll every holder of Index Shares who is present in person or by proxy shall have one vote for every Index Share of which he/she is the holder.
- (B) The company shall not, without the previous sanction of an extraordinary resolution of the holders of the Index Shares passed at a separate meeting of such holders convened and held in accordance with the provisions of these articles:
 - (i) pass a resolution to reduce the share capital or share premium of the company attributable to the Tribune UK Index Fund in any manner; or
 - (ii) pass a resolution to alter, increase, consolidate, divide, cancel or purchase by the company its share capital, except:
 - (a) as required on a conversion of shares or in circumstances contemplated in article 14;
 - (b) to authorise the purchase by the company, pursuant to section 162 to section 170 of the Companies Act 1985, of such number of Ordinary Shares and Index Shares as shall together constitute not more than 15 per cent. of the total issued share capital of the company as at the date of such resolution and so that:

- (aa) the purchase of Ordinary Shares shall be deemed not to constitute a variation of the class rights of holders of Index Shares; and
 - (bb) there shall be no limit to the number of such resolutions which may be passed.
- (c) to authorise the purchase of Deferred Shares, pursuant to section 162 to 170 of the Companies Act 1985, for a nominal consideration and so that the purchase of Deferred Shares shall be deemed not to constitute a variation of the class rights of holders of Index Shares; or
- (iii) pass a resolution to authorise the issue or allotment of any security convertible into any share capital of the company except:
 - (a) as required on a conversion of shares in the manner contemplated in article 14;
 - (b) to authorise the allotment by the company, pursuant to section 80 of the Companies Act 1985, of relevant securities up to an aggregate nominal amount not exceeding one - third of the then issued share capital of the company as shown in the then latest published annual accounts of the Company; and
 - (c) to authorise the allotment by the company, pursuant to section 95 of the Companies Act 1985, of equity securities for cash on a non pre-emptive basis up to an aggregate nominal amount not exceeding 5 per cent of the then issued share capital of the company as shown in the then latest published annual accounts of the company, and so that section 89 of the Companies Act 1985 does not apply to the allotment of such equity securities; or
- (iv) pass a resolution for the voluntary winding-up of the company; or
- (v) alter the Memorandum or Articles of Association of the company; or
- (vi) pass a resolution authorising a liquidator to distribute in specie assets of the company attributable to the Tribune UK Index Fund on a winding-up of the company; or
- (vii) pass a resolution sanctioning borrowings of the company in excess of the limit imposed in these articles.

14. Conversion of Ordinary Shares and Index Shares

- (A) Subject to the provisions of article 14(T), each holder of Ordinary Shares shall be entitled as set out in these articles to convert all or any of his/her Ordinary Shares into

Index Shares. The company will send reminders of conversion rights prior to the commencement of the relevant Conversion Notice Period.

- (B) Subject to the provisions of article 14(T), each holder of Index Shares shall be entitled as set out in these articles to convert all or any of his/her Index Shares into Ordinary Shares. The company will send reminders of conversion rights prior to the commencement of the relevant Conversion Notice Period.
- (C) A "Conversion Notice" means, in relation to any Ordinary Shares or any Index Shares, as the case may be, that are in certificated form on any Conversion Date, a Certificated Conversion Notice, or, in relation to any Ordinary Shares or any Index Shares, as the case may be, that are in uncertificated form on any Conversion Date, an Uncertificated Conversion Notice. Whether any Ordinary Shares or Index Shares are in certificated form or uncertificated form on a Conversion Date, and who is treated as the holder of (and of how many) Converting Ordinary Shares and Converting Index Shares for the purposes of these articles, shall be determined by reference to the register as at 12.01a.m. on that Conversion Date or Deferred Conversion Date, as the case may be, or such other time as the board may (subject to the facilities and requirements of the relevant system concerned) in its absolute discretion determine.
- (D) In relation to any Ordinary Shares or Index Shares, as the case may be, that are in certificated form on any Conversion Date, or Deferred Conversion Date, as the case may be, the right to convert shall be exercised (and treated by the company as exercised) on that Conversion Date or Deferred Conversion Date, as the case may be, if a notice in such form as the board may from time to time prescribe (in each case a "Certificated Conversion Notice") is duly completed and lodged with the Registrars at any time during the Conversion Notice Period ending immediately prior to that Conversion Date or Deferred Conversion Date, as the case may be, together with such other evidence (if any) as the board may reasonably require of the title and claim of the person exercising such right to convert. To be valid, a Certificated Conversion Notice relating to Ordinary Shares or Index Shares, as the case may be, held jointly must be signed by all holders.
- (E) In relation to any Ordinary Shares or Index Shares, as the case may be, that are in uncertificated form on any Conversion Date or Deferred Conversion Date, as the case may be, the right to convert shall be exercised (and treated by the company as exercised) on that Conversion Date or Deferred Conversion Date, as the case may be, if an Uncertificated Conversion Notice is received as referred to below at any time during the Conversion Notice Period ending immediately prior to that Conversion Date or Deferred Conversion Date, as the case may be. For these purposes, an "Uncertificated Conversion Notice" shall mean a properly authenticated dematerialised instruction and/or other instruction or notification received by the company or by such person as it may require in such form and subject to such conditions as may from time to time be prescribed by the board (subject always to the facilities and requirements of the relevant system concerned). The board may in addition determine when any such properly authenticated dematerialised instruction and/or other instruction or notification is to be treated as received by the company or by such person as it may require for these purposes (subject always to the facilities and requirements of the relevant system

concerned) and may treat instructions or notifications as received only once settled. Without prejudice to the generality of the foregoing, the effect of the properly authenticated dematerialised instruction and/or other instruction or notification referred to above may be such as to divest the holder of the Ordinary Shares or Index Shares, as the case may be, concerned of the power to transfer such Ordinary Shares or Index Shares, as the case may be, to another person.

- (F) A Conversion Notice once lodged, in the case of Certificated Conversion Notice, or received, in the case of an Uncertificated Conversion Notice, may not be withdrawn without the consent in writing of the board. To be effective, a Conversion Notice or Uncertificated Conversion Notice must specify, in the case of Ordinary Shares, 1000 (or such other number as the board may from time to time determine) or more Ordinary Shares (or, if lower, the total number of Ordinary Shares held by the holder of Ordinary Shares serving the Conversion Notice) for conversion and, in the case of Index Shares, 1000 (or such other number as the board may determine) or more Index Shares (or, if lower, the total number of Index Shares held by the holder of Index Shares serving the Conversion Notice) for conversion. The board may permit different arrangements to apply to nominee holders.
- (G) Conversion of such Ordinary Shares (the "Converting Ordinary Shares") and such Index Shares (the "Converting Index Shares") as are due to be converted on any Conversion Date (the "relevant Conversion Date") shall be effected in accordance with articles 14(H) - (J).
- (H)
 - (i) As soon as practicable following the end of the Conversion Notice Period, the board shall determine, based upon the number of Converting Ordinary Shares and the number of Converting Index Shares to be converted as at the Conversion Date or the Deferred Conversion Date, as the case may be, whether the estimated value of the assets to be transferred from the Tritone Global Managed Fund to the Tribune UK Index Fund or vice versa on a net basis would be greater than 5 per cent. of the estimated net asset value of the company as at the Calculation Time (the "Conversion Pool Threshold").
 - (ii) Where the estimated net asset value to be transferred is greater than the Conversion Pool Threshold the following provisions shall apply:
 - (a) the conversion shall take place at the Deferred Conversion Date and the Calculation Time shall be interpreted accordingly;
 - (b) the conversion ratios applicable where the Conversion Pool Threshold is exceeded shall apply;
 - (c) assets comprising that proportion of the Tritone Global Managed Fund which the total number of Converting Ordinary Shares bears to the total number of Ordinary Shares at the close of business on the Conversion Date shall be segregated from the remainder of the assets comprising the Tritone Global Managed Fund in a separate pool (the "Ordinary Share

Conversion Pool") and from that date those assets shall be realigned by the manager of the Tribune UK Index Fund in order to meet the investment policies and guidelines of the Tribune UK Index Fund, such realignment to be effected as soon as reasonably practicable and so far as possible no later than one month after the Conversion Date which would have applied had the Conversion Pool Threshold not been met; and

