
COMPANY LIMITED BY SHARES



MEMORANDUM OF ASSOCIATION
OF

**BRITISH AMERICAN TOBACCO
(INVESTMENTS) LIMITED**

(As amended:
by Special Resolution passed 11th July 1927,
confirmed 26th July 1927 and confirmed
by the court 25th October 1927;
by Special Resolution passed on 23rd March 1961; and
by Special Resolution passed on 6th November 1996 and
confirmed by the court 11th December 1996)

1. The name of the Company is "British American Tobacco (Investments) Limited".*

2. The registered office of the Company will be situate in England.

3. The objects for which the Company is established are:-

(a) To adopt, enter into and carry into effect with or without modification an Agreement, proposed to be made between the Imperial Tobacco Company (of Great Britain and Ireland) Limited, of the first part; Ogden's Limited, of the second part; The American Tobacco Company, of the third part; Continental Tobacco Company, of the fourth part; American Cigar Company, of the fifth part; Consolidated Tobacco Company, of the sixth part; and Williamson Whitehead Fuller and James Inskip on behalf of a company intended to be formed under the Companies Acts 1862 to 1900, with the name of British-American Tobacco Company Limited, of the seventh part.

* Name changed from BRITISH-AMERICAN TOBACCO COMPANY LIMITED to BRITISH-AMERICAN TOBACCO P.L.C. on 15th July, 1981 upon re-registration as a public company and then to BRITISH-AMERICAN TOBACCO COMPANY LIMITED on 2nd April, 1982 upon re-registration as a private company and subsequently to BRITISH AMERICAN TOBACCO (INVESTMENTS) LIMITED on 24th April, 1998.

(ii)

(b) To carry on the business of growers of tobacco, manufacturers of and dealers in tobacco, cigars, cigarettes, and snuff, and any business arising out of or in connection with either or any of such commodities.

(c) To carry on, conduct, manage, develop and prosecute any of these businesses in such manner and in such place or places, either in England or elsewhere, as the Company may think requisite or proper, and generally to buy, sell, grow, cultivate, manipulate, manufacture, import, export and deal (both wholesale and retail) in tobacco, tobacco crops, cigars, cigarettes or other products or forms of tobacco, and also any articles or things connected with such business or commonly dealt in by tobacconists, or which are likely to be required in any shape or form by consumers of tobacco.

(d) To carry on in the United Kingdom or elsewhere the trade or business of tobacco brokers or dealers in all its branches, including the purchase and selling of tobacco, either growing or otherwise, or any produce or form of tobacco or the advancing of money by way of loan upon the security of or in respect of the same, or upon or against bills of lading, dock warrants, or other documents of title representing the same.

(d1) To carry on business as merchants or agents or agents' brokers of or for any goods or classes of goods which in the opinion of the Company are capable of being conveniently dealt in or with in connection with or for the benefit of the undertaking of the Company.

(e) To carry on in such manner and in such place or places, either in England or elsewhere, as the Company may think requisite or proper, any other business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with any of the above specified objects, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

(f) To manufacture, buy, sell and deal in or with any plant, machinery, apparatus, tools, lead, tin or other foil, tin plates, boxes, cases, paper and other materials, goods and articles of any description which in the opinion of the Company may be conveniently dealt in or with by the Company in connection with or for the benefit of its undertaking.

(f1) To subscribe for, underwrite, purchase or otherwise acquire and hold, but not to trade or deal in, any shares, stocks, debentures, debenture stocks, bonds, obligations, securities and other interests of or in any company, to co-ordinate and finance all or any part of the businesses and operations of any such company, to make subvention payments to and generally to assist

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any such company and to subscribe for, underwrite, purchase or otherwise acquire and hold, but not to trade or deal in, any debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, municipal, local or otherwise whether in the United Kingdom or elsewhere.

(f2) Generally to engage in and carry on all such commercial, industrial, merchanting and trading operations and businesses as the Company may think it desirable in the interests of the Company to engage in or carry on.

(f3) To undertake or enter into any insurance contract or arrangement in connection with the undertaking or property of any company in which the Company is interested.

(g) To purchase, take on lease, hire or otherwise acquire in the United Kingdom or elsewhere any real or personal property, or any rights or interests therein, which the Company may think necessary or convenient for effectuating any of its objects, and in particular any lands, plantations, houses, factories, warehouses, plant, machinery, patents, concessions, trade marks, trade names, copyrights, licences, stock, material or property, of any description, and to work, use, maintain and improve, sell, let, surrender, mortgage, charge, dispose of or otherwise deal with the same or any other property of the Company, including, in respect of any patent or patent rights belonging to the Company, the grant of licences or authorities to any person, corporation, trust or company to work the same.

(h) To apply for and obtain letters patent or privileges of monopoly, either in the United Kingdom or elsewhere, for any kind of invention acquired by or in which the Company is interested.

(i) To erect, maintain or alter, on any land, any factories, drying houses, curing houses, warehouses, storeshouses, or buildings for carrying on, or to be used in connection with the business of the Company.

(j) To purchase or otherwise acquire or undertake the whole or any part of the business, assets and liabilities, including shares, stock, bonds, debentures, mortgages or other obligations, or any or either of them, of any other company, trust, corporation or person carrying on any business which this Company is authorised to carry on, or possessed of any property or right suitable for the purposes of this Company, and to acquire the business of any company, corporation or trust, if deemed expedient, by amalgamation with such company, corporation or trust, instead of by purchase in the ordinary way.

(k) To pay for any business or undertaking, or any property or rights acquired by the Company, either in cash or shares, with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another and generally on such terms as the Company shall determine.

(l) To engage in any business or transaction within the limits of the Company's objects, in conjunction with any other person, corporation, trust, company or firm, and to hold shares, stock or bonds in any such company, corporation or trust.

(m) To sell the business or undertaking of the Company or any part thereof, including any shares, stock, bonds, debentures, mortgages, or other obligations or securities, or any or either of them, patents, trade marks, trade names, copyrights, licences or authorities or any estate, rights, property, privileges or assets of any kind.

