


No. 29423

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

Articles of Association

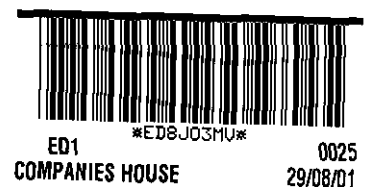
WHITBREAD PLC

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SIMON BARRATT
COMPANY SECRETARY
WHITBREAD PLC
2/2/01

(as adopted by Special Resolution passed on
27 July 1993 and as amended by Special Resolutions passed on
10 November 1993, 2 July 1999 and 30 January 2001)

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INDEX

	ARTICLE	PAGE NO.
ACCOUNTS		
Inspection of books	152	51
Presentation of accounts	153	51
Copies of accounts	154	51
List of Company's investments not to be published	155	52
AUDIT		
Appointment of auditors	156	52
Attendance of auditors at General Meeting	157	52
AUTHENTICATION OF DOCUMENTS		
Power to authenticate documents	131	44
Certified copies	132	44
CAPITALISATION OF PROFITS AND RESERVES		
Power to capitalise profits	150	50
Application of capitalised profits	151	50-51
DIRECTORS		
ALTERNATE DIRECTORS		
Appointment and removal of Alternate Directors	133	44-45
DIRECTORS		
Number of Directors	90	28
Fees of Directors	91	28
Extra remuneration	92	29
Share qualification	93	29
Vacation of office of Director	94	29
Director not disqualified by age	95	29-30
Power of Director to hold other offices and contract with the Company	96	30
Interested Directors not to vote	96	30-32
DEPARTMENTAL, DIVISIONAL OR LOCAL DIRECTORS		
Departmental, Divisional or Local Directors	126	43
EXECUTIVE DIRECTORS		
Appointment of Executive Directors	97	32-33
Powers of Chairman and Executive Directors	98	33
POWERS OF DIRECTORS		
General powers of Directors	106	34-35
Subsidiary companies	107	35
Local boards	108	35

	ARTICLE	PAGE NO.
Attorneys	109	35-36
Local registers	110	36
Power to borrow and give security	111	36-39
Provision for employees	112	39
Power to give pensions	113	39
Power to purchase liability insurance	114	39-40
Holding of concurrent office	115	40
Signature of cheques and bills	116	40
PROCEEDINGS OF DIRECTORS		
Board meetings	117	40-41
Authority for one Director to vote for absent Director	118	41
Quorum	119	41
Proceedings in case of vacancies	120	41
Chairman, Deputy Chairman and Vice Chairman	121	41
Resolution in writing	122	42
Powers of meeting at which a quorum is present	123	42
Power to appoint committees	124	42
Validity of acts of Directors and committees	125	42-43
ROTATION OF DIRECTORS		
Retirement of Directors	99	33
Selection of Directors to retire	100	33
Filling vacated office	101	33
Notice of intention to appoint Directors	102	34
Increase and reduction in number of Directors	103	34
Power to fill casual vacancies and appoint additional Directors	104	34
Removal of Directors	105	34

	ARTICLE	PAGE NO.
DIVIDENDS AND RESERVES		
Payment of dividends	134	45
Dividends payable only out of profits	135	45
Profits earned before acquisition of business	136	45
Apportionment of dividends	137	46
Payment of interim dividends	138	46
Dividends not to bear interest	139	46
Deduction of debts due to the Company	140	46
Retention of dividends: lien	141	46
Retention of dividends: pending membership or transfer	142	46
Unclaimed dividends	143	47
Dividends payable by cheque	144	47
Dividends due to joint holders	145	47
Record date for dividends	146	47-48
Distribution of assets	147	48
Option for allotment of Ordinary Shares	148	48-49
 INDEMNITY		
Indemnity of Directors and officers	165	54
 MEETINGS		
GENERAL MEETINGS		
Annual General Meetings	55	18
Extraordinary General Meetings	56	18
 NOTICE OF GENERAL MEETINGS		
Notice of General Meetings	57	18-19
Contents of notice	58	19
Omission or non-receipt of notice or form of proxy	59	19
 OVERFLOW GENERAL MEETINGS		
Simultaneous attendance at several places	60(A)	19
Meeting treated as held at place specified in notice	60(B)	19
Right of Board to facilitate organisation and administration of meeting	60(C)	19-20
 PROCEEDINGS AT GENERAL MEETINGS		
Business of Ordinary meeting	61	20
Quorum	62	20
Adjournment if quorum not present	63	20
Chairman	64	21
Adjournment	65	21
Voting	66	21-22
Demand of poll	67	22

	ARTICLE	PAGE NO.
Amendment of resolution	68	22
Votes counted in error	69	22
Procedure for poll	70	22
Chairman's casting vote	71	22
Time for taking a poll	72	23
Continuance of business after demand for poll	73	23
NOTICES		
Service of notices	158	52
Service on members resident abroad	159	52
Notice by advertisement	160	52
Proof of service of notices	161	53
Service on successor to dead or bankrupt member	162	53
Convening of meetings by advertisement	163	53
PROXIES		
Execution of proxies	81	26
Proxy need not be a member	82	27
Deposit of proxies	83	27
Form of proxy	84	27
Contents of proxy	85	27
Despatch of proxy	86	27
Non-revocation of proxy in certain circumstances	87	27-28
Corporation as a member	88-89	28
VOTES OF MEMBERS		
Voting rights of members	74	23
Voting rights of joint holders	75	23
Voting rights of members of unsound mind	76	23
No right to vote where call is unpaid	77	24
Removal of voting, dividend and transfer rights	78	24-26
Objections to qualification of voter	79	26
Votes on a poll	80	26
RESERVES		
Power to carry profits to reserve	149	49-50
SEAL		
Formalities of affixing seal	128	43
Official seals	129	43
Signed instruments	130	44
SECRETARY		
Appointment of Secretary	127	43

	ARTICLE	PAGE NO.
SHARES		
ALTERATIONS OF CAPITAL		
Consolidation, cancellation and sub-division	53	17
Settlement of difficulties arising on consolidation	54	17-18
CALLS ON SHARES		
Calls	22	8
Time when calls made	23	9
Liability of joint holders	24	9
Interest on calls	25	9
Sums due on allotment to be treated as calls	26	9
Power to differentiate	27	9
Payment of calls in advance	28	9
FORFEITURE OF SHARES		
Notice requiring payment of calls	40	13
Time and place for payment of calls	41	13
Forfeiture for non-compliance with notice	42	13-14
Sale of forfeited shares	43	14
Rights and liabilities of members whose shares have been forfeited	44	14
Title to forfeited shares	45	14
Forfeiture provisions to apply to other securities	46	14
INCREASE OF CAPITAL		
Power to increase capital	51	17
Rights and liabilities attached to new shares	52	17
LIEN		
Company's lien	18	7-8
Sale of shares subject to lien	19	8
Application of proceeds of sale	20	8
Surrender of shares	21	8
SHARE CAPITAL		
Share capital	3	3
Dividends on Ordinary Shares and "A" Shares	8, 8(A) & 11(A)	3-5
Issue of shares	9 & 11(A)	4-5
Redeemable shares	10	4
Purchase of own shares	11	4
SHARE CERTIFICATES		
Issue of certificates	16(A)	7
Joint holders	16(B)	7
Renewal of certificates	17	7

	ARTICLE	PAGE NO.
SHARES		
Shares at the disposal of Directors	13	6
Power to pay commissions and brokerage	14	6
Exclusion of equities	15	6
MODIFICATION OF RIGHTS		
Modification of rights	12	6
STOCK		
Power to convert into stock	48	16
Transfer of stock	49	16
Rights of stockholders	50	16
TRANSFER OF SHARES		
Form of transfer	29	10
Execution	30	10
Board's power to decline to register	31-32	10
Retention of transfers	33(A)	10
Destruction of transfers	33(B)	11-12
Closing of register	34	12
Renunciation of allotment	35	12
Fees on registration	35(A)	12
TRANSMISSION OF SHARES		
Transmission on death	36	12
Registration of executors and trustees in bankruptcy	37	12
Notice of election to be registered	38	12-13
Rights of unregistered holder	39	13
UNTRACED MEMBERS		
Sale of shares of untraced members	47	15-16
WINDING-UP		
Distribution of assets on winding-up	164	54

THE COMPANIES ACTS 1985 TO 1989

COMPANY LIMITED BY SHARES

Articles of Association

WHITBREAD PLC

*(as adopted by Special Resolution passed on
27 July 1993 and as amended by Special Resolutions
passed on 10 November 1993, 2 July 1999 and 30 January 2001)*

PRELIMINARY

1. 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. In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the following table shall bear the meanings set opposite them respectively.