- (d) assets comprising that proportion of the Tribune UK Index Fund which the total number of Converting Index Shares bears to the total number of Index Shares as at the close of business on the Conversion Date shall be segregated from the remainder of the assets comprising the Tribune UK Index Fund in a separate pool (the "Index Share Conversion Pool") and from that date those assets shall be realigned by the manager of the Tribune Global Managed Fund in order to meet the investment policies and guidelines of the Tribune Global Managed Fund, such realignment to be effected as soon as reasonably practicable and so far as possible no later than one month after the Conversion Date which would have applied had the Conversion Pool Threshold not been met.
- (iii) Where the estimated net asset value to be transferred is less than the Conversion Pool Threshold the following provisions shall apply:
 - (a) conversion shall take place on the Conversion Date and the Calculation Time shall be interpreted accordingly; and
 - (b) the conversion ratios applicable where the Conversion Pool Threshold is not exceeded shall apply.
- (l) Prior to the relevant Conversion Date or Deferred Conversion Date, as the case may be:
 - (i) the Directors shall take all reasonable steps to determine:
 - (a) the OTICR and the ITOCR applicable on the relevant Conversion Date or Deferred Conversion Date, as the case may be;
 - (b) the numbers of Ordinary Shares and Deferred Shares to which each holder of Converting Index Shares is entitled on conversion, calculated in accordance with article 14(K);
 - (c) the number of Index Shares and Deferred Shares to which each holder of Converting Ordinary Shares is entitled on conversion, calculated in accordance with article 14(J);

- (d) any adjustments required to be made under article 14(S);
 - (ii) the Directors shall instruct the auditors to report on whether such determinations have been performed in accordance with these articles and the guidelines set under article 14(R) and are arithmetically accurate, and if the auditors shall so report then such determinations shall become final and binding on the company and its members.
- (J) Following completion of the matters set out in article 14(I) and with effect from the relevant Conversion Date or Deferred Conversion Date, as the case may be, the Converting Ordinary Shares held by each registered holder of such Converting Ordinary Shares shall be converted into that number of Index Shares as is equal to the number of such Converting Ordinary Shares multiplied by the OTICR but so that:
- (i) if the aggregate nominal value of the Converting Ordinary Shares is greater than the aggregate nominal value of the Index Shares which will arise upon such conversion, such Converting Ordinary Shares shall be consolidated, sub-divided and converted into such number of Index Shares as aforesaid and one Deferred Share in respect of each Converting Ordinary Share with a nominal value equal to the difference between the aggregate nominal value of the Converting Ordinary Shares and the aggregate nominal value of the resulting Index Shares divided by the number of Deferred Shares so created; and
 - (ii) if the aggregate nominal value of the Converting Ordinary Shares is less than the aggregate nominal value of the Index Shares which would arise if such Index Shares had a nominal value equal to the nominal value of the Index Shares in issue immediately before the Calculation Time, then:
 - (a) the Converting Ordinary Shares shall be consolidated, sub-divided and converted into Index Shares with a nominal value equal to the aggregate nominal value of such Converting Ordinary Shares divided by the number of Index Shares thereby arising; and
 - (b) contemporaneously with the conversion of the Converting Ordinary Shares, each Index Share (other than the Index Shares arising on such conversion and any Converting Index Shares) shall be sub-divided into an Index Share with a nominal value equal to the nominal value determined pursuant to paragraph (J)(ii)(a) and a Deferred Share with a nominal value equal to the difference between the nominal value of an Index Share immediately prior to such sub-division and the nominal value referred to in paragraph (J)(ii)(a);

- (K) Following completion of the matters set out in article 14(I) and with effect from the relevant Conversion Date or Deferred Conversion Date, as the case may be the Converting Index Shares held by each registered holder of such Converting Index Shares shall be converted into that number of Ordinary Shares as is equal to the number of such Converting Index Shares multiplied by the ITOCR but so that:
- (i) if the aggregate nominal value of the Converting Index Shares is greater than the aggregate nominal value of the Ordinary Shares which will arise upon such conversion, such Converting Index Shares shall be consolidated, sub-divided and converted into such number of Ordinary Shares as aforesaid and one Deferred Share in respect of each Converting Index Share with a nominal value equal to the difference between the aggregate nominal value of the Converting Index Shares and the aggregate nominal value of the resulting Ordinary Shares divided by the number of Deferred Shares so created; and
 - (ii) if the aggregate nominal value of the Converting Index Shares is less than the aggregate nominal value of the Ordinary Shares which would arise if such Ordinary Shares had a nominal value equal to the nominal value of the Ordinary Shares in issue immediately before the Calculation Time, then:
 - (a) the Converting Index Shares shall be consolidated, sub-divided and converted into Ordinary Shares with a nominal value equal to the aggregate nominal value of such Converting Index Shares divided by the number of Ordinary Shares thereby arising; and
 - (b) contemporaneously with the conversion of the Converting Index Shares, each Ordinary Share (other than the Ordinary Shares arising on such conversion and any Converting Ordinary Shares) shall be sub-divided into an Ordinary Share with a nominal value equal to the nominal value determined pursuant to paragraph (K)(ii)(a) and a Deferred Share with a nominal value equal to the difference between the nominal value of an Ordinary Share immediately prior to such sub-division and the nominal value referred to in paragraph (K)(ii)(a);
- (L) The assets (which may comprise investments, cash or other current assets or any combination of investments, cash or other current assets) transferred in connection with any conversion of Ordinary Shares to Index Shares and vice versa and the accounting treatment of such transfers shall be determined by or in accordance with guidelines set by the board. The board shall procure that all necessary transfers of assets and accounting entries are made so as to give effect to and record such conversions.

- (M) The company will use its reasonable endeavours to procure that the Ordinary Shares and the Index Shares arising on conversion are admitted to the Official List of the London Stock Exchange.
- (N) The Ordinary Shares arising on conversion shall carry the right to receive all dividends and other distributions declared, paid or made on the Ordinary Shares by reference to a record date falling on or after the Conversion Date or Deferred Conversion Date, as the case may be, on which they arise, but not by reference to a record date falling before that Conversion Date or Deferred Conversion Date, as the case may be, and shall otherwise rank *pari passu* in all respects with the Ordinary Shares then in issue and fully paid. The Index Shares arising on conversion shall carry the right to receive all dividends and other distributions declared, paid or made on the Index Shares by reference to a record date falling on or after the Conversion Date or Deferred Conversion Date, as the case may be, on which they arise, but not by reference to a record date falling before that Conversion Date or Deferred Conversion Date, as the case may be, and shall otherwise rank *pari passu* in all respects with the Index Shares then in issue and fully paid.
- (O) Unless the board otherwise determines, or unless the regulations and/or the rules of the relevant system concerned otherwise require, the Ordinary Shares and Index Shares arising on conversion shall be or shall be issued (as appropriate) in uncertificated form (where the Ordinary Shares or Index Shares, as the case may be, converted were in uncertificated form on the Conversion Date or Deferred Conversion Date, as the case may be, concerned) or in certificated form (where the Ordinary Shares or Index Shares, as the case may be, converted were in certificated form on the Conversion Date or Deferred Conversion Date, as the case may be, concerned).
- (P) Any Deferred Shares arising on conversion will be in certificated form (unless the board otherwise determines), will (save as provided below) not be transferable and will not entitle the holder to any repayment of capital on a return of assets (except for the sum of 1p payable after the sum of £10,000 has been paid in respect of each Ordinary Share and Index Share) or to receive notice of or attend or vote at any general meeting of the company. The Deferred Shares shall entitle the holders to a non-cumulative dividend at a fixed rate of 0.001 per cent. of the nominal amount thereof payable on the date falling six months after the Conversion Date or Deferred Conversion Date, as the case may be, on which they arise to the holders of Deferred Shares on the register on that date but shall confer no other right to share in the profits of the company. The board may at any time resolve that any Deferred Shares shall be transferred for no consideration to a person nominated by it and for that purpose shall be entitled to nominate a person to execute any form of transfer or other document necessary to give effect thereto as attorney for the holder of any such Deferred Shares. Subject to the provisions of the Act and to any relevant authority of the company in general meeting required by the Act, the board shall be empowered, for the purpose of giving effect to any conversion, consolidation or sub-division of Deferred Shares into any other class of shares of the company, to authorise any person to execute any transfer of shares of any class (including but not limited to Deferred Shares) which may in the opinion of the board be expedient for such purposes.

(Q) As soon as practicable:

- (i) the company shall notify holders of Converting Ordinary Shares and Converting Index Shares of the ITOCR and the OTICR;
- (ii) the company shall send to each holder of Converting Ordinary Shares and Converting Index Shares, as the case may be, that are in certificated form, by post at his own risk, free of charge, a definitive certificate for the appropriate number in each case of fully-paid Ordinary Shares or Index Shares, as the case may be, arising on conversion and a new certificate for any unconverted Ordinary Shares or Index Shares, as the case may be, comprised in any certificates surrendered by him. In the meantime, transfers by such holders of Ordinary Shares or Index Shares, as the case may be, in certificated form shall be certified against the register; and
- (iii) the company shall announce the ITOCR and the OTICR applicable on the Conversion Date or Deferred Conversion Date, as the case may be and the number of new Ordinary Shares and new Index Shares in accordance with the rules of the London Stock Exchange.