(n) To accept payment for the business or undertaking of the Company or any part thereof, or for any property or rights sold or otherwise disposed of or dealt with by the company, either in cash, by instalments or otherwise, or in shares or bonds of any company, trust or corporation, with or without deferred or preferred rights, in respect of dividends or repayment of capital or otherwise, or by means of a mortgage, or by debentures, debenture stock or mortgage debentures or bonds of any company, trust or corporation, or partly in one mode and partly in another, and generally on such terms as the Company determine.

(o) To promote, form, subsidize, and establish any company or companies, trusts or corporations whose objects shall include the acquisition of all or any of the property, rights and liabilities of the Company, or the carrying on of any such business as aforesaid.

(p) To lend money upon such terms as the Company may think fit, to persons, companies, trusts or corporations having dealings with the Company or any companies in which the Company is interested, or otherwise upon such security as shall be thought fit, or without security and to guarantee the performance of contracts by any such persons, companies, trusts or corporations and to receive money on deposit at interest or otherwise.

(p1) To invest the moneys of the Company not immediately required upon such investments (other than shares in the Company) or property and in such manner as may from time to time be determined.

(p2) To procure the Company to be registered in any foreign country or place.

(v)

(q) To enter into arrangements for partnership, sharing profits, reciprocal concessions, co-operation or otherwise with any company, corporation, trust or person having objects altogether or in part similar to those of this Company, or carrying on or about to carry on any business capable of being conducted so as directly or indirectly to benefit this Company.

(r) To support, subscribe or contribute to any charitable, benevolent or useful object of a public character which is in the opinion of the Directors calculated directly or indirectly to benefit the Company and any institution, society or club which may be for the benefit of the Company or any officers or employees or ex-officers or ex-employees of the Company or of any subsidiary, allied or associated company; to give pensions, allowances, gratuities or charitable aid to any officers or employees or ex-officers or ex-employees of the Company or of any subsidiary, allied or associated company, or to the wives, children or other relatives or dependants of such persons; to make payments towards insurance and to establish or support, or aid in the establishment or support of associations, funds or profit sharing schemes for the benefit of any officers or employees or ex-officers or ex-employees of the Company, of of any subsidiary, allied or associated company.

(s) To borrow, raise or secure money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, bonds or mortgages charged upon all or any of the property of the Company (both present and future), including its uncalled capital for the time being.

(t) To draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, debentures and other negotiable or transferable instruments.

(u) To procure any parliamentary powers to enable the Company to extend its objects or to carry any of these objects into effect.

(v) To distribute any of the property of the Company amongst the Members in specie or otherwise, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

(w) To do all or any of the above things in any part of the world, and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others.

(x) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them and so that the word "company" in this clause except when used in reference to this Company shall be deemed to include any person or partnership or other body of persons whether incorporated or not incorporated and whether domiciled in

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the United Kingdom or elsewhere and so that the objects specified in each sub-clause of this clause shall, except when otherwise expressed in such paragraph be regarded as independent objects, and in no wise limited or restricted by reference to or inference from the terms of any other sub-clause or the name of the Company.

4. The liability of the Members is limited.

5. The capital of the Company is £135,000,000 divided into 540,000,000 Ordinary Shares of 25p each, with power to increase the capital and to divide the shares in the capital for the time being into several classes, and to attach thereto any preferential, deferred, qualified or special rights, privileges or conditions.

The Company was formed with a Share Capital of £6,000,000 divided into 6,000,000 shares of £1 each.

By Resolution on the 1st November, 1907, the Capital of the Company was divided into 2,000,000 5% Preference Shares of £1 each and 4,000,000 Ordinary Shares of £1 each, and the following increases in the Company's Capital have been made:-

| Date of Resolution | Increased to | By creation of |
|---------------------|--------------------|---|
| 2nd March, 1908 | £6,100,000 | 100,000 Pref. |
| 27th February, 1912 | £6,600,000 | 500,000 Ord. |
| 28th May, 1912 | £9,000,000 | 2,400,000 Pref. |
| 22nd July, 1912 | £11,000,000 | 2,000,000 Ord. |
| 31st July, 1913 | £14,500,000 | 3,500,000 Ord. |
| 27th January, 1920 | £20,000,000 | 5,500,000 Ord. |
| 10th May, 1920 | £22,500,000 | 2,500,000 Ord. |
| 21st June, 1926 | £30,000,000 | 7,500,000 Ord. |
| 2nd September, 1929 | £36,000,000 | 6,000,000 Second Pref. |
| 8th May, 1953 | £50,000,000 | 28,000,000 Ord. of 10/- each |
| 29th March, 1957 | £60,000,000 | 20,000,000 Ord. of 10/- each |
| 21st March, 1963 | £70,000,000 | 20,000,000 Ord. of 10/- each |
| 20th July, 1970 | £75,000,000 | 10,000,000 Ord. of 10/- each |
| 18th December, 1972 | £81,045,000 | 16,740,000 Ord. of 25p each 7,440,000 Def Ord of 25p each |
| 23rd July, 1976 | * see note 1 below | * see note 1 below |
| 6th September, 1976 | £135,000,000 | 215,820,000 Ord. of 25p each |
| 6th November, 1996 | £145,500,000 | 42,000,000 Ord. of 25p each |
| 12th December, 1996 | # see note 2 below | # see note 2 below |

* Note 1: By a Scheme of Arrangement the Capital of the Company was reduced to £15,717,783.75 and then increased to £81,045,000.

Note 2: By a Special Resolution and confirmed by an Order of Court the Capital of the Company was reduced to £135,000,000 by the repayment of the 5% Preference and 6% Second Preference Stocks.