Articles	These Articles of Association as from time to time altered and the expression "this Article" shall be construed accordingly;
Auditors	The auditors for the time being of the Company or, in the case of joint auditors, any one of them;
Board	The Directors or any of them acting as the Board of the Company;
Companies Acts	Every statute (including any orders, regulations or other made under subordinate legislation/it) from time to time in force concerning companies insofar as it applies to the Company;
Directors	The Directors for the time being of the Company;
Dividend	Dividend and/or bonus;

London Stock Exchange	The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.
Month	Calendar month;
Office	The Registered Office of the Company;
Ordinary Shares	Ordinary Shares of 25 pence each;
Paid	Paid or credited as paid;
Register	The register of members required to be kept pursuant to the Companies Acts;
Seal	The Common Seal of the Company or any seal of the Company permitted under the Companies Acts;
Secretary	Any person appointed by the Board to perform the duties of the secretary of the Company and includes any assistant or deputy secretary;
United Kingdom	Great Britain and Northern Ireland;
in writing	Written or produced by any visible substitute for writing, or partly one and partly another;
Year	Calendar year.

Words denoting the singular number only shall include the plural number also and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons only shall include corporations.

The expressions "Debenture" and "Debenture holder" shall include "Debenture Stock" and "Debenture Stockholder".

The provisions of these Articles applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

Any words or expressions defined in the Companies Acts in force when these Articles or any part of these Articles are adopted shall (if not inconsistent with the subject or context) bear the same meanings in these Articles or that part (as the case may be) save that the word "company" shall include any body corporate.

Headings are included for convenience only and shall not affect the construction of these Articles.

SHARE CAPITAL

3. The capital of the Company at the date of adoption of this Article is £262,500,000 divided into 1,050,000,000 Ordinary Shares of 25 pence each.
4. [Article deleted by resolution passed on 2 July 1999]
5. [Article deleted by resolution passed on 2 July 1999]
6. [Article deleted by resolution passed on 2 July 1999]
7. [Article deleted by resolution passed on 2 July 1999]

Dividends on Ordinary Shares

8. The amount at any time resolved to be paid by way of Dividend on the Ordinary Shares shall be distributed among the holders of Ordinary Shares *pari passu* and rateably to the amounts paid up (otherwise than in advance of calls) or credited as paid up thereon at the date of declaration of the dividend in question. On a return of capital in liquidation or otherwise the amount returnable in respect of the Ordinary Shares shall be applied in the first instance in repaying the amounts paid or credited as paid up on the Ordinary Shares *pari passu* and rateably according to the amounts so paid or credited as paid up thereon. Any surplus which after repayment of the capital paid or credited as paid up on the Ordinary Shares remains for distribution among the holders thereof shall be divided amongst the holders of the Ordinary Shares *pari passu* and rateably according to the nominal amounts of the Ordinary Shares held by them.
- 8(A)(i) The "A" Shares shall each have the same rights as and shall rank equally with the Ordinary Shares **SAVE THAT:**
- (a) a holder of "A" Shares shall, on a return of assets, whether on a winding-up or otherwise, be entitled to participate rateably in the surplus assets of the Company remaining after the payment of its liabilities provided that the maximum extent of such participation shall be the amount paid or credited as paid up on such shares at the time of the return of assets;
 - (b) a holder of "A" Shares shall have no right as such to receive notice of or to attend or vote at any general meeting of the Company unless a resolution to vary or abrogate the rights attaching to the said shares is proposed; and
 - (c) a holder of "A" Shares shall not be entitled to any dividend or (save as provided in paragraph 8(A)(i)(a) above) any other distribution.

Issue of shares

9. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued (which special rights shall not be modified or abrogated except with such consent or sanction as is provided by Article 12) any share in the Company (whether forming part of the original capital or not) may be issued with such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, voting or otherwise, as the Board may from time to time determine.

Redeemable shares

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

Purchase of own shares

11. Subject to the provisions of the Companies Acts the Company may purchase its own shares (including any redeemable shares). Every contract for the purchase of, or under which the Company may become entitled or obliged to purchase, shares in the Company shall be authorised by such resolution of the Company as may be required by the Companies Acts and by an extraordinary resolution passed at a separate general meeting of the holders of any shares which at the date on which the contract is authorised by the Company in general meeting entitle them, either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the Company.

Shares not otherwise subject to the Scheme

- 11(A) (i) In this Article, the "Scheme" means the Scheme of Arrangement dated 5 January 2001 proposed between the Company and its Scheme Shareholders (as defined in the Scheme), in its original form or with or subject to any modification, addition or condition approved or imposed by the Court. Expressions defined in the Scheme shall have the same meaning in this Article.
- (ii) Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Share after the time at which this Article becomes effective and prior to the confirmation by the Court of the reduction of capital provided for under the Scheme, such shares shall be allotted and issued subject to the terms of the Scheme and the holders of such shares shall be bound by the Scheme accordingly.
- (iii) If any Ordinary Shares are issued to any person (a "new member") after confirmation by the Court of the reduction of capital provided for under the Scheme they will, provided that Whitbread Holdings PLC is a

member of the Company, be immediately transferred to Whitbread Holdings PLC (and/or its nominee(s) in consideration of and conditional on the issue to the new member of such number of Whitbread Holdings Shares as that member would have been entitled to had each share transferred to Whitbread Holdings PLC and/or its nominee(s) hereunder been a Scheme Share at Scheme Record Time.

- (iv) The Whitbread Holdings Shares issued pursuant to paragraph (iii) of this Article shall be credited as fully paid and shall rank *pari passu* in all respects with all other Whitbread Holdings Shares of the same class in issue at the time (other than as regards any dividend or other distribution payable, or return of capital made, by reference to a record time preceding the date of exchange or the Scheme Completion Date, whichever is later) and be subject to the Memorandum and Articles of Association of Whitbread Holdings PLC.
- (v) On any reorganisation of or material alteration to the share capital of either the Company or Whitbread Holdings or any other return of value to holders of Whitbread Holdings Shares after the Scheme Completion Date, the number of Whitbread Holdings Shares to be allotted and issued under paragraph (iii) of this Article may be adjusted by the Directors in such manner as the Auditors of the Company may determine.
- (vi) No fraction of a Whitbread Holdings Share shall be allotted pursuant to this Article, but the entitlement of each member who would otherwise have been entitled to a fraction of a Whitbread Holdings Share shall be rounded down to the nearest whole number.
- (vii) To give effect to any transfer required by this Article, the Company may appoint any person to execute and deliver as transferor a form or instructions of transfer on behalf of the new member in favour of Whitbread Holdings PLC and/or its nominee(s) and to agree for and on behalf of the new member to become a member of Whitbread Holdings PLC. Pending the registration of Whitbread Holdings PLC as the holder of any shares in the Company, Whitbread Holdings PLC shall be empowered to appoint a person to act as attorney on behalf of the new member in accordance with such directions as Whitbread Holdings PLC may give in relation to any dealings with or disposal of such shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and, if a person is so appointed to act as attorney, the new member shall not be entitled to exercise any rights attaching thereto except:
 - (a) to the extent that the person appointed to act as attorney fails to act in accordance with the directions of Whitbread Holdings PLC; and

- (b) in accordance with the directions of Whitbread Holdings PLC.

MODIFICATION OF RIGHTS

How special rights may be modified

12. Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may, subject to the provisions of the Companies Acts, be modified or abrogated, either with the consent in writing of the holders of three-fourths of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise), and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat, shall, *mutatis mutandis*, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum.

SHARES

Shares at the disposal of Directors

13. Subject to the provisions of the Companies Acts and of Article 52 hereof the shares shall be at the disposal of the Board, and it may allot, grant options over, or otherwise dispose of them to such persons, at such times, and on such terms as it shall think proper, but so that no shares shall be issued at a discount, except in accordance with the Companies Acts.