(R) The board has set guidelines (which the board may from time to time amend) for the determination of the value of investments, current assets and liabilities of the company used in the calculation of the ITOCR and the OTICR. These guidelines include the method of valuing quoted and unquoted investments, the treatment of any non-sterling *denominated investments, assets or liabilities, the accrual policy for income and expenses* and such other matters as the board consider appropriate. The board shall be entitled to make such changes to the guidelines as may be fair and reasonable, subject to the approval of the auditors from time to time of the company.

(S) The board may:

- (i) change the date or dates on which Conversion Dates fall;
- (ii) set additional Conversion Dates;
- (iii) change the period of days and the time specified in the definition of Conversion Notice Period and/or treat a Conversion Notice as effective in respect of a Conversion Date or Deferred Conversion Date, as the case may be, notwithstanding that the Conversion Notice is received outside the Conversion Notice Period relating to that Conversion Date or Deferred Conversion Date, as the case may be;
- (iv) at any time prior to the completion of the matters set out in articles 14(J) and 14(K) in respect of a Conversion Date or Deferred Conversion Date, as the case may be, cancel or postpone to a later date set by the board any conversions of Converting Ordinary Shares or Converting Index Shares due to occur on that Conversion Date or Deferred Conversion Date, as the case may be, if the board

determines that such a cancellation or postponement would be in the best interests of members; and

- (v) make such other changes to the procedure by which or the basis on which Ordinary Shares and/or Index Shares are to convert as the board (after consultation with the auditors) shall consider fair and reasonable.
- (T) (i) Where the net effect of the transfer of assets from the Tribune Global Managed Fund and the assets from the Tribune UK Index Fund resulting from Conversion Notices validly served in relation to any Conversion Date or Deferred Conversion Date, as the case may be, would have the effect that the Tribune Global Managed Fund, excluding the assets to be transferred out of the Tribune Global Managed Fund as at the relevant Conversion Date but including the assets to be transferred into the Tribune Global Managed Fund as at the relevant Conversion Date, is less than (i) £50 million or (ii) 15 per cent. of the aggregate net asset value of the Tribune Global Managed Fund and the Tribune UK Index Fund as at the relevant Conversion Date, whichever is the lower, then:
- (a) each Conversion Notice served by a holder of Index Shares shall be deemed to be void and of no effect and the rights of holders of Index Shares to convert those shares into Ordinary Shares provided for under article 14(B) shall cease;
 - (b) each holder of Ordinary Shares shall be deemed to have given a valid Conversion Notice in the Conversion Notice Period prior to the relevant Conversion Date in relation to his or her entire holding of Ordinary Shares; and
 - (c) the provisions of article 14 shall apply to such deemed Conversion Notices.
- (ii) Where the net effect of the transfer of assets from the Tribune Global Managed Fund and assets from the Tribune UK Index Fund resulting from Conversion Notices validly served in relation to any Conversion Date or Deferred Conversion Date, as the case may be, would have the effect that the Tribune UK Index Fund excluding the assets to be transferred out of the Tribune UK Index Fund as at the relevant Conversion Date but including the assets to be transferred into the Tribune UK Index Fund as at the relevant Conversion Date, is less than (i) £50 million or (ii) 15 per cent. of the aggregate net asset value of the Tribune Global Managed Fund and the Tribune UK Index Fund as at the relevant Conversion Date, whichever is lower, then:
- (a) each Conversion Notice served by a holder of Ordinary Shares shall be deemed to be void and of no effect and the rights of holders of Ordinary Shares to convert those shares into Index Shares provided for under article 14(A) shall cease;

- (b) each holder of Index Shares shall be deemed to have given a valid Conversion Notice in the Conversion Notice Period prior to the relevant Conversion Date in relation to his/her entire holding of Index Shares; and
 - (c) the provisions of article 14 shall apply to such deemed Conversion Notices.
- (U)
 - (i) All calculations required to be carried out shall be expressed to such number of decimal places as is necessary to ensure that no such conversion, sub-division, redesignation, consolidation or other like transaction as is mentioned in and effected under this Article 14 shall give rise to any change (including a fractional change) in the amount of the aggregate nominal capital of the company.
 - (ii) Where any such calculation is a division the quotient of which is a recurring number, that number shall be rounded to five decimal places and any other calculation made contemporaneously shall be adjusted in such manner (in each case) as may be mathematically appropriate to secure compliance with the provisions of the preceding sub-paragraph of this paragraph (U).

15. Rights Attached to Shares

Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the board may decide.

16. Redeemable Shares

Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed, or is to be liable to be redeemed, at the option of the company or the holder.

17. Purchase of Own Shares

Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any class of shares and to any requirements imposed by the London Stock Exchange in respect of securities admitted to listing, the company may purchase or may enter into a contract under which it will or may purchase all or any of its shares of any class, including any redeemable shares.

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.

18. Variation of Rights

Subject to the provisions of the Companies Acts, all or any of the 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 varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these articles as to general meetings of the company shall with any necessary modifications, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, (but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum), that every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him and that any holder of shares of the class present in person or by proxy may demand a poll. The foregoing provisions of this article shall apply to the variation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied.

19. Pari Passu Issues

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking pari passu with them.

20. Unissued Shares

Subject to the provisions of the Companies Acts and 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 as the board may decide.

21. Payment of Commission

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.

22. Trusts Not Recognised

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 of it) any interest in any share other than an absolute right to the whole of the share in the holder.

23. Suspension of Rights Where Non-Disclosure of Interest

- (A) Where the holder of any shares in the company, or any other person appearing to be interested in those shares, fails to comply within the relevant period with any statutory

notice in respect of those shares, the company may give the holder of those shares a further notice (a "restriction notice") to the effect that from the service of the restriction notice those shares will be subject to some or all of the relevant restrictions, and from service of the restriction notice those shares shall, notwithstanding any other provision of these articles, be subject to those relevant restrictions accordingly.

- (B) If after the service of a restriction notice in respect of any shares the board is satisfied that all information required by any statutory notice relating to those shares or any of them from their holder or any other person appearing to be interested in the shares the subject of the restriction notice has been supplied, the company shall, within 7 days, cancel the restriction notice. The company may at any time at its discretion cancel any restriction notice or exclude any shares from it. A restriction notice shall automatically cease to have effect in respect of any shares transferred where the transfer is pursuant to an arm's length sale of those shares.
- (C) Where any restriction notice is cancelled or ceases to have effect in relation to any shares, any moneys relating to those shares which was 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.
- (D) Any new 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 the new shares subject to restrictions corresponding to those which will apply to those shares by reason of the restriction notice when such shares are issued.
- (E) Any holder of shares on whom a restriction notice has been served may at any time request the company to give in writing the reason why the restriction notice has been served, or why it remains uncanceled, and within 14 days of receipt of such a notice the company shall give that information accordingly.
- (F) If a statutory notice is given by the company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the failure or omission to do so or the non-receipt of the copy by the holder shall not invalidate such notice.
- (G) This article is in addition to, and shall not in any way prejudice or affect, the statutory rights of the company arising from any failure by any person to give any information required by a statutory notice within the time specified in it. For the purpose of this article a statutory notice need not specify the relevant period, and may require any information to be given before the expiry of the relevant period.
- (H) In this article:

a sale is an "**arm's length sale**" if the board is satisfied that it is a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the holder or with any person appearing to be interested in such shares and shall include a sale made by way of or in pursuance of acceptance of a takeover offer and a sale made through the London Stock Exchange or any other stock

exchange outside the United Kingdom on which the company's shares are normally traded. For this purpose an associate (within the definition of that expression in any statute relating to insolvency in force at the date of adoption of this article) shall be included amongst the persons who are connected with the holder or any person appearing to be interested in such shares;

"person appearing to be interested" in any shares shall mean any person named in a response to a statutory notice as being so interested or shown in any register kept by the company under the Companies Acts as so interested or, taking into account a response or failure to respond in the light of the response to any other statutory notice and any other relevant information, any person whom the company has reasonable cause to believe is so interested;

"person with a 0.25 per cent. interest" means a person who holds, or is shown in any register kept by the company under the Companies Acts as having an interest in, shares in the company which comprise in total at least 0.25 per cent. in number or nominal value of the shares of the company, or of any class of such shares, in issue at the date of service of the statutory notice or the restriction notice (as the case may be);

"relevant period" means 14 days;

"relevant restrictions" means in the case of a restriction notice served on a person with a 0.25 per cent. interest that

- (i) the shares shall not confer on the holder any right to attend or vote either personally or by proxy at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company or to exercise any other right conferred by membership in relation to general meetings;
- (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 (subject to the requirements of the Uncertificated Securities Regulations) decline to register a transfer of the shares or any of them unless such a transfer is pursuant to an authorised sale

and in any other case mean only the restriction specified in sub-paragraph (i) of this definition;

"statutory notice" means a notice served by the company under the Companies Acts requiring particulars of interests in shares or of the identity of persons interested in shares.