WE, the several persons whose names and addresses are subscribed are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

| NAMES, ADDRESSES AND DESCRIPTIONS | Number of Shares taken by each Subscriber |
|---|---|
| JAMES BUCHANAN DUKE, 111, 5th Avenue New York City, President of the American Tobacco Company | One Ordinary Share |
| WILLIAMSON WHITEHEAD FULLER, 111, 5th Avenue, New York City, American Counsel | One Ordinary Share |
| ROBERT HENRY WALTERS Nethway, Birkdale, Tobacco Manufacturer | One Ordinary Share |
| WILLIAM BARKER OGDEN, Inglenook, Blundellsands, Liverpool, Tobacco Manufacturer | One Ordinary Share |
| GEORGE ALFRED WILLS, Leigh Woods, Bristol, Tobacco Manufacturer | One Ordinary Share |
| WILLIAM NELSON MITCHELL, 3 Great Western Terrace, Glasgow, Tobacco Manufacturer | One Ordinary Share |
| JOHN DANE PLAYER, Alexandra Park, Nottingham, Tobacco Manufacturer | One Ordinary Share |

DATED the 27th day of September, 1902.

WITNESS to the signatures of the above-named James Buchanan Duke, Williamson Whitehead Fuller, Robert Henry Walters and William Barker Ogden:-

JOSEPH HOOD,
41 Castle Street,
Liverpool,
Solicitor.

WITNESS to the signatures of the above-named George Alfred Wills, William Nelson Mitchell, and John Dane Player:-

JAMES INSKIP,
Bristol,
Solicitor.

THE COMPANIES ACTS 1862 TO 1900
THE COMPANIES ACT 1948

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF

British American Tobacco (Investments) Limited

(Adopted by Special Resolution passed on 12th May, 1950)
(Amended by Special Resolution passed on 8th May, 1953)
(Amended by Special Resolution passed on 29th March, 1957)
(Amended by Special Resolution passed on 23rd March, 1961)
(Amended by Special Resolution passed on 21st March, 1963)
(Amended by Special Resolution passed on 20th March, 1969)
(Amended by Special Resolution passed on 20th July, 1970)
(Amended by Special Resolution passed on 15th April, 1971)
(Amended by Special Resolution passed on 18th December, 1972)
(Amended by Special Resolution passed on 20th March, 1975)
(Amended by Special Resolution passed on 21st June, 1976)
(Amended by Special Resolution passed on 23rd July, 1976)
(Amended by Special Resolution passed on 6th September, 1976)
(Amended by Special Resolution passed on 19th June, 1981)
(Amended by Special Resolution passed on 10th February, 1982)
(Amended by Special Resolution passed on 6th November, 1996)

PRELIMINARY

1. The regulations contained in Table A in the First Schedule to the Companies Act, 1862, shall not apply to the Company, but instead thereof the following shall be the Articles of the Company.

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

"These Articles" means these Articles of Association as originally framed or as from time to time altered by Special Resolution.

"The Act" means the Companies Act 1948.

"The Company" means the above-named Company.

"The Directors" means the Board of Directors for the time being of the Company.

"The Register" means the Register of Members to be kept pursuant to Section 110 of the Act.

"The Seal" means the Common Seal of the Company.

"Bankrupt" includes a person compounding or arranging with or making an assignment of all his property for the benefit of his creditors, and "Bankruptcy" shall have a corresponding meaning.

"Secretary" includes (subject to the provisions of the Act) an Assistant or Deputy Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

"The Office" means the registered Office for the time being of the Company.

"Dividend" includes bonus.

"Paid up" includes credited as paid up.

"Month" means calendar month.

"In writing" and "written" means written, typewritten, lithographed, stamped or printed or partly in one of the said forms and partly in another.

Words importing the singular number only include the plural, and vice versa, and words importing the masculine gender only include the feminine gender.

Words importing individuals only include corporations, unless where expressly stated to the contrary.

Reference in these Articles to any provision of the Act shall, where the context so admits, be construed as a reference to such provision as modified or re-enacted by any Statute for the time being in force.

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

CAPITAL

3. The present capital of the Company is £135,000,000 divided into 540,000,000 Ordinary Shares of 25p each.

SHARES AND MODIFICATION OF RIGHTS

4. Any of the shares for the time being unissued and any new shares from time to time to be created may from time to time be issued with any guarantee or any such right or preference, whether in respect of dividend or of repayment of capital or both, or any such other privilege or advantage over any shares previously issued or then about to be issued (subject to the provisions hereinafter contained as to the consent of the holders of any class of shares where such consent is necessary), or with such deferred rights as compared with any other shares previously issued or then about to be issued, or subject to any such conditions or provisions, and with any such right or without any right of voting, and generally on such terms as the Company may from time to time by Ordinary Resolution determine.

5. Subject to the provisions of Section 58 of the Act, any Preference Shares may be issued on the terms that they are, or at the option of the Company are to be liable to be redeemed on such terms and in such manner as the Company may by Special Resolution prescribe.

6. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is confirmed by an Extraordinary Resolution passed at a separate General Meeting of the holders of shares of that class, and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such meeting but so that the quorum thereof shall be three Members personally present holding shares of that class.

7. The Company may exercise the powers of paying commissions conferred by Section 53 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section and the rate of the commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or 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.

9. The Company shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company, nor shall the Company make a loan for any purpose whatsoever on the security or its shares, but nothing in this Article shall prohibit transactions mentioned in the proviso to Section 54 (1) of the Act.

CERTIFICATES

10. Every person whose name is entered as a Member in the Register shall be entitled without payment to one certificate for all his shares of each class, or upon payment of such sum, not exceeding 10p for every certificate after the first, as the Directors shall from time to time determine, to several certificates, each for one or more of his shares. Every certificate shall be issued within two months after allotment or the lodgment with the Company of the transfer of the shares, unless the conditions of issue of such shares otherwise provide and shall be under the Seal, and bear the autographic signatures of one Director and the Secretary, and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon, but notwithstanding the foregoing provisions of this Article the Directors may at any time resolve that such certificates need not be signed provided that they have first been approved for sealing by the Auditors, Transfer Auditors or Bankers of the Company in writing. The Company shall not be bound to register more than three persons as the joint holders of any share or shares (except in the case of executors or trustees of a deceased Member) 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.