Powers to pay commissions

14. The Company may exercise the powers of paying commissions conferred by the Companies Acts to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.

Exclusion of equities

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

SHARE CERTIFICATES

Issue of certificates

16. (A) Every person, except a London Stock Exchange nominee in respect of the Company is not required by law to complete and have ready for delivery a certificate, whose name is entered as a member in the Register of members shall be entitled without payment to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of any one class or upon payment of such reasonable out-of-pocket expenses for every certificate after the first as the Board shall from time to time determine, several certificates, each for one or more of his shares of any one class. Where a member (except such a nominee) transfers part only of the shares comprised in a certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge. Every certificate shall be issued under the Seal (which may be affixed or printed on it) and shall specify the shares to which it relates and the amount paid up thereon. 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.

Joint holders

- (B) The Company shall not be bound to register more than four persons as the joint holders and in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

Renewal of certificates

17. If a share certificate be worn out, damaged, defaced, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company of investigating evidence and the preparation of that indemnity as the Board shall think fit and, in a case where the certificate is worn out, damaged or defaced, on delivery of the old certificate to the Company unless the Board shall otherwise agree.

LIEN

Company's lien

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share. The Company's lien on a share shall extend to every amount payable thereon. The Board may resolve that any share shall for some specified period be exempt from the provisions of this Article.

of shares subject to lien

The Company may sell, in such manner as the Board shall think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy or other event giving rise to a transmission of entitlement by operation of law.

Application of proceeds of sale

The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorise some person(s) to transfer the share sold to the purchaser. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Surrender of shares

1. The Board, if it shall think fit, may at any time accept the surrender of any share by any member desirous of surrendering the same, on such lawful terms as it may think proper.

CALLS ON SHARES

Calls

2. The Board may from time to time make calls upon the members including persons entitled to shares by transmission in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of issue thereof made payable at fixed times and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the

time or times and place so specified the amount called on his shares. A call may be revoked or postponed in whole or in part as the Board may determine.

Time when calls made

23. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed, and a call may be made payable by instalments.

Liability of joint holders

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

Interest on calls

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

Sums due on allotment to be treated as calls

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

Power to differentiate

27. The Board may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid, and in the time of payment.

Payment of calls in advance

28. The Board may, if it shall think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may

pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) 15 per cent per annum as the member paying such sum and the Board agree upon.

TRANSFER OF SHARES

Form of transfer

29. All transfers of shares may be effected by transfer in writing in the usual common form or in any other form in writing approved by the Board.

Execution

30. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof, provided that in the case of a partly-paid share the instrument of transfer must also be signed by or on behalf of the transferee.

Board's power to decline to register

31. Subject to the requirements of the London Stock Exchange, the Board may, in its absolute discretion and without assigning any reason or specifying any grounds thereof, decline to register any transfer of shares (not being fully paid shares) to a person of whom they shall not approve, and they may also decline to register any transfer of shares on which the Company has a lien. If such shares have been admitted to the Official List of the London Stock Exchange, the Board may not refuse to register the transfer if this would prevent dealings in the shares from taking place on an open and proper basis. If the Board shall refuse to register a transfer it shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
32. The Board may also decline to recognise any instrument of transfer, unless the instrument of transfer:
- (A) is duly stamped (if required) and deposited at the Office or such other place as the Board may appoint accompanied (unless the transfer is executed by a London Stock Exchange nominee in respect of shares for which no certificate is in issue) by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
 - (B) is in respect of only one class of share; and
 - (C) in the case of a transfer to joint holders, the number of joint holders to whom the share is transferred does not exceed four.

Retention of transfers

33. (A) Subject to paragraph (B) of this Article all instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Board may decline to register shall (except in any case of actual or suspected fraud) be returned to the person depositing the same.

Destruction of transfers etc

- (B) The Company shall be entitled to destroy:
- (i) all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof;
 - (ii) all registered share certificates which have been cancelled or ceased to have effect at any time after the expiration of one year from the date of cancellation or cessation of effect thereof;
 - (iii) all notifications of change of name or address and dividend mandates after the expiration of three years from the date of recording thereof; and
 - (iv) any other document on the basis of which any entry in the Register is made at any time after the expiration of six years from the date an entry in the Register was first made in respect of it,

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share warrant, coupon or share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with which the particulars thereof were duly and properly recorded in the books or records of the Company Provided that:

- (i) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (i) above are not fulfilled; and

- (iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

The provisions of this Article shall, with all necessary modifications and adaptations, apply to all instruments of transfer, notifications of change of name or address and mandates relating to and certificates representing Debentures as they apply to instruments of transfer of and certificates for and other documents relating to shares.

Closing of Register

34. The Register may, subject to compliance with the requirements of the Companies Acts as to advertisement, be closed at such times and for such period as the Board may from time to time determine, provided always that it shall not be closed for more than thirty days in any year.

Renunciation of allotment

35. Nothing herein contained shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person before any person has been entered in the Register in respect of such share.

Fees on registration

35. (A) The Company may not charge a fee for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document or instructions relating to or affecting the title to a share or the right to transfer it or for making any other entry in the Register.

TRANSMISSION OF SHARES

Transmission on death

36. In the case of the death of a member the survivors or survivor where the deceased was joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.

Registration of executors and trustees in bankruptcy

37. Any person becoming to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may from time to time be required by the Board, and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.

Notice of election to be registered

38. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing an instrument of transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.

Rights of unregistered holder

39. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not be entitled to receive notices of or to attend or vote at meetings of the Company or, save as aforesaid, to any of the rights or privileges of a member until he shall have become a member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a member in respect thereof within sixty days of being required so to do by the Board, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

FORFEITURE OF SHARES*Notice requiring payment of calls*

40. If a member or person entitled on transmission fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for payment thereof, the Board may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued.

Time and place for payment of calls

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

Forfeiture for non-compliance with notice

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

Sale of forfeited shares

43. Until cancelled in accordance with the Companies Acts a forfeited share shall be deemed to be the property of the Company and may be sold, or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Board shall think fit. The Board may if necessary authorise some person to transfer a forfeited share to any such other person as aforesaid.

Rights and liabilities of members whose shares have been forfeited

44. A shareholder whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at 15 per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture until payment but the Board may waive payment of such interest either wholly or in part and the Board may enforce payment without any allowance for the value of the shares at the time of forfeiture or any consideration received on their disposal.

Title to forfeited shares

45. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Forfeiture provisions to apply to other securities

46. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any Sum which by the terms of issue of a share, becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

UNTRACED MEMBERS

Sale of shares of untraced members

47. (A) The Company shall be entitled to sell the shares of a member or the shares to which a person is entitled by means of transmission if and provided that:
- (i) during a period of twelve years all warrants and cheques sent by the Company through the post in a prepaid letter addressed to the member at his registered address, or to the person so entitled at the address shown in the Register as his address, have remained uncashed and during the said period at least three cash dividends shall have become payable and no communication has been received by the Company from the member or the person entitled by transmission;
 - (ii) the Company shall insert advertisements in a leading national daily newspaper giving notice of its intention to sell the said shares;
 - (iii) during the said period of twelve years and the period of three months following the said advertisements and prior to effecting the sale the Company has had no indication that such member or person can be traced; and
 - (iv) notice is first given to the Quotations Department of the London Stock Exchange of its intention so to do.
- (B) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such shares or any of them and such instrument of transfer shall be as effective as if it had been duly executed by the registered holder of, or person entitled by transmission to, such shares. A statutory declaration in writing that the declarant is a Director or Secretary of the Company and that a share has been duly sold on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company shall account to the member or other person entitled to such shares for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same.

- (C) In the event that the Company shall have sent through the post in a prepaid envelope addressed to a member, or to the person entitled by transmission to shares registered in the name of such member at his address on the Register or otherwise the last known address given by the member or the person entitled by transmission, cheques or warrants in respect of distributions by way of Dividend made by the Company and on two consecutive occasions such cheques or warrants shall not have been cashed or shall have been returned undelivered, the Company thereafter shall be entitled to withhold the issue of cheques or warrants to such member or person entitled by transmission in respect of any distribution made by the Company by way of dividend. The Company shall remain liable to account to such member or person entitled by transmission for the amount otherwise required to be distributed but for the provisions of this paragraph and shall be deemed to be his debtor and not a trustee for him in respect of the same.
- (D) Any moneys not accounted for to the member or other person entitled to such shares shall be carried to a separate account and shall be a permanent debt of the Company but shall not carry interest. Moneys carried to such separate account may either be employed in the business of the Company or invested in such investments as the Board may from time to time think fit.