24. Uncertificated Shares

- (A) Pursuant and subject to the Uncertificated Securities Regulations, the board may permit title to shares of any class to be evidenced otherwise than by a certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is for the time being a participating class. The board may also, subject to compliance with the Uncertificated Securities Regulations and the rules of any relevant system, determine at any time that title to any class of shares may from a date specified by the board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any particular relevant system. For the avoidance of doubt, shares which are uncertificated shares shall not be treated as forming a class which is separate from certificated shares with the same rights.
- (B) For so long as a class of shares remains a participating class, no provision of these articles shall apply or have effect in relation to uncertificated shares of that class to the extent that it is inconsistent in any respect with:-
- (i) the holding of shares of that class in uncertificated form;
 - (ii) the transfer of title to shares of that class by means of a relevant system; and
 - (iii) any provision of the Uncertificated Securities Regulations.
- (C) Shares of a class which is for the time being a participating class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Uncertificated Securities Regulations and the rules of any relevant system, and the board shall record on the register of members that the shares are held in certificated or uncertificated form as appropriate.

25. Right to Share Certificates

Subject to the provisions of the Uncertificated Securities Regulations, the rules of any relevant system and these articles, every person (except a person to whom the company is not by law required to issue a certificate) whose name is entered in the register as a holder of any certificated shares shall be entitled, without payment, to receive within whichever is the earlier of:-

- (i) any time period required by the listing rules of the London Stock Exchange, or
- (ii) two months after allotment or lodgement of a transfer to him of those shares or within two months after the relevant Operator-instruction is received by the company (or within such other period as the terms of issue shall provide)

one certificate for all those shares of any one class or several certificates each for one or more of the shares of the class in question upon payment for every certificate after the first of such

reasonable out-of-pocket expenses as the board may from time to time decide. In the case of a certificated share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who transfers some but not all of the shares evidenced by a certificate shall be entitled to a certificate for the balance without charge. Any two or more certificates representing shares of any one class held by any member shall at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

26. Replacement of Share Certificates

If a share certificate is defaced, worn out, lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the company in investigating the evidence and preparing the indemnity as the board may decide and, where it is defaced or worn out, after delivery of the old certificate to the company.

27. Execution of Share Certificates

Every share certificate shall be executed under a seal or in such other manner as the board having regard to the terms of issue and any listing requirements may authorise, and shall specify the number and class of the shares to which it relates and shall further specify whether the shares comprised therein are fully paid (or, if they are not fully paid the amount paid up and the amount unpaid). The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

Lien

28. Company's Lien on Shares Not Fully Paid

The company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the company (whether presently or not) in respect of that share. The company's lien on a share shall extend to every amount payable in respect of it. 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.

29. Enforcing Lien by Sale

The company may sell, in such manner as the board may decide, any share on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been served on the holder of the share or the person who is entitled by transmission to the share and who has supplied the company with an address within the United Kingdom for the service of notices, demanding payment and stating that if the notice is not complied with the share may be sold. For giving effect to the sale the board may authorise some person to execute an instrument of transfer of the share sold to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in relation to the sale.

30. Application of Proceeds of Sale

The net proceeds, after payment of the costs, of the sale by the company of any share 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 it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the company, for cancellation of the certificate for the share sold) be paid to the person who was entitled to the share at the time of the sale.

Calls on Shares**31. Calls**

Subject to the terms of issue, 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 payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the company serving upon him at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be revoked or postponed as the board may decide. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

32. Payment on Calls

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.

33. Liability of Joint Holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

34. Interest Due on Non-Payment

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding 15 per cent. per annum, as the board may decide, but the board shall be at liberty to waive payment of the interest wholly or in part.

35. Sums Due on Allotment Treated as Calls

Any amount which becomes payable in respect of a share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these articles shall apply as if the sum had become due and payable by virtue of a call.

36. Power to Differentiate

Subject to the terms of issue, 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.

37. Payment of Calls in Advance

The board may, if it thinks fit, receive from any member who is willing to advance them 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 they would, but for the 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 the board may decide.

Forfeiture of Shares

38. Notice if Call or Instalment Not Paid

If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the company by reason of such non-payment.

39. Form of Notice

The notice shall name a further day (not being less than fourteen clear 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 the call has been made or instalment is payable will be liable to be forfeited. The board may accept the surrender of any share liable to be forfeited and, in that event, references in these articles to forfeiture shall include surrender.

40. Forfeiture for Non-Compliance with Notice

If the notice is not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest and expenses due in respect of it has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

41. Notice after Forfeiture

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 invalidated by any omission or neglect to give the notice.

42. Sale of Forfeited Shares

Until cancelled in accordance with the requirements of the Companies Acts, 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 or to any other person upon such terms and in such manner as the board shall decide. The board may for the purposes of the disposal authorise some person to execute an instrument of transfer to the designated transferee. The company may receive the consideration (if any) given for the share on its disposal and if the share is in registered form may register the transferee as the holder of the share. At any time before a sale, re-allotment or disposition the forfeiture may be cancelled by the board on such terms as the board may decide.

43. Arrears to be Paid Notwithstanding Forfeitures

A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the company all moneys which at the date of the forfeiture were payable by him to the company in respect of those shares with interest thereon at the rate of 15 per cent. per annum (or such lower rate as the board may decide) 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 or for any consideration received on their disposal.

44. Statutory Declaration as to Forfeiture

A statutory declaration that the declarant is a director of the company or the secretary and that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the 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.

Transfer of Shares**45. Transfer**

Subject to such of the restrictions of these articles as may be applicable:-

- (i) any member may transfer all or any of his uncertificated shares by means of a relevant system in such manner provided for, and subject as provided, in the Uncertificated Securities Regulations and the rules of any relevant system, and accordingly no provision of these articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate in respect of the share to be transferred; and

- (ii) any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the board may approve.

46. Execution of Transfer

The instrument of transfer of a certificated share shall be executed 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 concerned until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the company.

47. Rights to Decline Registration of Partly Paid Shares

The board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any share which is not a fully paid share.

48. Other Rights to Decline Registration

- (A) The board may only decline to register a transfer of an uncertificated share in the circumstances set out in the Uncertificated Securities Regulations, or where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.
- (B) The board may decline to register any transfer of a certificated share unless:-
 - (i) the instrument of transfer is lodged with the company accompanied (save in the case of a transfer by a person to whom the company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share 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;
 - (ii) the instrument of transfer is in respect of only one class of share; and
 - (iii) 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.

49. Notice of Refusal

If the board declines to register a transfer of a share it shall, within two months after the date on which the instrument of transfer was lodged or, in the case of uncertificated shares, within two months after the date on which the relevant Operator-instruction is received, send to the transferee notice of the refusal.

50. No Fee for Registration

No fee shall be charged by the company for registering any transfer or document relating to or affecting the title to any share or for making any other entry in the register.

51. Untraced Shareholders

The company may sell any certificated shares in the company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a member of the London Stock Exchange to sell them at the best price reasonably obtainable at the time of the sale if:-

- (i) the shares have been in issue either in certificated or uncertificated form throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period;
- (ii) no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relevant cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares or by the transfer of funds by means of a relevant system at any time during the relevant period;
- (iii) so far as any director of the company at the end of the relevant period is then aware, the company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares;
- (iv) the company has caused two advertisements to be published, one in a newspaper with a national circulation and the other in a newspaper circulating in the area in which the last known address of the holder of, or person entitled by transmission to, the shares or the address at which service of notices may be effected under the articles is located, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates; and
- (v) the company has given notice to the London Stock Exchange of its intention to make the sale.

For the purpose of this article:-

"the qualifying period" means the period of twelve years immediately preceding the date of publication of the advertisements referred to in sub-paragraph (d) above or of the first of the two advertisements to be published if they are published on different dates; and

"the relevant period" means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of sub-paragraphs (i) to (v) above have been satisfied.

If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements of sub-paragraphs (ii) to (v) above have been satisfied in regard to the further shares, the company may also sell the further shares.

To give effect to any sale of shares pursuant to this article the board may authorise some person to transfer the shares in question and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the company and, upon their receipt, the company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and the company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the company or as it thinks fit.

Transmission of Shares

52. Transmission on Death

If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the company as having any title to his shares; but nothing contained in these articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.

53. Entry of Transmission in Register

Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the board, the board shall within two months after proof cause the entitlement of that person to be noted in the register.

54. Election of Person Entitled by Transmission

Any person entitled by transmission to a share may, subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself he shall give notice to the company to that effect. If he elects to have another person registered, he shall transfer title to the share to that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or transfer was given or effected by the member.