11. If a share certificate be defaced, lost or destroyed, it may be renewed on payment of such fee (if any) not exceeding 5p, and on such terms (if any) as to evidence and indemnity as the Directors think fit.

LIEN

12. 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 that share, and the Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single Member for all the debts and liabilities of such Member or his estate to the Company, and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest in

any person other than such Member and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article.

13. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless a 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, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.

14. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

15. The net proceeds of the sale after payment of the costs of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS

16. The Directors may from time to time (subject to any terms upon which any shares have been or may be issued) make such calls as they think fit upon the Members in respect of all moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium). Each Member shall be liable to pay the calls so made, to the persons or banking company, and at the times and places appointed by the Directors, provided that no call shall exceed one-fourth of the nominal amount of the share, and all calls shall be made payable at intervals of not less than two months. A call may be revoked or postponed as the Directors may determine.

17. A call shall be deemed to be made at the time when the resolution authorising it is passed by the Directors and may be required to be paid in instalments.

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

19. 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 10 per cent per annum as the Directors may determine, but the director shall be at liberty to waive payment of such interest wholly or in part.

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

21. The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and as to the times of payment.

22. The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) 5 per cent per annum, as may be agreed upon between the Directors and the Member paying such sum in advance.

TRANSFER OF SHARES

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

24. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee, and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof. Provided that the Directors may dispense with the signature of the instrument of transfer by or on behalf of the transferee in any case in which they think fit in their discretion to do so.

25. The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register any transfer of shares (not being fully paid shares) to a person of which they shall not approve and they may also decline to register any transfer of shares on which the Company has a lien. If the Directors decline to register a transfer of any shares, they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

26. The Directors may also decline to recognise any instrument of transfer, unless:-

- (a) The instrument of transfer is deposited at the Office or such other place as the Directors may appoint, accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.
- (b) The instrument of transfer is in respect of only one class of share.

27. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine: Provided always that such registration shall not be suspended for more than thirty days in any year.

28. No fee shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares.

29. All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in any case of fraud) be returned to the person depositing the same.

30. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

TRANSMISSION OF SHARES

31. In the case of the death of a Member, the survivors or survivor where the deceased was a 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 interest in the shares, but nothing in this Article shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

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

33. 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 another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of a Member had not occurred and the notice or transfer were a transfer signed by the Member.

34. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends or other moneys payable on or in respect of the share until the requirements of the notice have been complied with.

FORFEITURE

35. If any Member fails to pay any call or instalment of a call due in respect of any share on the day appointed for payment thereof, the Directors may at any time thereafter, during such time as the call or instalment remains unpaid, serve a notice on such Member requiring him to pay such call or instalment together with interest at the rate aforesaid.

36. The notice shall name a further day (not earlier than fourteen days from the date of service thereof) 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.

37. 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 due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

38. A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited share to any other person as aforesaid.

39. A Member 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 10 per cent per annum from the date of forfeiture until payment, and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture.

40. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share has been duly forfeited on 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, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be so required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (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, re-allotment or disposal of the share.

CONVERSION OF SHARES INTO STOCK

41. The Company may by Ordinary Resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.

42. When any shares have been converted into stock the holders of such 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 the Directors may from time to time, if they think fit, fix nevertheless at their discretion to waive the observance of such rules in any particular case.

43. The stock shall confer on the holders thereof respectively the same rights as would have been conferred by shares of equal amounts of the class converted in the capital of the Company, but so that none of such rights except participation in dividends and profits of the Company and in the assets of the Company on a winding up shall be conferred by any such amount of stock as would not if existing in shares of the class converted have conferred such rights.

44. No such conversion shall affect or prejudice any preference or other special privilege attached to the share so converted. All the provisions contained in these Articles which are applicable to fully paid shares shall, so far as circumstances will admit, apply to stock as well as to fully paid shares, and the words "share" and "Member" therein shall include "stock" and "stockholder".

SHARE WARRANTS TO BEARER

45. Subject to any statutory restrictions for the time being in force the Company may issue share warrants and accordingly the Directors may, in their discretion with respect to any share or shares, which is or are fully paid up, on application in writing, signed by the person registered as holder of the share or shares and authenticated by such evidence, if any, as the Directors may from time to time require as to the identity of the person signing the request, and on receiving the certificate, if any, of the share, and the amount of the stamp duty on the warrant and such fee, not exceeding 10p for each share warrant, as the Directors may from time to time require, issue under the seal a warrant, duly stamped, stating that the bearer of the warrant is entitled to the share or shares therein specified and may provide by coupons, or otherwise, for the payment of the future dividends, or other moneys, on the shares included in the warrant.

46. A share warrant shall entitle the bearer thereof to the share or shares included in it, and the share or shares may be transferred by the delivery of the share warrant, and the provisions of these Articles with respect to transfer and transmission of shares shall not apply thereto.

47. The bearer of a share warrant shall, on surrender of the warrant to the Company for cancellation, together with all outstanding coupons issued in respect thereof, accompanied by an application in writing signed by him in such form and authenticated in such manner as the Directors require requesting to be registered as a Member in respect of the share or shares specified in the warrant and stating in such application his name and address, and on payment of such sum not exceeding 10p as the Directors may from time to time prescribe, be entitled to have his name entered as a Member in the Register in respect of the share or shares included in the warrant.

48. The Directors may in their discretion, on the application in writing to the bearer of a share warrant, and on surrender of the warrant and all outstanding coupons issued in respect thereof for cancellation, and on receiving the amount of the stamp duty on the new warrants and such fee not exceeding 10p for each new warrant, as the Directors may from time to time require, issue to the bearer of the share warrant so surrendered new warrants of smaller denomination for the shares included therein.

49. The Directors may also on the bearer of a share warrant complying with both the two last preceding Articles, enter his name in the Register in respect of part of the shares included in the warrant and issue to him a new warrant or new warrants in respect of the balance of such shares.