STOCK

Power to convert into stock

48. The Company may from time to time by ordinary resolution convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination.

Transfer of stock

49. The holders of stock may transfer the same or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit, but no stock shall be transferable except in such units not exceeding the nominal amount of the shares from which the stock arose as the Board may from time to time determine.

Rights of stockholders

50. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings, and other matters as if they held the shares from which the stock arose, but no such privilege or advantage

(except participation in dividends and profits of the Company and in assets on a winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.

INCREASE OF CAPITAL

Power to increase capital

51. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as (subject to the provisions of Article 53) the resolution shall prescribe.

Rights and liabilities attached to new shares

52. All new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise and unless otherwise provided in accordance with the powers contained in these Articles the new shares shall be Ordinary Shares.

ALTERATIONS OF CAPITAL

Consolidation, cancellation and sub-division

53. The Company may by ordinary resolution:

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

and may by special resolution:

- (D) reduce its capital, any capital redemption reserve fund or any share premium account in any manner authorised by the Companies Acts.

Settlement of difficulties arising on consolidation

54. Upon any consolidation of the shares the Board may settle any difficulty which may arise with regard thereto and in particular may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder (or joint holders) being consolidated with shares registered in the name of another holder (or joint holders) may make such arrangements for the allocation, acceptance or sale of the consolidated share and for the distribution of any moneys received in respect thereof as may be thought fit and for the purpose of giving effect thereto may appoint some person to transfer the consolidated share or any fractions thereof and to receive the purchase price thereof, and any transfer executed in pursuance thereof shall be effective and after such transfer has been registered no person shall be entitled to question its validity.

GENERAL MEETINGS

Annual General Meetings

55. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in the year, and shall specify the meeting as such in the notices calling it. The Annual General Meeting shall be held at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Board. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Extraordinary General Meetings

56. The Board may call an Extraordinary General Meeting whenever it shall think fit, and shall, on requisition in accordance with the Companies Acts, proceed to convene an Extraordinary General Meeting as required by the Companies Acts and shall do so upon receipt of a requisition of members pursuant to the provisions of the Companies Acts. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

Notice of General Meetings

57. An Annual General Meeting and any General Meeting at which it is proposed to pass 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 called by twenty-one clear days' notice in writing at the least, and any other General Meeting by fourteen clear days' notice in writing at the least given in the manner hereinafter mentioned to the Auditors and to all members other than such as are not under the provisions of these Articles entitled to receive

such notices from the Company, provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

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

Contents of notice

- 58. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that the proxy need not be a member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any General Meeting the notice shall specify the general nature of the business and if any resolution is to be proposed as an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.

Omission or non-receipt of notice or form of proxy

- 59. The accidental omission to give notice of any meeting or (in cases where forms of proxy are sent out with the notice) the omission to send such form of proxy with the notice to, or the non-receipt of the notice of meeting or such form of proxy by, any member shall not invalidate the proceedings at the meeting.

OVERFLOW GENERAL MEETINGS

Simultaneous attendance at several places

- 60. (A) The Board may make arrangements for simultaneous attendance and participation in General Meetings by members and proxies entitled to attend such meetings at places other than the place specified in the notice convening the meeting (the "specified place").

Meeting treated as held at place specified in notice

- (B) Any arrangements for simultaneous attendance at other places shall operate so that any members and proxies excluded from attendance at the specified place are able to attend at one or more of the other places.

For the purpose of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the specified place.

Right of Board to facilitate organisation and administration of meeting

- (C) The right of any member or proxy otherwise entitled to attend a General Meeting at the specified place shall be subject to any arrangements that the Board may at its discretion make from time to time (whether before or after the date of the notice convening the meeting) for facilitating the organisation and administration of any General Meeting by requiring any such person (selected on such basis as the Board may at its discretion decide) to attend the meeting at one or more of the other places.

PROCEEDINGS AT GENERAL MEETINGS

Business of ordinary meeting

61. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the following:

- (A) declaring Dividends,
- (B) receiving the accounts and the reports of the Directors and Auditors and other documents required to be annexed to the accounts,
- (C) electing the Directors in place of those, or re-electing as Directors those, retiring by rotation or otherwise,
- (D) appointing Auditors where special notice of the resolution for such appointment is not required by the Companies Acts, and
- (E) fixing or determining the method of fixing the remuneration of the Auditors.

Quorum

62. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided three members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

Adjournment if quorum not present

63. If within thirty minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than seven nor more than twenty-eight days thereafter) and at such other time or place as the Chairman may determine, and if at such adjourned meeting a quorum is not present within thirty minutes from the time appointed for holding the meeting, the members present shall be a quorum.

Chairman

64. The Chairman, Deputy Chairman or Vice Chairman of the Board shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman, Deputy Chairman or Vice Chairman, or if at any meeting neither of them be present within fifteen minutes after the time appointed for holding the meeting, or if neither of them be willing to act as Chairman, the Directors present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, the members present shall choose some member present to be Chairman. 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.

Adjournment

65. The Chairman of a General Meeting may, with the consent of any meeting at which is a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business left unfinished at the meeting from which the adjournment took place. If it appears to the Chairman of the meeting that it is likely to be impracticable to hold or continue the meeting because of the number of members or their proxies present or wishing to attend or that an adjournment is otherwise necessary so that the business of the meeting may be properly conducted, he may without the need for such consent adjourn the meeting to such other time and place as he shall determine (or sine die). When a meeting is adjourned sine die the time and place of the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for thirty days or more or sine die, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as expressly provided by these Articles it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting

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

- (B) by at least three members present in person or by proxy and entitled to vote; or
- (C) by a member or members entitled either by reason of their own holding or as representatives or as proxies, to cast one-tenth or more of the votes which could be cast in respect of that resolution if all persons entitled to vote thereon were present at the meeting; or
- (D) by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Demand of poll

67. 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 lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Amendment of resolution

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

Votes counted in error

69. If any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the resolution unless it be pointed out at the same meeting, or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman of the meeting be of sufficient magnitude to vitiate the resolution.

Procedure for poll

70. Except as provided in Article 72, if a poll is duly demanded, it shall be taken at such time and in such manner (including the use of ballot or voting papers or tickets) as the Chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman of the meeting may, in the event of a poll, appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. The demand for a poll may be withdrawn but only with the consent of the Chairman.

Chairman's casting vote

71. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a further or casting vote in addition to any vote to which he may be entitled as a member.

Time for taking a poll

72. 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 at such time and place as the Chairman of the meeting may direct. No notice need be given of a poll not taken immediately.

Continuance of business after demand for poll

73. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

Voting rights of members

74. Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any new class of shares issued, on a show of hands every member who is present in person shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for each £1 of paid-up Ordinary Shares held by him.

Voting rights of joint holders

75. In the case of joint holders of a share the vote of the senior who renders 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.

Voting rights of members of unsound mind

76. 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 by 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 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.

No right to vote where call is unpaid

77. No member shall, unless the Board otherwise determines be entitled to vote at a General Meeting either personally or by proxy, or to exercise any privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Removal of voting, dividend and transfer rights

78. (A) If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Companies Act 1985 (a "Section 212 Notice") and is in default in supplying to the Company the information thereby required within the prescribed period, the Board may in its absolute discretion at any time thereafter serve a notice (a "default notice") upon such member as follows:
- (i) a default notice may provide that, in respect of shares in relation to which the default occurred and any shares issued after the date of the Section 212 Notice in right of those shares ("default shares"), the member shall not be entitled to exercise either personally or by proxy the votes attaching thereto or to exercise any right conferred thereby in relation to meetings of the Company or of the holders of any class of shares of the Company; and
 - (ii) where the default shares represent at least the prescribed percentage, then the default notice may additionally provide that:
 - (a) in respect of the default shares, any dividend or other distribution which would otherwise be payable or made on such shares may (if so determined by the Board in relation to such dividend or other distribution) be withheld in whole or in part (as the Board determines) by the Company without any liability to pay interest thereon when such money is finally paid to the member (in which case any election made pursuant to Article 148 by the

holder of default shares in respect of a dividend thereon which is so withheld shall be ineffective); and

- (b) no transfer other than an approved arm's length transfer of any of the shares held by such member shall be registered unless the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to the Board to be interested in the shares the subject of any default notice a copy of the notice, but the failure or omission by the Company to do so or the non-receipt of such notice by any such person shall not invalidate such notice.