55. Rights of Person Entitled by Transmission

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share 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. The board may at any time give notice requiring the 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 withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

Alteration of Share Capital

56. Increase, Consolidation, Sub-Division and Cancellation

- (A) The company may from time to time by ordinary resolution:-
- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
 - (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (iii) sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and
 - (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (B) None of the corporate activities described in article 56(A) above, the redemption or repurchase of some or all of the Index Shares or the Ordinary Shares or the conversion of Ordinary Shares into Index Shares or Index Shares into Ordinary Shares shall constitute a variation or abrogation of the class rights of the holders of Deferred Shares or Deferred B Shares from time to time.

57. Fractions

Whenever as a result of a consolidation, conversion or sub-division of shares any members become entitled to fractions of a share, the board may deal with the fractions as it thinks fit and in particular may on behalf of those members sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Companies Acts, the company) and distribute the net proceeds of sale in due proportion among those members and for this purpose the board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.

58. Reduction of Capital

Subject to the provisions of the Companies Acts, the company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any way.

General Meetings**59. Extraordinary General Meetings**

Any general meeting of the company other than an annual general meeting shall be called an extraordinary general meeting.

60. Annual General Meetings

The board shall convene and the company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

61. Convening of Extraordinary General Meetings

The board may convene an extraordinary general meeting whenever it thinks fit.

62. Separate General Meetings

The provisions of these articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of shares of a class convened otherwise than in connection with the variation or abrogation of the rights attached to the shares of that class. For this purpose, a general meeting at which no holder of a share other than an Ordinary Share or an Index Share may, in his capacity as a member, attend or vote shall also constitute a separate general meeting of the holders of the Ordinary Shares and Index Shares.

Notice of General Meetings**63. Length of Notice**

An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or (save as provided by the Companies Acts) a resolution of which special notice has been given to the company shall be convened by not less than twenty-one clear days' notice in writing. All other extraordinary general meetings shall be convened by not less than fourteen clear days' notice in writing. The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted. Notice of every general meeting shall be given to all members other than any who, 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 or, if more than one, each of them.

Notwithstanding that a meeting of the company is convened by shorter notice than that specified in this article, it shall be deemed to have been properly convened if it is so agreed:-

- (i) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- (ii) 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.

64. Omission or Non-Receipt of Notice

The accidental omission to give any notice of a meeting or the accidental omission to send any document relating to any meeting, or the non-receipt of any such notice or document by any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting.

65. Postponement of General Meetings

If the board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted at such postponed meeting shall not be required.

Proceedings at General Meetings

66. Quorum

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 choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

67. Procedure if Quorum Not Present

If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the commencement of the meeting a quorum is not present, the meeting shall stand adjourned to such other day (being not less than three nor more than twenty-eight days later) and at such other time or place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been so specified, the meeting shall stand adjourned to such other day (being not less than ten nor more than twenty-eight days later) and at such other time or place as the chairman of the meeting may decide and, in this case, the company shall give not less than seven clear days' notice in writing of the adjourned meeting. At any adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum and any notice of an adjourned meeting shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

68. Security Arrangements

The board may direct that persons wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to, or to authorise some one or more persons who shall include a director or the secretary or the chairman of the meeting to, refuse entry to, or to eject from, such general meeting any person who fails to submit to such searches or to otherwise comply with such security arrangements or restrictions.

69. Chairman of General Meeting

The chairman (if any) of the board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman 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 shall appoint one of their number to be chairman.

70. Orderly Conduct

The chairman shall take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting and the chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

71. Entitlement to Attend and Speak

Each director shall be entitled to attend and speak at any general meeting of the company and at any separate general meeting of the holders of any class of shares in the company. The chairman may invite any person to attend and speak at any general meeting of the company whom the chairman considers to be equipped by knowledge or experience of the company's business to assist in the deliberations of the meeting.

72. Adjournments

The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either sine die or to another time or place where it appears to him that (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting either sine die or to another time or place. When a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the board. No business shall be transacted at any adjourned meeting

except business which might properly have been transacted at the meeting had the adjournment not taken place.

73. Notice of Adjournment

When a meeting is adjourned for three months or more, or sine die, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where these articles otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

Amendments

74. Amendments to Resolutions

In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon and in the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon unless either at least forty-eight hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary resolution is to be proposed notice in writing of the terms of the amendment and intention to move the same has been lodged at the office or the chairman in his absolute discretion decides that it may be considered or voted upon.

75. Amendments Ruled Out of Order

If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

Voting

76. Votes of Members

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of these articles, 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 share of which he is the holder.

77. Method of Voting

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 properly demanded. Subject to the Companies Acts, a poll may be demanded by:-

- (i) the chairman of the meeting; or

- (ii) at least five members present in person or by proxy and entitled to vote; or
- (iii) 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 the members having the right to attend and vote at the meeting; or
- (iv) 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 the 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 been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

78. Procedure if Poll Demanded

If a poll is properly demanded it shall be taken in such manner as the chairman shall direct and he may appoint scrutineers who need not be members. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

79. When Poll to be Taken

A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such date (being not later than thirty days after the date of the demand) and at such time 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.

80. Continuance of Other Business after Poll Demand

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

81. Votes on a Poll

On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

82. Casting Vote of Chairman

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

83. Votes of Joint Holders

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.

84. Voting on Behalf of Incapable Member

A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may 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 and may exercise any other right conferred by membership in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote on a poll by proxy), provided that evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote or such other right has been delivered at the office (or at such other place as may be specified in accordance with these articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

85. No Right to Vote where Sums Overdue on Shares

No member shall, unless the board otherwise decides, be entitled in respect of any share held by him to vote (either personally or by proxy) at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company or to exercise any other right conferred by membership in relation to general meetings unless all calls or other sums presently payable by him in respect of that share have been paid.

86. Objections or Errors in Voting

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 it 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 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 conclusive.

Proxies

87. Execution of Proxies

An instrument appointing a proxy shall be in writing under the hand of the appointor or 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 it.

88. Delivery of Proxies

The instrument appointing a proxy and (if required by the board) any authority under which it is executed or a copy of the authority, certified notari ally or in some other manner approved by the board, may be delivered to the office (or to 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 accompanying document) 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 the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall be invalid. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share: if the company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

89. Maximum Validity of Proxy

No instrument appointing a proxy shall be valid after twelve months have elapsed from the date named in it as the date of its execution.

90. Form of Proxy

Instruments of proxy shall be in any usual form or in such other form as the board may approve and the board may, if it thinks fit, but subject to the provisions of the Companies Acts, 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 in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

91. Cancellation of Proxy's Authority

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the company at the office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying

document) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

Appointment, Retirement and Removal of Directors

92. Number of Directors

Unless otherwise determined by ordinary resolution of the company, the directors (disregarding alternate directors) shall be not less than three nor more than eight in number.

93. Age of Directors

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 seventy years or any other age nor shall it be necessary by reason of his age to give special notice under the Companies Acts of any resolution. Where the board convenes any general meeting of the company at which (to the knowledge of the board) a director will be proposed for appointment or reappointment who at the date for which the meeting is convened will have attained the age of seventy years or more, the board shall give notice of his age in years in the notice convening the meeting or in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any appointment or reappointment of that director, at that meeting.

94. Directors' Shareholding Qualification

No shareholding qualification for directors shall be required.

95. Power of Company to Appoint Directors

Subject to the provisions of these articles, the company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles.

96. Power of Board to Appoint Directors

Without prejudice to the power of the company in general meeting pursuant to any of the provisions of these articles to appoint any person to be a director, the board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

97. Number to Retire by Rotation

At every annual general meeting one-third of the directors or, if their number is not three or any multiple of three, then the number nearest to and less than one-third shall retire from office but, if there are fewer than three directors who are subject to retirement by rotation, they shall retire.

98. Identity of Directors to Retire

Subject to the provisions of the Companies Acts and of these articles, the directors to retire by rotation on each occasion shall include (so far as is necessary to obtain the number required) any director who wishes to retire and not offer himself for re-election. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at start of business on the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time on the date of the notice but before the close of the meeting.

99. Filling Rotation Vacancies

Subject to the provisions of these articles, the company at the meeting at which a director retires by rotation may fill the vacated office and in default the retiring director shall, if willing to continue to act, be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill the vacated office or unless a resolution for the reappointment of that director has been put to the meeting and lost.

100. Power of Removal by Special Resolution

In addition to any power of removal conferred by the Companies Acts, the company may by special resolution remove any director before the expiration of his period of office and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. Any person so appointed shall be treated, for the purpose of determining the time at which he or any other director is to retire, as if he had become a director on the day on which the person in whose place he is appointed was last appointed or reappointed a director.

101. Persons Eligible as Directors

No person other than a director retiring at the meeting (whether by rotation or otherwise) shall be appointed or reappointed a director at any general meeting unless:-

- (i) he is recommended by the board; or
- (ii) not less than six nor more than thirty five clear days before the day appointed for the meeting, notice executed by a member qualified to vote at the meeting (not

being the person to be proposed) has been given to the secretary of the intention to propose that person for appointment or reappointment together with notice executed by that person of his willingness to be appointed or reappointed.