50. The bearer of a share warrant may at any time deposit the warrant at the Office or at any bank designated by the Company in such manner as the Directors think fit, and so long as the warrant remains so deposited the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting, giving a proxy and exercising the other privileges of a Member at any meeting held after the expiration of forty-eight hours from the time of deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited warrant, provided that in the case of a warrant deposited with a bank as aforesaid the depositor shall have obtained from such bank a certificate of such deposit in such form as the Directors may require specifying inter alia the warrant and the number of shares included therein and shall have lodged the same at the Office not less than forty-eight hours before the time of the meeting at which the depositor desires to attend or to be represented or shall have lodged the same at the office of the Company in Richmond, Virginia in the United States of America, or such other office of the Company or bank in the United States as may from time to time be designated by the Directors, not less than twelve clear days before the time of the meeting at which the depositor desires to attend or to be represented. Not more than one person shall be recognised as depositor of any share warrant. Every share warrant which shall have been so deposited as aforesaid shall remain so deposited until after the close of the meeting at which the depositor desires to attend or to be represented.

51. Subject as in these Articles otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote, or exercise any other privilege of a Member at a meeting of the Company, or be entitled to receive any notices from the Company; but the bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register as the holder of the share or shares included in the warrant, and he shall be a Member of the Company. Provided always that no share represented by a warrant shall be reckoned in the qualification of a Director.

52. The Directors may from time to time make rules as to the terms on which (if they shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction, or on which (if they shall think fit) the person entitled to the warrant so defaced or claiming to be entitled to the warrant so lost or destroyed may be entered on the Register in respect of the shares included in such warrant.

53. The Company shall not be bound by or be compelled in any way to recognise, even when having notice thereof, any other right in respect of the share or shares represented by a share warrant than an absolute right thereto in the bearer thereof for the time being.

54. In the case of any offer of Ordinary Shares to Members, it shall be sufficient, so far as bearers of share warrants in respect of Ordinary Shares are concerned, to give notice of the proposed issue to such bearers of share warrants in respect of Ordinary Shares as have notified to the Company addresses which are to be deemed their registered addresses, and to advertise the fact of the proposed issue of Ordinary Shares once in a London daily newspaper, and such other newspaper (if any) as the Directors may from time to time determine, and upon the bearer of a share warrant in respect of an Ordinary Share or Ordinary Shares depositing the warrant, or a coupon to be designated by the Directors attached to the warrant, or such other evidence of ownership as the Directors may in their uncontrolled discretion require, at the Office, or such other place or places mentioned in the advertisement, within the time limited by such advertisement, he shall be entitled to receive the offer and accept the proportionate number of shares within the time limited in the offer, in the same way as if he were the holder of a registered Ordinary Share or registered Ordinary Shares.

55. The Directors shall be at liberty to accept a certificate (in such form as the Directors may approve) of any bank or of any agent or correspondent of the Company, or of any investment or trust or safe deposit company or of any other firm or company of good repute, that such bank, agent, correspondent, firm or company holds a specified warrant on behalf of the person named in the certificate as sufficient

evidence of the facts stated in such certificate, and may treat the deposit of such certificate at the Office, or other place as aforesaid, as equivalent to the deposit there of the warrant, and may allot shares accordingly to the person named in such certificate, and the right of the allottee to the allotment shall not, after allotment, be questioned by any person.

56. The provisions of the foregoing Articles 45 to 55 inclusive relating to fully paid shares shall mutatis mutandis apply to any stock into which any fully paid shares shall have been converted. Accordingly the Directors may in their discretion in respect of any such stock, upon application in writing signed by the registered holder thereof, issue a stock warrant to bearer in respect thereof, and the provisions contained in these Articles with respect to the terms and conditions upon which share warrants may be issued and the rights, privileges and restrictions conferred upon or affecting the bearers thereof or otherwise with respect thereto or to the shares included therein, shall mutatis mutandis apply and have effect with respect to stock warrants and to the stock included therein.

57. The provisions of these Articles shall mutatis mutandis apply and have effect as regards any stock arising from the conversion of fully paid shares in respect of which a share warrant was issued previously to such conversion as they are expressed to apply to the shares in respect of which such warrant was issued, as if such warrant had been issued in respect of such stock.

INCREASE OF CAPITAL

58. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as the Resolution shall prescribe.

59. Subject and without prejudice to the provisions of Articles 142, 143 and 143A the Ordinary Shares in the present capital of the Company for the time being unissued and all new Ordinary Shares (except any shares allotted to Directors, officials or employees of the Company or of any other company in which the Company may from time to time own shares, which said shares may be offered on such terms as the Directors shall from time to time determine but in no case at less than par, provided that the total number of shares so allotted, including all those theretofore allotted under the provisions of this or any like previous exception shall never exceed 10 per cent of the Ordinary share capital of the Company at the time authorised and except any shares allotted in payment for any business or property) shall before issue be offered to the Members in proportion as nearly as the circumstances admit to the existing Ordinary Shares held by them on such terms as the Directors shall determine, and such offer shall be made by notice limiting the

time within which, if not accepted, it will be deemed to be declined (such time not to be less than seven days) and after the expiration of such time or on receipt of an earlier intimation from the Member to whom such notice is given, that he declines to accept the shares offered, the Directors may from time to time dispose of the same in such manner as they may think most beneficial to the Company. The Directors may likewise so dispose of any unissued or new Ordinary Shares which (by reason of the ratio which such shares bear to shares held by persons entitled to be offered new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article. Subject as aforesaid, the shares in the capital for the time being shall be at the disposal of the Directors, who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and at such times as they may think fit, with full power to give to any person the call of any shares during such time and for such consideration as they may think fit, save that no shares shall be issued at a discount except upon compliance with the provisions of the Act.