- (B) Any default notice shall have effect in accordance with its terms for as long as the default (in respect of which the default notice was issued) continues; but shall cease to have effect seven days after the earlier of receipt by the Company of notice of an approved arm's length transfer as defined in paragraph (c)(iv) below, but only in relation to the shares transferred and, receipt by the Company, in a form satisfactory to the Board, of all the information required by the Section 212 Notice. Written notice of such determination shall be given to the member.

- (C) For the purpose of this Article:

- (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 212 Notice or otherwise which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (ii) the prescribed period shall be fourteen days from the date of service of the said notice under the said Section 212 Notice;
- (iii) the prescribed percentage shall be 0.25 per cent in nominal value of the issued shares of their class; and
- (iv) a transfer of shares is an approved arm's length transfer if but only if:

- (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer for the Company (as defined in Section 14 of the Company Securities (Insider Dealing) Act 1985); or
 - (b) the Board is satisfied that the transfer is made pursuant to a sale at arm's length of the whole of the beneficial ownership of the shares to a party unconnected with the transferor and with other persons appearing to be interested in such shares immediately prior to such sale (including any such sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or any stock exchange outside the United Kingdom on which the Company's shares of the class are normally traded). For the purposes of this paragraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.
- (D) Any notice referred to in this Article may be served by the Company upon the addressee either personally or by sending it through the post in a pre-paid letter addressed to the addressee at his usual or last known address.
- (E) Nothing contained in this Article shall limit the powers of the Board under Section 216 of the Companies Act 1985 and in particular, the Company shall be entitled to apply to the court under Section 216(1) whether or not these provisions apply or have been applied.

Objections to qualification of voter

79. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

Votes on a poll

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

PROXIES

Execution of proxies

81. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under the common seal or in any other manner permitted by law and having the same effect as if executed under seal or under the hand of an officer or attorney so authorised.

Proxy need not be a member etc

82. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.

Deposit of proxies

83. The instrument appointing a proxy and, if required by the Board, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Office (or at such other place in the United Kingdom specified in the notice convening the meeting or the notice of adjournment thereof or in any document sent with either of such notices) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting, or in the case of a poll not less than twenty-four hours before the time appointed for the taking of the poll at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Form of proxy

84. An instrument of proxy may be in any common form or in such other form as the Board may approve.

Contents of proxy

85. The proxy shall be deemed to include the right to demand, or join in demanding, a poll, and shall include power to vote for or against any proposal and generally to act at the meeting for the member giving the proxy. An instrument appointing a proxy, whether in any common form or not shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Despatch of proxies

86. Instruments of proxy shall be sent to all members of the Company in respect of any meeting of the Company at which any resolution is to be proposed and on which such members are entitled to vote, and such instrument shall be so worded that the member may vote either for or against the resolution or resolutions to be proposed at the meeting to which the same relates. The accidental omission to send or the non-receipt of an instrument of proxy shall not invalidate the proceedings at any such meeting.

Non-revocation of proxy in certain circumstances

87. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office (or other place in the United Kingdom specified pursuant to Article 83) before the commencement of the meeting or adjourned meeting at which the proxy is used.

Corporation as a member

88. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company, but such representative may be required to produce evidence of such authorisation on admission or at any time during the meeting or in connection with the exercise of any right in respect of such meeting, including without limitation participation in a poll on any resolution. Any such authorisation in writing purporting to be signed by an officer of or other person duly authorised for the purpose by the said corporation shall be conclusive evidence of the authority of the representative to act on behalf of the corporation.
89. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in a case where the meeting was originally held within twelve months from such date.

DIRECTORS

Number of Directors

90. Unless and until otherwise determined by the Company in General Meeting, the Directors shall not be less than five nor more than twenty in number, but within these limits the Company may from time to time in General Meeting increase or reduce the maximum or minimum number of Directors.

Fees of Directors

91. The Directors shall be paid fees for their services of such sums (not exceeding in aggregate £200,000 per annum or such larger amount as the Company may by ordinary resolution decide) as the Board or a committee authorised by the Board may from time to time determine, and such sums shall be divided among them in such proportions and manner as the Board or such committee may determine or in default equally. Any Director holding office for part of a year

shall be entitled to a proportionate part of his fees. In addition to such fees the Board or such committee may make to any Director such expense allowance as may seem to the Board or such committee to be fair and reasonable to meet travelling, hotel, entertainment and other expenses which the Director may properly incur whilst engaged in the business of the Company.

Extra remuneration of Directors

92. Any Director who holds any executive office (including for this purpose the office of Chairman, Deputy Chairman or Vice Chairman whether or not such office is held in an executive capacity) or who otherwise performs services which in the opinion of the Board or a committee authorised by the Board are outside the scope of the ordinary duties of a Director, may be paid such remuneration by way of salary, commission, percentage of profits or otherwise as the Board or such committee may determine in addition to any fee payable to him for his services as a Director pursuant to Article 91.

Share qualification

93. A Director shall not be required to hold any share qualification. A Director who is not a member shall nevertheless be entitled to attend and speak at General Meetings.

Vacation of office of Director

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

- (A) if he shall become prohibited by law from acting as a Director; or
- (B) if he shall resign by notice in writing under his hand left at or sent to the Office or if he shall tender his resignation and the Directors shall resolve to accept the same; or
- (C) if he shall have a bankruptcy order made against him or shall compound or make any arrangement with his creditors generally; or
- (D) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- (E) if he shall be absent from meetings of the Directors for six successive months without leave and his alternate Director (if any) shall not during such periods have attended in his stead, and the Board shall resolve that his office be vacated; or
- (F) if he be requested in writing by all his co-Directors to resign but so that if he holds an executive office which thereby automatically determines

such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim by either party against the other for breach of any contract of service between him and the Company.

Director not disqualified by age

95. No person shall be disqualified from being appointed a Director in accordance with these Articles by reason of having attained the age of seventy years or any other age, nor shall special notice or other special formality be required on that account. No Director shall vacate his office by reason only of age.

Power of Director to hold other offices and contract with the Company

96. (A) A Director may hold any other office or place of profit with the Company in conjunction with his office of Director on such terms as to remuneration or otherwise as the Board may determine, and he or any firm in which he is interested may act in a professional capacity for the Company and he or such firm shall be entitled to remuneration (by way of salary, commission, fee, participation in profits or otherwise) for such services as if he were not a Director. Provided that nothing herein contained shall authorise a Director or any such firm to act as Auditor to the Company or any company controlled by the Company.
- (B) Subject to the provisions of the Companies Acts no Director shall be disqualified by his office from contracting with the Company or with any company in which the Company is interested either with regard to his tenure of any such other office or place of profit referred to in paragraph (A) of this Article or as vendor, purchaser, or otherwise, nor subject to the Companies Acts, shall any such contract, or any contract or arrangement entered into by or on behalf of the Company or any company in which the Company is interested, in which any Director is directly or indirectly interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established, provided that the nature of the interest of the Director in such contract or proposed contract or arrangement be declared at the meeting of the Directors at which the question is first taken into consideration if his interest then exists, or in any other case at the next meeting of the Directors held after he became interested. Provided that no Director shall be liable to the Company in respect of any profit made by him or loss suffered by the Company as a result of such contract or arrangement if he shows that at the time the contract or arrangement was entered into he did not know of his interest therein.