102. Position of Retiring Directors

A director who retires (whether by rotation or otherwise) at an annual general meeting may, if willing to continue to act, be reappointed. If he is not reappointed or deemed to be reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

103. Vacation of Office by Directors

Without prejudice to the provisions for retirement by rotation or otherwise contained in these articles, the office of a director shall be vacated if:-

- (i) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board; or
- (ii) by notice in writing delivered to the office or tendered at a meeting of the board, his resignation is requested by all of the other directors and all of the other directors are not less than three in number;
- (iii) he is or has been suffering from mental ill health or becomes a patient for any purpose of any statute relating to mental health and the board resolves that his office is vacated; or
- (iv) he is absent without the permission of the board from meetings of the board (whether or not an alternate director appointed by him attends) for six consecutive months and the board resolves that his office is vacated; or
- (v) he becomes bankrupt or compounds with his creditors generally; or
- (vi) he is prohibited by law from being a director; or
- (vii) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

If the office of a director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the board.

104. Alternate Directors

- (A) Each director may appoint any person to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a director, the appointment, unless previously approved by the board, shall have effect only upon and subject to its being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointor and

delivered to the office or tendered at a meeting of the board, or in any other manner approved by the board. If his appointor so requests, an alternate director shall be entitled to receive notice of all meetings of the board or of committees of the board of which his appointor is a member. He shall also be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and 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 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. Execution by an alternate director of 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 execution by his appointor.
- (D) An alternate director shall automatically cease to be an alternate director if his appointor ceases for any reason to be a director except that, if at any meeting any director retires by rotation or otherwise but is reappointed or deemed to be reappointed 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.

105. Executive Directors

The board or any committee authorised by the board may from time to time appoint one or more directors to hold any employment or executive office with the company for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board or any committee authorised by the board may in its discretion decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the company or the company may have against the director for any breach of any contract of service between him and the company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide, and either in addition to or in lieu of his remuneration as a director.

Fees, Remuneration, Expenses and Pensions

106. Directors' Fees

Each of the directors shall be paid a fee at such rate as may from time to time be determined by the board provided that the aggregate of all fees so paid to directors (excluding amounts payable under any other provision of these articles) shall not exceed £150,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the company.

107. Additional Remuneration

Any director who performs services which in the opinion of the board or any committee authorised by 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 or any committee authorised by the board may in its discretion decide in addition to any remuneration provided for by or pursuant to any other article.

108. Expenses

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 of the company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and 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.

109. Pensions and Gratuities for Directors

The board or any committee authorised by the board may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director provided that no benefits (except insurance or such as may be provided for by any other article) may be granted to or in respect of a director or former director who has not been employed by, or held an executive office or place of profit under, the company or any body corporate which is or has been its subsidiary or any predecessor in business of the company or any such body corporate without the approval of an ordinary resolution of the company. No director or former director shall be accountable to the company or the members for any benefit provided 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.

Directors' Interests

110. Permitted Interests and Voting

- (A) Subject to the provisions of the Companies Acts and of paragraph (J) 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 contract in

which any director is in any way interested be liable to be avoided, nor shall any director who is so interested be liable to account to the company or the members for any remuneration, profit or other benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship thereby established.

- (B) 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 (subject to the provisions of the Companies Acts) and upon such other terms as the board may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other article.
- (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 or as regards which it has any power of appointment, 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 the other company.* The board may also cause any voting power conferred by the shares in any other company held or owned by the company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company.
- (D) 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.
- (E) A director shall not vote on or be counted in the quorum in relation to any resolution of the board concerning his own appointment, or the settlement or variation of the terms or the termination of 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 out, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, 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 that case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to an office or place of profit with a company in which the company is interested and the director seeking to vote or be counted in the quorum owns one per cent. or more of it.
- (F) Save as otherwise provided by these articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the board in respect of any contract in which he has an interest which (taken together with any interest of any person connected with him) is to his knowledge a material interest and, if he shall do so, his

vote shall not be counted, but this prohibition shall not apply to any resolution where that material interest arises only from one or more of the following matters:-

- (i) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or by any other person at the request of or for the benefit of the company or any of its subsidiary undertakings;
 - (ii) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) where the company or any of its subsidiary undertakings is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the director is to participate;
 - (iv) any contract 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 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 contract concerning the adoption, modification or operation of a pension fund or retirement death or disability benefits scheme which relates both to directors and employees of the company or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;
 - (vii) any contract for the benefit of employees of the company or of any of its subsidiary undertakings under which he benefits in a similar manner to the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom the contract relates; and
 - (viii) any contract for the purchase or maintenance for any director or directors of insurance against any liability.
- (G) A company shall be deemed to be one in which a director owns one per cent. or more if and so long as (but only if and so long as) he, taken together with any person connected with him, is to his knowledge (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 that company or of the voting rights available to members of that company. For the purpose of this paragraph of this article there shall be disregarded any shares held by the director or any such person as bare or custodian trustee and in which he or any such person has no beneficial interest, any shares comprised in a trust in which his, or any such person's, interest is in reversion or remainder if and so long as some other person is entitled to

receive the income of the trust and any shares comprised in an authorised unit trust scheme in which he, or any such person, is interested only as a unit holder.

- (H) Where a company in which a director owns one per cent. or more is materially interested in a contract, he also shall be deemed materially interested in that contract.
- (I) 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 the chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be conclusive except in a case where the nature or extent of his interest (so far as it is known to him) has not been fairly disclosed to the board. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the board (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman (so far as it is known to him) has not been fairly disclosed to the board.
- (J) A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract 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 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. For the purposes of this article, a general notice to the board by a director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this article in relation to any such contract; provided that no such notice shall be effective unless either it is given at a meeting of the board or the director takes reasonable steps to secure that it is brought up and read at the next board meeting after it is given.
- (K) References in this article to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.

Powers and Duties of the Board

111. General Powers of Company Vested in Board

Subject to the provisions of the Companies Acts, the memorandum of association of the company and these articles and to any directions given by the company in general meeting by special resolution, the business of the company shall be managed by the board which may exercise all the powers of the company whether relating to the management of the business of the company or not. No alteration of the memorandum of association or these articles and no special resolution shall invalidate any prior act of the board which would have been valid if that

alteration had not been made or that resolution had not been passed. The powers given by this article shall not be limited by any special power given to the board by any other article.

112. Borrowing Powers

- (A) Subject to the provisions of article 6(B), the board may exercise all the powers of the company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company 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 restrict the borrowings of the company and exercise all voting and other rights or powers of control exercisable by the company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings only in so far as by the exercise of the rights or powers of control the board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the group (exclusive of borrowings owing by one member of the group to another member of the group) shall not at any time without the previous sanction of an ordinary resolution of the company exceed an amount equal to twice the adjusted capital and reserves.

For the purposes of this paragraph of this article:-

- (i) "the adjusted capital and reserves" means the aggregate from time to time of:-
 - (a) the amount paid up on the issued share capital of the company, and
 - (b) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve and credit balance on profit and loss account but excluding any amount representing the unrealised appreciation on investments),

all as shown by the then latest audited balance sheet but after

 - (c) deducting from the aggregate any debit balance on profit and loss account subsisting at the date of that audited balance sheet except to the extent that a deduction has already been made on that account, and
 - (d) making such adjustments as may be appropriate to reflect any variation in the amount of the paid up share capital, share premium account or capital redemption reserve since the date of the audited balance sheet;-
- (ii) "borrowings" include not only borrowings but also the following except in so far as otherwise taken into account:-
 - (a) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary undertaking beneficially owned otherwise than by a member of the group, and

- (b) the nominal amount of any other issued and paid up share capital and the principal amount of any debentures or borrowed moneys which is not for the time being beneficially owned by a member of the group, the redemption or repayment of which is the subject of a guarantee or indemnity by a member of the group or which any member of the group may be required to purchase,
- (c) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the group,
- (d) the principal amount of any debenture (whether secured or unsecured) of a member of the group beneficially owned otherwise than by a member of the group,
- (e) any fixed or minimum premium payable by a member of the group on final repayment of any borrowing or deemed borrowing;

but do not include:-

- (f) borrowings incurred by any member of the group for the purpose of repaying within six months of the borrowing the whole or any part of any borrowings of that or any other member of the group for the time being outstanding, pending their application for that purpose within that period, or
 - (g) borrowings incurred by any member of the group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured,
 - (h) borrowings of an undertaking which became a subsidiary undertaking of the company after the date as at which the last audited balance sheet was prepared, to the extent the amount of those borrowings does not exceed their amount immediately after it became such a subsidiary undertaking,
 - (i) the minority proportion of moneys borrowed by a partly-owned subsidiary undertaking and not owing to another member of the group (and for this purpose the minority proportion shall be a proportion equal to the proportion of its issued share capital which is not attributable to a member of the group);
- (iii) when the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowing

then outstanding which is denominated or repayable in a currency other than sterling shall be notionally converted into sterling at the rate of exchange prevailing in London on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the last business day six months before that date and so that for these purposes the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank, selected by the board, as being the most appropriate rate for the purchase by the company of the currency in question for sterling on the day in question;