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

ALTERATION OF CAPITAL

61. The Company may by Ordinary Resolution -

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of Section 61 (1) (d) of the Act;
- (c) Cancel any shares which, at the date of the passing of the Resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

The resolutions 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 such shares may have some preference or special privilege or advantage as to dividend, capital, voting or otherwise, over or may have such deferred rights or may be subject to such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares.

62. The Company may by Special Resolution reduce its share capital, any capital redemption reserve Fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

GENERAL MEETINGS

63. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint.

64. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

65. The Directors may whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 132 of the Act. 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 Directors.

NOTICE OF GENERAL MEETINGS

66. An Annual General Meeting and a meeting called for the passing of a Special Resolution shall be called by twenty-one days' notice in writing at the least, and a meeting of the Company other than an Annual General Meeting or a meeting for the passing of a special Resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting to all the Members (other than those who under the provisions of these Articles or the conditions of issue of the shares held by them are not entitled to receive the notice) and to the Auditors for the time being of the Company.

67. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member.

68. It shall be the duty of the Company, subject to the provisions of Section 140 of the Act, on the requisition in writing of such number of Members as is specified in such Section and (unless the Company otherwise resolves) at the expense of the requisitionists, to give to Members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved, and is intended to be moved, at that meeting and to circulate to Members entitled to have notice of any General Meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

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

PROCEEDINGS AT GENERAL MEETINGS

70. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the ordinary reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the Auditors.

71. Where by any provision contained in the Act special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than twenty-eight days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to the Members notice of any such resolution as required by and in accordance with the provisions of the Act.

72. No business shall be transacted at any General Meeting unless a quorum of Members is present. Save as in these Articles otherwise provided, three Members present in person shall be a quorum.

73. If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of or by Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half-an-hour from the time appointed for the meeting the Members present shall be a quorum.

74. The Chairman of the Board of Directors, or, in his absence, the Vice-Chairman, or in the absence of both of them some other Director nominated by the Directors, shall preside as chairman at every General meeting of the Company, but if at any meeting no such Chairman, Vice-Chairman or other Director is present within fifteen minutes after the time appointed for the holding of the meeting or if none of them is willing to act the Directors present shall choose some Director present to be Chairman of the meeting, or if no Director is present, or if all the Directors present decline to take the chair, the Members present shall choose some Member present to be Chairman.

75. The Chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

76. 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 five Members present in person or by proxy; or
- (c) by any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote 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.

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

77. Except as provided in article 79, if a poll is duly demanded it shall be taken in such manner as the Chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

78. 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 second or casting vote.

79. 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 as the Chairman of the meeting directs (not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded) and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

VOTES OF MEMBERS

80. Subject to any special conditions or restrictions as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every Member present in person shall have one vote, and on a poll every Member present in person or by proxy shall have one vote for every share held by him in respect of which he is entitled to vote.

81. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto, and if more than one of such joint holders be present at any meeting or at any poll personally or by proxy, that one of the said persons so present whose name stands first in the Register in respect of such shares shall alone be entitled to vote in respect thereof.

82. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by such Court, and such committee, receiver, curator bonis or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office or at the office of the Company in Richmond, Virginia in the United States of America, or such other office of the Company or bank in the United States as may from time to time be designated by the Directors, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

83. No Member shall, unless the Directors otherwise determine, be entitled to vote at any 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.

84. 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.

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

86. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Company.

87. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of that power or authority shall be deposited at the Office or at such other place within the United Kingdom as is specified in the notice of meeting or in the instrument of proxy issued by the Company or at the office of the Company in Richmond, Virginia in the United States of America or such other office of the Company or bank in the United States as may from time to time be designated by the Directors, not less than forty-eight hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

88. An instrument of proxy may be in any common form or in such other form as the Directors shall approve, Instruments of proxy need not be witnessed.

89. The Directors may at the expense of the Company send, by post or otherwise, to the Members, instruments of proxy (with or without stamped envelopes for their return), for use at any General Meeting or at any meeting of any class of Members of the Company, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not to some only) of the Members entitled to be sent a notice of the meeting and to vote thereat by proxy.

90. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

91. 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 as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVE AT MEETINGS

92. 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.

DIRECTORS

93. Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be less than five nor more than twenty-four.

94A. The Directors shall be entitled to remuneration for their services as Directors at a rate not exceeding £60,000 per annum in aggregate (or at such higher rate as may from time to time be determined by the Company by Ordinary Resolution) and such remuneration shall be divided amongst them as they may determine. Any such remuneration shall be deemed to accrue from day to day. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees of the Directors or General Meetings.

94B. Any Director who holds the office of Manager of the Company or any other executive office or serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such special remuneration by way of salary, commission, participation in profits or otherwise as the Directors may determine.

BORROWING POWERS

95A. Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

95B. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (so far as regards subsidiaries as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and any of its subsidiaries (exclusive of moneys borrowed by the Company from and for the time being owing to the Company's holding company or any subsidiary of the Company or any subsidiary of the Company's holding company or by any subsidiary of the Company from and for the time being owing to the Company or any other subsidiary of the Company or the Company's holding company) shall not, without the previous sanction of the Company in general meeting, exceed a sum equal to one and one-half times the aggregate of -

- (1) the nominal amount of the share capital of the Company for the time being issued and paid up; and
- (2) the sums standing to the credit of the capital and revenue reserves of the Company and its subsidiaries (including share premium account, capital redemption reserve fund and profit and loss account and including also amounts attributable to the interests of minority shareholders in subsidiaries).

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

- (a) making such adjustments as may be necessary in respect of any variation in the paid up share capital or share premium account of the Company since the date of the balance sheet;
- (b) deducting therefrom the amount of any debit balance on the latest audited consolidated profit and loss account; and
- (c) excluding therefrom any sums set aside for taxation in that balance sheet.

For the purposes of this Article the issue of debentures shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash.

95C. No person dealing with the Company or any other subsidiaries shall by reason of the foregoing provision be concerned to see or enquire whether the restriction hereby imposed is observed and no debt incurred or security given in excess of such restriction shall be invalid or ineffectual unless the tender or recipient of the security had, at the time when the debt was incurred or security given, express notice that such restriction had been or would thereby be exceeded.