Interested Directors not to vote

- (C) A Director shall not vote in respect of any contract or arrangement or any other proposal in which he is interested and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but these prohibitions shall not apply:
- (i) to any arrangement for giving any Director any security or indemnity in respect of money lent by him to, or obligations undertaken by him for the benefit of, the Company or any of its subsidiaries; or
 - (ii) to any contract to subscribe for or purchase shares, Debentures or other securities of the Company pursuant to an offer or invitation to members or Debenture holders of the Company, or any class of them or to the public or any section of the public; or
 - (iii) to any contract to underwrite, sub-underwrite or guarantee the subscription of any shares or debentures of the Company; or
 - (iv) to any contract or arrangement with any other company in which he is interested only as a director, officer or creditor of the company or as holder of shares or other securities provided that he is not the holder (other than as bare trustee) of or beneficially interested in one per cent or more of the issued shares of any class of such company or of any third company through which his interest is derived or of the voting rights available to members of the relevant company (any such interest being deemed for this purpose to be a material interest in all circumstances); or
 - (v) to any arrangement for giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
 - (vi) to any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme or employees' share scheme under which he may benefit and which has been approved by, or is subject to and conditional upon approval by, the Board of Inland Revenue for taxation purposes; or
 - (vii) to any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner to the employees and does not accord to any Director as such any privilege or advantage not generally accorded to employees to which such arrangement relates; or

- (viii) to any arrangement for purchasing or maintaining for or for the benefit of any Directors or for persons including Directors any insurance which the Company is empowered by Article 114 to purchase and maintain or any other insurance which the Company is empowered to purchase and maintain for the benefit of Directors or for persons including Directors.
- (D) The prohibitions contained in the foregoing paragraph of this Article may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction by the Company in General Meeting.
- (E) A general notice given to the Board by a Director to the effect that he is a member of or beneficially interested in a specified firm or company and is to be regarded as interested in any contracts or arrangements which may be made with that firm or company after the date of such notice shall be a sufficient declaration of interest under this Article, provided that no such notice shall be of effect 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 meeting of the Board after it is given.
- (F) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting by reason of being the holder of or beneficially interested in one per cent or more of the issued shares of any class of the relevant company in which the Company is interested or of any third company through which his interest is derived or of the voting rights available to members of the relevant company) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (G) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any Director (other than himself) shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed. In the case of any question in relation to the Chairman, such question shall be referred to and decided by the Directors present at the meeting (other than the Chairman), whose decision shall be final and conclusive.

EXECUTIVE DIRECTORS

Appointment of Executive Directors

97. (A) The Board may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman, Deputy Chairman, Vice Chairman, Group Chief Executive or Group Managing Director) on such terms and (subject to the provisions of the Companies Acts) for such period as they think fit.
- (B) The appointment of a Director appointed to any executive office shall be subject to determination in accordance with the provisions of Article 105 or if he ceases from any cause to be a Director, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.

Powers of Chairman and Executive Directors

98. The Board may entrust to and confer upon the Chairman of the Board and upon a Director holding any such executive office as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers.

ROTATION OF DIRECTORS

Retirement of Directors

99. At the Annual General Meeting in every year one-third of the Directors for the time being subject to retirement by rotation, or, if their number is not three or a multiple of three the number nearest to but not greater than one-third, shall retire from office. A Director retiring at a meeting shall retain office until the close or adjournment of the meeting.

Selection of Directors to retire

100. The Directors to retire in every year shall be those who have been longest in office since their last election or appointment, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire in every year shall be determined by the composition of the Board at the date of the notice convening the Annual General Meeting. A retiring Director shall be eligible for re-election.

Filling vacated office

101. The Company at the meeting at which a Director retires in the manner aforesaid may fill up the vacated office, by electing a person thereto, and in default the retiring Director shall, if offering himself for re-election, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to

fill up such vacated office, or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

Notice of intention to appoint Directors

102. No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any General Meeting unless not less than seven nor more than forty-two clear days before the day appointed for the meeting there shall have been left at the Office notice in writing addressed to the Secretary (signed by some member other than the person to be proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected.

Increase and reduction in number of Directors

103. The Company in general meeting may from time to time increase or reduce the number of Directors, and may also alter their qualification and determine in what rotation such increased or reduced number is to go out of office and may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

Power to fill casual vacancies and appoint additional Directors

104. The Board shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the 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, and shall then be eligible for re-election. No Director who retires under this Article shall be taken into account in determining who are to retire by rotation at such meeting.

Removal of Directors

105. The Company may by ordinary resolution remove any Director before the expiration of his period of office, notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement. The Company may by like resolution appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Director as a casual vacancy.

POWERS OF DIRECTORS

General powers of Directors

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

Subsidiary companies

107. The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as Directors, Executive Directors or managers of any such company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed and any Directors of the Company may retain any remuneration so payable to them.

Local boards

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

Attorneys

109. The Board may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the agent

of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such agent as the Board may think fit and may also authorise any such agent to sub-delegate all or any of the powers, authorities and discretions vested in him.

Local registers

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

Power to borrow and give security

111. (A) Subject as provided in this Article, the Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and to issue Debentures, Debenture Stock, 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 rights exercisable by the Company in relation to its subsidiary companies so as to secure (as regards subsidiary companies so far as by such exercise it can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiary companies for the time being) and for the time being owing to persons outside the Group shall not at any time, without the previous sanction of a special resolution of the Company in General Meeting, exceed an amount equal to twice the share capital and consolidated reserves.
- (C) For the purposes of this Article:
- (i) "Share capital and consolidated reserves" means the aggregate for the time being of the issued and paid-up share capital of the Company and the consolidated reserves of the Company and its subsidiaries (including share premium account, capital redemption reserve, profit and loss account and revaluation reserve) as shown by a consolidation of the latest audited balance sheets of the Company and its subsidiaries respectively adjusted as may be appropriate in respect of any variation of paid-up capital and share premium account effected or any

distributions made (otherwise than to the Company or to a subsidiary) since the date of the relevant balance sheet (except insofar as provided for therein) and deducting any debit balance on profit and loss account provided that there shall be added back an amount equal to the goodwill arising on acquisitions of subsidiaries and businesses which as at the date of the relevant calculation remain within the Company and its subsidiaries and which have been written off against share capital and reserves in accordance with United Kingdom accounting practices, less an amount equal to amortisation of any such goodwill over twenty years on a straight line basis.

For the purposes of this definition:

- (i) capital allotted shall be treated as issued and any capital already called up or payable at any fixed future date shall be treated as already paid up; and
- (ii) any company which it is proposed shall become a subsidiary shall be treated as if it had already become a subsidiary; and
- (iii) "moneys borrowed" shall be deemed to include:
 - (a) the principal amount of any Debentures issued by the Company or any subsidiary which are not beneficially owned by the Company or any subsidiary (after deducting therefrom any amounts in cash held by, or by a third party for the benefit of, the holder of such Debentures in respect of the principal amount thereof) and any fixed premium payable on final repayment thereof save to the extent that such amounts otherwise fall to be included as moneys borrowed;
 - (b) the principal amount raised by the acceptance of bills by the Company or any subsidiary (not being acceptance of trade bills for the purchase of goods in the ordinary course of business) or by any bank or accepting house under any acceptance credit opened on behalf of the Company or any subsidiary;
 - (c) the nominal amount of any share capital and the principal amount of any moneys borrowed (together with any fixed premium payable on final redemption or repayment) the redemption or repayment of which is guaranteed by the Company or a subsidiary, save to the extent that the amount guaranteed otherwise falls to be included as moneys borrowed; and

- (d) the nominal amount of any paid-up share capital, except ordinary share capital, of a subsidiary which is not for the time being beneficially owned by the Company or a subsidiary;

but shall be deemed not to include:

- (1) borrowings by the Company from a subsidiary or by a subsidiary from the Company or by one subsidiary from another subsidiary;
- (2) a proportion of the moneys borrowed by any partly-owned subsidiary otherwise than from the Company or a subsidiary equal to the proportion of its ordinary share capital not directly or indirectly attributable to the Company;
- (3) amounts borrowed and falling to be taken into account as moneys borrowed pending their application for the purpose of repaying the whole or any part of the other moneys borrowed provided that they are so applied within six months of being so borrowed;
- (4) amounts borrowed by the Company or any subsidiary to finance any contract for the sale of goods in respect of which any part of the price receivable is guaranteed by the Export Credit Guarantee Department of the Department of Trade and Industry or any institution carrying on similar business to the extent of that part of the contract price guaranteed notwithstanding that such amount is secured by a pledge or charge on the interest in such contract or the underlying goods or bills of exchange or the negotiable instruments drawn or made in connection therewith or the interest in any letters of credit issued or guarantee or indemnity or security held in relation thereto; and
- (5) all sums (whether or not carrying interest) deposited with the Company or with any subsidiary by tenants of premises owned by the Company or a subsidiary by way of security for the performance by such tenants of their obligations;

and in calculating moneys borrowed there shall be deducted an amount equal to the aggregate outstanding of:

- (a) all cash deposits or balances on an account of the Company or subsidiary with a bank;

- (b) the realisable value of certificates of deposit and securities of governments and companies; and
- (c) other readily realisable deposits or balances (whether made in a bank or otherwise);

in each case beneficially owned, directly or indirectly, by the Company or a subsidiary.