- (iv) where under the terms of any borrowing the amount of money that would be required to discharge the borrowing in full if it fell to be repaid by reason of an event of default, the exercise of an option or for any other reason on the date as at which the calculation is being made is at a premium or discount to the principal amount the amount to be taken into account in respect of that borrowing shall be the amount (or the greater or greatest of two or more alternative amounts) which would be payable on such repayment as at the date on which the calculation is being made;
- (v) "audited balance sheet" means the audited balance sheet of the company prepared for the purposes of the Companies Acts for a financial year unless an audited consolidated balance sheet dealing with the state of affairs of the company and its subsidiary undertakings required to be dealt with in group accounts has been prepared for those purposes for the same financial year, in which case it means that audited consolidated balance sheet, and in that case all references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively;
- (vi) the company may from time to time change the accounting convention on which the audited balance sheet is based provided that any new convention adopted complies with the requirements of the Companies Acts: if the company should prepare its main audited balance sheet on the basis of one convention, but a supplementary audited balance sheet on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet;
- (vii) "the group" means the company and its subsidiary undertakings (if any); and
- (viii) a certificate or report by the auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of that amount or of that fact.

113. Agents

The board may, by power of attorney or otherwise, appoint any person to be the agent of the company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to

sub-delegate). The board may remove any person appointed under this article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

114. Delegation to Individual Directors

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) 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, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in *certain articles, but not in others, express reference is made to particular powers, authorities or discretions* being exercised by the board or by a committee authorised by the board.

115. Official Seals

The company may exercise all the powers conferred by the Companies Acts with regard to having official seals, and those powers shall be vested in the board.

116. Registers

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 the register.

117. Provision for Employees

The board may exercise any power conferred by the Companies Acts to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

Proceedings of the Board

118. Board Meetings

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary on the requisition of a director at any time shall, summon a board meeting.

119. Notice of Board Meetings

Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the company for this purpose. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during his absence be sent in writing to him at an address given by him to the company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and if no request is made to the board 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.

120. Quorum

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. Subject to the provisions of these articles, 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.

121. Directors below Minimum through Vacancies

The continuing directors or a sole continuing director may act notwithstanding any vacancy in their number but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these articles or is below the number fixed by or in accordance with these articles as the quorum or there is only one continuing director, the continuing directors or director may act for the purpose of filling vacancies or of summoning general meetings of the company but not for any other purpose. If there are no directors or director able or willing to act, then any two members may summon a general meeting for the purpose of appointing directors.

122. Appointment of Chairman

The board may appoint a director to be the chairman or the deputy chairman of the board, and may at any time remove him from that office. The chairman or failing him the deputy chairman shall act as chairman at every meeting of the board. But if no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.

123. Competence of Meetings

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.

124. Voting

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

125. Delegation to Committees

- (A) The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) to any committee, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed may exercise its power to sub-delegate by sub-delegating to any person or persons (whether or not a member or members of the board or of the committee).
- (B) 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. 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.
- (C) The power to delegate contained in this article shall be effective in relation to the powers, authorities and discretions of the board generally and shall not be limited by the fact that in certain articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the board or by a committee authorised by the board.

126. Participation in Meetings by Telephone

All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

127. Resolution in Writing

A resolution in writing executed by all the directors for the time being entitled to receive notice of a meeting of the board (if that number is sufficient to constitute a quorum) or by all the members of a committee for the time being so entitled shall be as valid and effectual as a resolution passed at a meeting of the board or, as the case may be, of the committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned.

128. Validity of Acts of Board or Committee

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 committee or person so acting or that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee and had been entitled to vote.

Secretary**129. Appointment and Removal of the Company Secretary**

Subject to the provisions of the Companies Acts, the secretary shall be appointed by the board for such term and upon such conditions as the board may think fit; and any secretary so appointed may be removed by the board. The secretary shall receive such remuneration as the board or any committee authorised by the board shall decide.

Seals**130. Use of Seals**

The board shall provide for the custody of every seal of the company. 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 applied shall be signed by at least one director and the secretary, or by at least two directors or by such other person or persons as the board may approve. Any instrument to which an official seal is applied need not, unless the board for the time being otherwise decides or the law otherwise requires, be signed by any person.

Dividends and Other Payments**131. Declaration of Dividends by Company**

- (A) Subject to the provisions of the Companies Acts and to the provisions set out in articles 12 and 13 with respect to voting on the declaration of a dividend, the company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board.
- (B) No dividend shall be payable except out of the profits of the company and otherwise in accordance with the provisions of the Companies Acts but so that capital profits and surpluses arising from the realisation of investments shall not be available for dividend or distribution.
- (C) Subject to the provisions of the Companies Acts, the determination of the board as to the amount of profits in the company at any time available for distribution by way of dividends shall be conclusive.

132. Payment of Interim and Fixed Dividends by Board

Subject to the provisions of the Companies Acts and of these articles, the board may pay such interim dividends as appear to the board to be justified by the financial position of the company and may also pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the company, in the opinion of the board, justifies its payment. If the board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer in consequence of the payment of an interim or fixed dividend on any other class of shares ranking *pari passu* with or after those shares.

133. Calculation and Currency of Dividends

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

- (i) 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;
- (ii) 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; and
- (iii) dividends may be declared or paid in any currency.

The board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the company or any other person to bear any costs involved.

134. Amounts Due on Shares may be Deducted from Dividends

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.

135. No Interest on Dividends

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

136. Payment Procedure

Any dividend or other sum payable by the company in respect of a share may be paid by cheque, warrant or similar financial instrument sent by 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 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 cheque, warrant or similar financial instrument shall, unless the holder or joint holders otherwise direct, be made payable to the holder or, in the case of joint holders, to the holder whose name stands first on the register in respect of the 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. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means including, in respect of uncertificated shares, by means of the facilities and subject to the requirements of a relevant system and to or through such person as the holder or joint holders may in writing direct, and the company shall have no responsibility for any sums lost or delayed in the course of payment by any such system or other means or where it has acted on any such directions. 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 them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the company in respect of the share may be paid as if he were a holder of the share and his address noted in the register were his registered address.

137. Uncashed Dividends

The company may cease to send any cheque, warrant or similar financial instrument through the post or employ any other means of payment, including payment by means of a relevant system, for any dividend payable on any shares in the company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques, warrants or similar financial instruments have been returned undelivered or remain uncashed or that means of payment has failed. In addition, the company may cease to send any cheque, warrant or similar financial instrument through the post or may cease to employ any other means of payment if, in respect of one dividend payable on those shares, the cheque, warrant or similar financial instrument has been returned undelivered or remains uncashed or that means of payment has failed and reasonable enquiries have failed to establish any new address or account of the registered holder. Subject to the provisions of these articles, the company may recommence sending cheques, warrants or similar financial instruments or employing such other means in respect of dividends payable on those shares if the holder or person entitled by transmission requests such recommencement in writing.

138. Forfeiture of Unclaimed Dividends

Any dividend unclaimed after a period of twelve years from the date when it became due for payment shall be forfeited and shall revert to the company and the payment by the board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the company a trustee in respect of it.

139. Dividends Not in Cash

Any general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the distribution the board may settle it as it thinks expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether,

and may fix the value for distribution purposes of any assets to be distributed and may determine that cash shall be paid to any members upon the basis of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the board.