POWERS AND DUTIES OF DIRECTORS

96. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Act or by these Articles, required to be exercised by the Company in General Meeting, subject, nevertheless, to any of these Articles, to the provisions of the Act, and to such regulations being not inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

97. Without prejudice to the general powers conferred by the last preceding Article, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, it is hereby expressly declared that the Directors shall have the following powers, that is to say:-

- (a) They may appoint and at their pleasure remove or suspend such officers, managers, clerks and servants, either for permanent or temporary or special services as they may from time to time deem expedient for carrying on the business of the Company, and may determine the duties and powers of such officers, clerks and servants, and may fix the amount of their salaries and emoluments, and pay the same out of the funds of the Company. Any number of Directors may be appointed to the office of Managers of the Company by their co-Directors, and in like manner or by the Company in General Meeting removed from the position, and any Director may, subject to removal by his co-Directors or by the Company in General Meeting, be appointed to be Secretary or Solicitor or to hold any other office or employment under the Company, and in respect of any such office or employment as aforesaid Directors may be paid such salary or remuneration as the Director shall from time to time determine.
- (b) They may from time to time and at any time by power of attorney appoint any company, firm or person including a Director or officer or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these

Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

- (c) They may remunerate any person rendering services to the Company, whether in its regular employ or not, in such manner as to them may seem fit, whether by cash, salary or shares or debentures or by a commission or share of profits either in any particular transaction or generally or by way of percentage on wages or salaries or in any other manner or by any other method.
- (d) They may award special remuneration out of the Funds of the Company to any Directors for special services rendered to the Company in their position of Managers or in any other capacity, such remuneration being either by agreed sum, percentage on profits or bonus or any or all of such methods or otherwise as may be determined by the Directors and to be either in addition to or in substitution for their salary or remuneration as Managers.
- (e) They may, for carrying on and managing the business of the Company, invest, borrow and lend money (except to themselves) and purchase, hire, rent or acquire any houses, warehouses, buildings or lands of any tenure, or acquire any leasehold or other interest in any houses, warehouses or buildings or lands, on such terms as they may from time to time think advisable. They may pull down, remove, alter or convert any such houses, warehouses or buildings, and may erect and build such other houses, warehouses, and buildings in lieu thereof on any land purchased, hired, rented or acquired as aforesaid, in such manner as they may consider necessary or advisable for carrying on the business of the Company. They may purchase or otherwise acquire machinery, plant and other effects, and insure against loss by fire all or any such houses, warehouses or buildings, and may let, or demise, or give possession of the whole or any part of the same, whether fitted up or furnished or otherwise, to such person or persons, and on such terms as to tenancy or occupation as they may consider advisable with regard to the interests of the Company, and the promotion or carrying on of They may from time to time sell and buy in any such lands, houses, warehouses or buildings as aforesaid, and may let, demise or resell the same, and may otherwise deal with all or any of the same as they consider most conducive to the interests of the Company.
- (f) They may, upon such terms as they think fit, purchase or otherwise acquire or undertake the whole or any part of the business, assets and liabilities, including shares, stocks, bonds, debentures, mortgages or other obligations, or any or either of them, of any other company, trust, corporation, or person carrying on any business which this Company is authorised to carry on, or possessed of any property or right suitable for the purposes of this Company, and to acquire the

business of any company, corporation or trust, if deemed expedient, by amalgamation with such company, corporation or trust, instead of by purchase in the ordinary way.

- (g) They may pay for any business or undertaking, or any property or rights acquired by the Company, either in cash or shares, with or without preferred or deferred rights in respect of dividends or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as they may determine.
- (h) They may sell the business or undertaking of the Company, or any part thereof, including any shares, stocks, bonds, debentures, mortgages, or other obligations or securities, or any or either of them, patents, trade marks, trade names, copyrights, licences or authorities, or any estate, rights, property, privileges or assets of any kind.
- (i) They may accept payment for the business or undertaking of the Company, or for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash or by instalments or otherwise, or in shares or bonds of any company, trust or corporation, with or without deferred or preferred rights in respect of dividends or repayment of capital or otherwise, or by means of a mortgage, or by debentures, debenture stock, mortgage debentures or bonds of any company, trust or corporation, or partly in one mode and partly in another, and generally on such terms as they may determine.
- (j) They may institute, intervene in, conduct, defend, compromise, refer to arbitration, and abandon legal and other proceedings and claims by and against the Company, and the Directors and officers of the Company and otherwise concerning the affairs of the Company.

98. The Company may exercise the powers conferred by Section 35 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

99. The Company may exercise the powers conferred upon the Company by Sections 119 to 123 (both inclusive) of the Act with regard to the keeping of a Dominion Register, and the Directors may (subject to the provisions of those Sections) make and vary such regulations as they may think fit respecting the keeping of any such Register.

100. (1) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 199 of the Act.

(2) A Director shall not vote in respect of any contract or arrangement 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 neither of these prohibitions shall apply to -

- (a) 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
- (b) to any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company 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
- (c) any contract by a director to subscribe for or underwrite shares or debentures of the Company; or
- (d) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as holder of shares, debentures or other securities;

and these prohibitions 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.

(3) No Director or intending Director shall be disqualified by his office from holding any office or place of profit (other than the office of Auditor) under the Company or under any allied or subsidiary company or from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

101. All cheques, promissory notes, drafts, bills of exchange and other negotiable 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 Directors shall from time to time by resolution determine.

102. The Directors shall cause minutes to be made in books provided for the purpose:-

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

Any such minute if purporting to be signed by the Chairman of the meeting at which the proceedings were had, or by the Chairman of the next succeeding meeting, shall be evidence of the proceedings.

PRESIDENT

103. The Directors may appoint any person, whether a Director or not, to be President of the Company upon such terms as to remuneration and otherwise as the Directors shall from time to time determine.