- (D) A certificate or report by the Auditors as to the amount of the share capital and consolidated reserves or of any moneys borrowed or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of that amount or of that fact.
- (E) No debt incurred or security given in respect of moneys borrowed in excess of the limit hereby imposed shall be invalid or ineffectual, except in the case of express notice at the time when the debt was incurred or security given that the limit hereby imposed had been or would thereby be exceeded.

Provision for employees

112. The Board may by resolution 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.

Power to give pensions

113. Without restricting the generality of its powers the Board may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors of or employed by or in the service of the Company or of any company which is a subsidiary of or allied to or associated with the Company or any such subsidiary and to the wives, widows, children and other relatives and dependants of any such persons and may set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any such persons.

Power to purchase liability insurance

114. Without prejudice to the provisions of Article 165 the Board shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any other company in which the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary of the Company or of any such other company, or who are or

were at any time trustees of any pension fund in which any employees of the Company or of any such other company or subsidiary are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary or pension fund.

Holding of concurrent office

115. 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 as shareholder or otherwise, and no such Director shall be accountable for any remuneration or other benefits received by him as a director or officer of, or from his interest in such other company. The Board may also exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as it thinks fit including the exercise in favour of any resolution appointing it or any of its number directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company. Any Director of the Company may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such or in any other manner is or may be interested in the exercise of such voting rights in manner aforesaid.

Signature of cheques and bills

116. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

PROCEEDINGS OF DIRECTORS

Board Meetings

117. (A) The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.
- (B) Notice of a meeting of the Board 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 meetings of the Board 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 meeting of the Board 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.

Authority for one Director to vote for absent Director

118. A Director unable to attend any meeting of the Board may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Board, authorise any other Director to vote for him at that meeting and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote.

Quorum

119. The quorum necessary for the transaction of business of the Board may be fixed from time to time by the Board and unless so fixed at any other number shall be two. For the purposes of these Articles any Director who is able (directly or by telephonic communication) to speak and be heard by each of the other Directors present or deemed to be present at any meeting of the Board, shall be deemed to be present in person at such meeting and shall be entitled to vote or be counted in the quorum accordingly. Such 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, and the word "meeting" shall be construed accordingly.

Proceedings in case of vacancies

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

Chairman, Deputy Chairman and Vice Chairman

121. The Board may elect a Chairman, Deputy Chairman and Vice Chairman of its meetings and determine the period for which he is to hold office. If no such Chairman, Deputy Chairman or Vice Chairman shall have been appointed, or if at any meeting the Chairman, Deputy Chairman or Vice Chairman be not present within five minutes after the time appointed for holding the same, the

Directors present may choose one of their number to be Chairman of the meeting.

Resolution in writing

122. A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective as a resolution passed at a meeting of the Board duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors.

Powers of Meeting at which a quorum is present

123. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Board.

Power to appoint Committees

124. (A) The Board may delegate any of its powers, duties and discretions to committees consisting of such Directors or persons in the employment of the Company or of any subsidiary of the Company as it thinks fit. Any committee so formed shall in the exercise of the powers, duties and discretions so delegated conform to any regulations that may be imposed on it by the Board. If any such regulations shall confer voting rights upon members of the committee who are not Directors, such members shall be less than half of the total number of members of the committee and no resolution of the committee shall be effective unless a majority of the members of the committee present throughout the meeting are Directors. Any such committee may be given a distinguishing title by the Board and the title may include the word "Board" with a descriptive prefix. A member of such committee who is not a Director shall not by virtue of his membership be or have power in any respect to act as a Director (notwithstanding that the designation of his membership of or office in such committee may include the word "Director") nor shall he be entitled to receive notice of or attend or vote at a meeting of the Board.
- (B) The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by any regulations made by the Board under paragraph (A) of this Article.
- (C) The power to delegate contained in this Article shall be effective in relation to the powers, duties and discretions of the Board generally whether or not express reference is made in these Articles to powers, duties or discretions being exercised by the Board or by a committee authorised by the Board.

Validity of acts of Directors and Committees

125. All acts done by a meeting of a committee of the Board consistently with the powers, duties and directions conferred upon it shall as regards all persons dealing in good faith with the Company be as valid as if done by the Board and all acts done by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director or member of a committee shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or such committee or person acting as aforesaid, or (in the case of Directors) that they or any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director or member of such committee and had been entitled to vote (as the case may be).

DEPARTMENTAL, DIVISIONAL OR LOCAL DIRECTORS

Departmental, Divisional or Local Directors

126. The Board may from time to time appoint any person to be a Departmental, Divisional or Local Director and define, limit or restrict his powers and duties and determine his remuneration and the designation of his office and may at any time remove any such person from such office. A Departmental, Divisional or Local Director (notwithstanding that the designation of his office may include the word "Director") shall not by virtue of such office be or have power in any respect to act as a Director of the Company nor be entitled to receive notice of or attend or vote at meetings of the Directors nor be deemed to be a Director for any of the purposes of these Articles.

SECRETARY

Appointment of Secretary

127. The Board shall appoint a Secretary and may appoint one or more Deputy Secretaries or Assistant Secretaries each of whom, if more than one, shall for the purpose of these Articles be deemed to be the Secretary.

THE SEAL

Formalities for affixing Seal

128. The Board shall determine from time to time the device of the Seal and provide for its safe custody. The 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. Every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or a second Director or such other person appointed by the Board for that purpose, save and except that a certificate or other document of title in respect of any share, stock or Debenture created or issued by the Company given under the Seal need not be signed.

Official Seals

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

Signed instruments

130. Where the Companies Acts so permit, any instrument signed by a Director and the Secretary or any two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal.

AUTHENTICATION OF DOCUMENTS

Power to authenticate documents

131. Any Director or Secretary or any person appointed by the Board for the purpose shall have the power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company, the Board or a committee of the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

Certified copies

132. A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Board or of a committee of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution had been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Board or of a committee of the Board as the case may be.

ALTERNATE DIRECTORS

Appointment and removal of alternate Directors

133. (A) Any Director may at any time appoint any person approved by the Board to be an alternate Director of the Company, and may at any time remove an alternate Director so appointed by him from office. An alternate Director so appointed shall not be entitled to receive any remuneration from the Company, nor be required to hold any qualification, but shall otherwise be subject to the provisions of these Articles with regard to Directors. An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may

be served upon him) be entitled to receive notices of all meetings of the Board, and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and subject as provided in these Articles, be counted towards the quorum at any such meeting at which the Director appointing him is not personally present and generally to perform all the functions of his appointor as a Director in the absence of such appointor except that an alternate Director shall not be entitled to appoint an alternate.

- (B) An alternate Director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director.
- (C) An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation but is re-elected by the meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired. All appointments and removals of alternate Directors shall be effected in writing under the hand of the Director making or revoking such appointment and delivered to the Office.

DIVIDENDS AND RESERVES

Payment of dividends

- 134. Subject to the rights attached to the Preference Capital and to any other shares which may hereafter be issued upon special conditions, the Company in General Meeting may declare a dividend to be paid to the members in proportion to the amount paid up (otherwise than in advance of calls) upon the shares held by them but no dividend shall be declared in excess of the amount recommended by the Board.

Dividends payable only out of profits

- 135. No dividend shall be paid otherwise than out of profits available for distribution by virtue of the Companies Acts.

Profits earned before acquisition of business

- 136. Subject to the provisions of the Companies Acts where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses thereof, such profits or losses as the case may be shall, at the discretion of the Board, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund

available for dividend, be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. If any shares or securities are purchased cum dividend or interest such dividend or interest when paid may at the discretion of the Board be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

Apportionment of dividends

137. All dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this Article as paid up on the share. Any share issued on terms providing that it shall rank for dividend as from a particular date shall rank for dividend accordingly.