140. Scrip Dividends

The board may, if authorised by an ordinary resolution of the company as referred to in article 13, offer any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the board) of any dividend specified by the ordinary resolution or, if authorised by an ordinary resolution as referred to in article 12, offer any holders of Index Shares the right to elect to receive Index Shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the board) of any dividend specified by the ordinary resolution. In each case, the following provisions shall apply:-

- (i) *An ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period, but such period may not end later than the fifth anniversary of the date of the meeting at which the ordinary resolution is passed;*
- (ii) *The entitlement of each holder of Ordinary Shares to new Ordinary Shares or of Index Shares to new Index Shares, as the case may be, shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forego. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the company's Ordinary Shares or Index Shares as the case may be, on the London Stock Exchange as derived from the Daily Official List, on the day on which the Ordinary Shares or Index Shares, as the case may be, are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the auditors may rely on advice or information from brokers or other sources of information as they think fit;*
- (iii) *No fraction of any Ordinary Share or Index Shares, as the case may be, shall be allotted. The board may make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such member of fully paid Ordinary Shares or Index Shares, as the case may be, and/or provisions whereby cash payments may be made to members in respect of their fractional entitlements;*

- (iv) On or as soon as practicable after announcing that it is to declare or recommend any dividend, the board, if it intends to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment, if it decides to proceed with the offer, notify the holders of Ordinary Shares or Index shares, as the case may be, in writing of the right of election offered to them, and specify the procedure to be followed which, for the avoidance of doubt, may include an election by means of a relevant system and the place at which, and the latest time by which elections must be lodged in order for elections to be effective;
- (v) The board shall not proceed with any election unless the company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined;
- (vi) The board may exclude from any offer any holders of Ordinary Shares or Index Shares, as the case may be, where the board believes that such exclusion is necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, or the board believes that for any other reason the offer should not be made to them;
- (vii) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares or Index shares, as the case may be, in respect of which an election has been made (in each case, for the purposes of this article "the elected shares") and instead additional Ordinary Shares or Index Shares, as the case may be, shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose the board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution as the board may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares or Index Shares, as the case may be, to be allotted on that basis and apply it in paying up in full the appropriate number of unissued Ordinary Shares or Index shares, as the case may be, for allotment and distribution to the holders of the elected shares on that basis;
- (viii) The additional Ordinary Shares or Index Shares, as the case may be, when allotted shall rank *pari passu* in all respects with the fully-paid Ordinary Shares or Index Shares, as the case may be, then in issue except that they will not be entitled to participation in the relevant dividend;
- (ix) Unless the board otherwise determines, or unless the Uncertificated Securities Regulations and/or the rules of the relevant system concerned otherwise require, the new Ordinary Share(s) or the new Index Share(s), as the case may be, which a member has elected to receive instead of cash in respect of the whole (or some part) of the specified dividend declared in respect of his elected shares shall be in uncertificated form (in respect of the member's elected shares which were in uncertificated form on the date of the member's election) and in

certificated form (in respect of the member's elected shares which were in certificated form on the date of the member's election);

- (x) The board may also from time to time establish or vary a procedure for election mandates, which, for the avoidance of doubt, may include an election by means of a relevant system, under which a holder of Ordinary Shares or Index shares, as the case may be, may elect in respect of future rights of election offered to that holder under this article until the election mandate is revoked in accordance with the procedure.

Reserves

141. Capital Reserve

- (A) The board shall establish a reserve to be called the "capital reserve" and shall either carry to the credit of such reserve from time to time or apply in providing for depreciation or contingencies, all capital profits arising on the sale, transfer, conversion, payment of, or realisation of any investments or other capital assets of the company in excess of the book value thereof, all other capital profits, and all unrealised appreciation of investments or other assets representing or in the nature of accretion to capital assets. Any losses realised on the sale, transfer, conversion, payment of or realisation of any investment or other capital assets and provisions in respect of the diminution in value or depreciation in the value of capital assets shall be carried to the debit of the capital reserve except in so far as the board may in its discretion decide to make good the same out of other funds of the company.
- (B) The board may determine whether any amount received by the company is to be dealt with as income or capital or partly one and partly the other. The board may determine whether any cost, liability or expense (including any costs incurred or sums expended in connection with the management of the assets of the company or any interest charge) is to be treated as a cost, liability or expense chargeable to capital or to revenue or partly one and partly the other, having regard, inter alia, to the investment objectives of the company, and to the extent the board determines that any such cost, liability or expense should reasonably and fairly be apportioned to capital the board may debit or charge the same to the capital reserve.
- (C) All sums carried and standing to the capital reserve may be applied for any of the purposes to which sums standing to any reserve of the company are applicable, except and provided that no part of the capital reserve or any other moneys in the nature of accretion to capital shall in any event be transferred to revenue account or be regarded or treated as profits of the company available for distribution (otherwise than by way of the redemption or purchase of any of the company's own shares in accordance with section 160 or 162 in chapter VII of Part V of the Companies Acts) or be applied in paying dividends on any shares in the company's capital.

Capitalisation of Reserves

142. Power to Capitalise Reserves and Funds

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 (including the profit and loss account) whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the basis that it is applied either in or towards paying up the amounts for the time being unpaid on any shares in the company held by those members respectively or in paying up in full unissued shares debentures or other obligations of the company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, for the purposes of this article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the company. The board may authorise any person to enter into an agreement with the company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any shares, debentures or other obligations of the company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

143. Settlement of Difficulties in Distribution

Where any difficulty arises in regard to any distribution of any capitalised reserve or fund the board may settle the matter as it thinks expedient and in particular may 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.

Record Dates

144. Power to Choose Any Record Date

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 the dividend, distribution, allotment or issue is declared, paid or made. The power to fix any such record date shall include the power to fix a time on the chosen date.

Accounting Records and Summary Financial Statements

145. Records to be Kept

The board shall cause to be kept accounting records sufficient to show and explain the company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the company at that time, and which accord with the Companies Acts.

146. Inspection of Records

No member in his capacity as such 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 or by ordinary resolution of the company.

147. Summary Financial Statements

The company may send summary financial statements to members of the company instead of copies of its full accounts and reports.

Service of Notices and Documents**148. Service of Notices**

Any notice or document (including a share certificate) may be served on or delivered to any member by the company either personally or by sending it through the post addressed to the member at his registered address or by leaving it at that address addressed to the member or by means of a relevant system or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery of any notice or 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.

149. Record Date for Service

Any notice or document may be served or delivered by the company by reference to the register as it stands at any time not more than 15 days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served on or delivered to any person in respect of a share in accordance with these articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.

150. Members Resident Abroad

Any member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices or documents may be served upon him shall be entitled to have notices or documents served upon him at that address but, unless he does so, shall not be entitled to receive any notice or document from the company.

151. Service of Notice on Person Entitled by Transmission

A person who is entitled by transmission to a share, upon supplying the company with an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which he would have been entitled if he were the holder of that 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 claimants through or under him) in the share. Otherwise, any notice or other document served on or delivered to any member pursuant to these articles shall,

notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the company has notice of the death, bankruptcy or other event, be deemed to have been properly served or delivered in respect of any share registered in the name of that member as sole or first-named joint holder.

152. When Notice Deemed Served

Any notice or document, if sent by the company by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or document not sent by post but left by the company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice served or delivered by the company by means of a relevant system shall be deemed to have been served or delivered when the company or any sponsoring system participant acting on its behalf sends the issuer-instruction relating to the notice. Any notice or document served or delivered by the company by any other means authorised in writing by the member concerned shall be deemed to have been served when the company has carried out the action it has been authorised to take for that purpose.

153. Notice When Post Not Available

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by a notice advertised in at least one newspaper with a national circulation and in that event the notice shall be deemed to have been served on all members and persons entitled by transmission, who are entitled to have notice of the meeting served upon them, on the day when the advertisement has appeared in at least one such paper. If at least six clear days prior to the meeting the posting of notices to addresses throughout the United Kingdom has again become practicable, the company shall send confirmatory copies of the notice by post to the persons entitled to receive them.

Destruction of Documents

154. Presumptions Where Documents Destroyed

If the company destroys:-

- (i) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation, or
- (ii) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the company, or
- (iii) any instrument of transfer of shares which has been registered at any time after a period of six years has elapsed from the date of registration, or

- (iv) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it

and the company destroys the document in good faith and without express notice that its preservation was relevant to a claim, it shall be presumed irrebuttably in favour of the company that every share certificate so destroyed was a valid certificate and was properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument of transfer and was properly registered and that every other document so destroyed was a valid and effective document and that any particulars of it which are recorded in the books or records of the company were correctly recorded. Nothing contained in this article shall be construed as imposing upon the company any liability by reason only of the destruction of any document of the kind mentioned above before the relevant period mentioned in this article has elapsed or of the fact that any other condition precedent to its destruction mentioned above has not been fulfilled. References in this article to the destruction of any document include references to its disposal in any manner.

Winding Up

155. Distribution of Assets Otherwise Than in Cash

Subject to the provisions of articles 12 and 13, if the company commences liquidation, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Companies Acts:-

- (i) divide among the members in 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, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, or
- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit

but no member shall be compelled to accept any shares or other assets upon which there is any liability.

Indemnity

156. Indemnity of Officers

Subject to the provisions of the Companies Acts, the company may indemnify any director or other officer against any liability and may purchase and maintain for any director or other officer or auditor insurance against any liability. Subject to those provisions, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the company shall be indemnified, and if the board so determines an auditor may be indemnified, out of the assets of the company against any liability incurred by him as a director or other officer of the company, or as auditor, in defending any proceedings (whether civil or

criminal) in which judgment is given in his favour or he is acquitted or in connection with any application under the Companies Acts in which relief is granted to him by the court.

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