Payment of interim dividends

138. If and so far as in the opinion of the Board the profits of the Company justify such payments, the Board, in addition to paying the dividend on any new class of shares issued and carrying a preferential dividend expressed to be payable on fixed dates on the half-yearly or other dates if any prescribed by or pursuant to these Articles for the payment thereof, may pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they think fit. Provided that the Board act bona fide they shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any other class of shares having deferred or non-preferential rights.

Dividends not to bear interest

139. No unpaid dividend, bonus or interest shall bear interest as against the Company.

Deduction of debts due to the Company

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

Retention of dividends: lien

141. The Board may retain any dividends and bonuses payable on shares on which the Company has a lien, and may apply the same in or towards satisfaction of the debt in respect of which the lien exists.

Retention of dividends: pending membership or transfer

142. The Board may retain the dividends and bonuses payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person under these Articles is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

Unclaimed dividends

143. (A) All dividends unclaimed for at least one year may be invested or otherwise made use of by the Board for the benefit of the Company until, subject as provided by these Articles, claimed. No dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.
- (B) The payment by the Board of any unclaimed dividend into an unclaimed dividend account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

Dividends payable by cheque

144. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto or if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. In addition, any such dividend or other moneys may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions.

Dividends due to joint holders

145. If several persons are registered as joint holders of any share or are entitled jointly to a share in consequence of the death or bankruptcy of the holder any

one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

Record date for dividends

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

Distribution of assets

147. Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, Debentures or Debenture Stock of any other company or in any one or more of such ways, and the Board shall give effect to such distribution, the Board may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board.

Option for allotment of Ordinary Shares

148. The Board may, if authorised by an ordinary resolution of the Company, offer the holders of Ordinary Shares the right to elect to receive new Ordinary Shares credited as fully paid, in whole or in part, instead of cash in respect of such dividend or dividends as may be specified by the resolution. The following provisions shall apply:
- (A) The said resolution may specify a particular dividend, or may specify all or any dividends declared or to be declared or paid in respect of a specified period or in respect of a specified financial year or years.
 - (B) Subject as provided in this Article, the entitlement of each holder of Ordinary Shares to elect to receive new Ordinary Shares shall be such that the Relevant Value for each holder of Ordinary Shares shall be as nearly as possible equal to (but not more than) the cash amount that such holder would have received by way of dividend. For this purpose "Relevant Value" shall be calculated by reference to the average of the middle market quotations for Ordinary Shares on the London Stock Exchange, derived from the Daily Official List for the day when the

Ordinary Shares are first quoted "ex" the relevant dividend and the four immediately following dealing days.

- (C) The basis of allotment shall be determined by the Board and shall be such that no holder of Ordinary Shares shall receive any fraction of a share. The Board may make such provisions as it thinks fit for any fractional entitlement, including provision whereby, in whole or in part, the benefit thereof accrues to the Company.
- (D) The Board, after determining the basis of allotment, shall notify the holders of Ordinary Shares in writing of the right of election offered to them and the procedure to be followed in exercising such right of election.
- (E) The dividend (or that part of the dividend for which a right of election has been given) shall not be payable on Ordinary Shares for which the election has been duly made ("elected Ordinary Shares") and new Ordinary Shares shall instead be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Board shall capitalise out of any undivided profits of the Company not required for paying the fixed dividends on any shares entitled to fixed preferential dividends with or without participation in profits (including profits carried and standing to the credit of any reserve or reserves or other special account), or any sum standing to the credit of the share premium account or any capital redemption reserve fund as the Board may determine, a sum equal to the aggregate nominal amount of the new Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares on such basis.
- (F) The new Ordinary Shares so allotted shall rank *pari passu* in all respects with the fully paid Ordinary Shares then in issue save only as regards participation in the dividend in place of which they were allotted.
- (G) The Board may do all acts and things considered necessary or expedient to give effect to any such capitalisation, and may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and incidental matters and any agreement so made shall be effective and binding on all concerned.
- (H) The Board may on any occasion decide that rights of election shall not be made available to any holders of Ordinary Shares with registered addresses in any territory where in the absence of a registration statement or other special formalities or for any other reason the circulation of an offer of rights or election would or might be unlawful; in such case the provisions of this Article shall be subject to such decision.

RESERVES

Power to carry profits to reserve

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

CAPITALISATION OF PROFITS AND RESERVES

Power to capitalise profits

150. The Company in General Meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any undivided profits of the Company not required for paying the fixed dividends on any other shares entitled to fixed preferential dividends with or without participation in profits (including profits carried and standing to the credit of any reserve or reserves or other special account), or any sum standing to the credit of the share premium account or any capital redemption reserve fund and accordingly that the Board be authorised and directed to appropriate the profits resolved to be capitalised to the members in the proportions in which such profits would have been divisible amongst them had the same been applied in paying dividends and to apply such profits on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or in paying up in full unissued shares, Debentures, or securities of the Company of a nominal amount equal to such profits or sum, such shares, Debentures or securities to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid or partly in one way and partly in the other. Provided that the share premium account and the capital redemption reserve fund and such profits which would not have been available for distribution by virtue of the Companies Acts may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members as fully paid up.

Application of capitalised profits

151. Whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the sum resolved to be capitalised

thereby and all allotments and issues of fully paid shares or Debentures (if any) and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provisions as they think fit for the case of shares or Debentures becoming distributable in fractions including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the members concerned and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment credited as fully paid up of any shares or Debentures to be issued upon such capitalisation and for matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

ACCOUNTS

Inspection of books

152. The accounting records shall be kept at the Office, or, subject to the provisions of the Companies Acts, at such other place or places as the Board thinks fit, and shall always be open to the inspection of the Directors and other officers of the Company. No member (other than a Director or other such officer) shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies Acts or authorised by the Board.

Presentation of accounts

153. The Board shall from time to time in accordance with the provisions of the Companies Acts cause to be prepared and to be laid before a General Meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.

Copies of accounts

154. A copy of every balance sheet and profit and loss account (including every document required by law to be attached or annexed thereto) which is to be laid before a General Meeting of the Company together with a copy of the Directors' and Auditors' report shall not less than twenty-one days before the date of the meeting be sent to every member and to every holder of Debentures of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Companies Acts or of these Articles.

Provided that:

- (A) subject to compliance with the provisions of the Companies Acts a summary financial statement may be sent in place of those documents; and
- (B) this Article shall not require a copy of the relevant documents to be sent to more than one of joint holders or to any person who is not entitled to

receive notices of meetings or to any person of whose address the Company is not aware, but any member or holder of Debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

List of Company's investments not to be published

155. Save as required by the Companies Acts or by any Listing Agreement to which the Company is a party the Board shall not be bound, unless expressly instructed so to do by an Extraordinary Resolution of the Company in General Meeting, to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any shareholder.

AUDIT

Appointment of Auditors

156. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Companies Acts in that behalf.

Attendance of Auditors at General Meetings

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

NOTICES

Service of notices

158. Any notice or document may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the Register. In respect of joint holdings all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.

Service on members resident abroad

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

Notice by advertisement

160. Any notice required to be given by the Company to the members or any of them, and not expressly provided for by or pursuant to these Articles shall be sufficiently given if given by advertisement inserted once in at least one leading national newspaper.

Proof of service of notices

161. Any notice or other document, if sent by post, shall be deemed to have been served or delivered at the expiration of twenty-four hours (or, where second class mail is employed, forty-eight hours) after the time when the letter containing the same is posted, and in proving such service or delivery it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left. A notice to be given or served by advertisement shall be deemed to have been served before noon on the day on which the advertisement appears.

Service on successor to dead or bankrupt member

162. A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the member but for his death or bankruptcy would be entitled, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder.

Convening of Meetings by advertisement

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

meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

WINDING-UP

Distribution of assets on winding-up

164. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the liquidator may, with the sanction of an extraordinary resolution, and any other sanction required by the Companies Acts, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.

INDEMNITY

Indemnity of Directors and officers

165. Subject to the provisions of the Companies Acts every Director, Auditor, Secretary or other officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto and against any liability incurred by him in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without a finding or admission of material breach of duty on his part or in connection with any application under the Companies Acts in which relief is granted to him by the Court.