DISQUALIFICATION OF DIRECTORS

104. The office of a Director shall be vacated if the Director:-

- (a) becomes bankrupt or becomes of unsound mind;
- (b) is removed by Ordinary Resolution as provided by Article 112;
- (c) ceases to hold the required shares (if any) to qualify him for office, or does not acquire the same within two months after election or appointment;
- (d) ceases to be a Director by virtue of Section 185 of the Act, or becomes prohibited from being a Director by reason of any order made under Section 188 of the Act;
- (e) resigns his office by notice in writing as provided by Article 114.

RETIREMENT OF DIRECTORS

105. At the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. A Director retiring at a meeting shall retain office until the dissolution of that meeting.

106. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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

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

109. At a General Meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

110. The Company may from time to time by Ordinary Resolution increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.

111. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the 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 but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

112. The Company may by Ordinary Resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director.

113. The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding Article, and without prejudice to the powers of the Directors under Article 111 the Company in General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

114. A Director may retire from his office upon giving one month's notice in writing to the Company of his intention so to do, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance by the Directors.

PROCEEDINGS OF DIRECTORS

115. The Directors 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 decided by a majority of votes. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom.

116. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be two.

117. A meeting of Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Directors generally.

118. The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or in accordance with these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting of the Company, but for no other purpose.

119. The Directors may elect a Chairman, a Vice-Chairman, and one or more Deputy-Chairmen of their meetings, and determine the period for which they are respectively to hold office; but if no such Chairman, Vice-Chairman or Deputy-Chairman be elected, or if at any Meeting none of them be present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

120. In the case of an equality of votes the Chairman of the meeting, if he be the Chairman or Vice-Chairman elected under the last preceding Article, shall have a second or casting vote, but no other Chairman of a meeting of Directors shall have such a second or casting vote.

121. The office of Chairman or Vice-Chairman or Deputy-Chairman may be filled up on any vacancy by the Directors.

122. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

123. A Committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present at the time appointed for holding the same, the Members present may choose one of their number to be Chairman of the meeting.

124. A Committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the Members present, and in the case of an equality of votes the Chairman shall have a second or casting vote. The quorum for a meeting of a Committee consisting of two or more Members, unless otherwise determined by the Committee, shall be two.

125. All acts done by any meeting of Directors or of a Committee of Directors, or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid both against and in favour of the Company and all other persons (but not in favour of such person) as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

PENSIONS AND ALLOWANCES

126. The Directors may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company, or of any company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and holding any salaried employment or office in the Company or such other company, and the wives, widows, families and dependants of any such persons, and also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such person as aforesaid, and make payments for or towards the insurance of any such persons as aforesaid, and subject to the provisions of the Memorandum of Association, subscribe or guarantee money for any charitable or benevolent objects or for any exhibition, or for any public, general or useful object, and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid. Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the Members of the Company and to the proposal being approved by the Company, any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument.

SECRETARY

127. The Secretary shall be appointed by the Directors, and any Secretary so appointed may be removed by them.

128. Anything by the Act required or authorised to be done by or to the Secretary, may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any Assistant or Deputy Secretary, or if there is no Assistant or Deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Directors. Provided that any provision of the Act or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

REGISTER OF DIRECTORS' SHARE AND DEBENTURE HOLDINGS

129. The register of Directors' share and debenture holdings shall be kept at the Office and shall be open to the inspection of any Member or holder of debentures of the Company or of any person acting on behalf of the Board or Trade between the hours of 10 am and noon on each day during which the same is bound to be open for inspection pursuant to the provisions of the Act. The said register shall also be produced at the commencement of each Annual General Meeting and shall remain open and accessible during the continuance of the Meeting to any person attending the meeting.

THE SEAL

130. The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a Committee of Directors authorised by the Directors in that behalf and, except as provided in Article 10, every instrument to which the Seal shall be affixed shall be signed by a Director and countersigned by the Secretary.

DIVIDENDS AND RESERVE

131. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

132. The Directors may if they think fit from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is dividend into different classes the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act

bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

133. No dividend shall be paid otherwise than out of profits.

134. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

135. Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on a share. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date such share shall rank for dividend accordingly.

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

137. The Company in General Meeting may resolve that any capital assets of the Company in excess of the Company's paid-up capital for the time being shall be distributed among the holders of Ordinary Shares of the Company as and by way of a capital distribution either in the form of cash or by the allocation to such holders of particular assets of the Company in specie or by the distribution among such holders of fully paid-up shares as and by way of increase of their respective shares in the capital of the Company or in any one or more of such ways such distribution to be in proportion to the amounts for the time being paid up on the Ordinary Shares held by them respectively and the Directors shall give effect to such resolution. And in case

any difficulty arises in regard to the distribution they may settle the same as they may think expedient and in particular may issue fractional certificates and may fix the value of the same for the purposes of 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. Provided always that no distribution shall be made which would amount to a reduction of capital except in manner appointed by law.

138. All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividend shall bear interest as against the Company. Any dividend remaining unclaimed after twelve years from the due date for payment shall, if the Directors so decide be forfeited and shall revert to the Company.

139. 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 and in the case of joint holders, to any one of such joint holders, or to such person and to such address as the holder or joint holders may in 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 may direct and payment of the cheque or warrant shall be 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.

140. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

141. A General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution they may settle the same as they think expedient and in particular may issue fractional certificates, and may 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 Members, and may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors, and generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates, or any part thereof, and otherwise as they think fit.

CAPITALISATION OF PROFITS

142. The Company may by Ordinary Resolution on the recommendation of the Directors resolve that it is desirable to capitalise any undivided profits of the Company (including profits carried and standing to any reserve or reserves) not required for paying the fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits or, subject as hereinafter provided, any sum standing to the credit of share premium account or capital redemption reserve fund, and accordingly that the Directors be authorised and directed to appropriate the profits or sums resolved to be capitalised to the Members in the proportion in which such profits or sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such profits or sum on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares or debentures held by such Members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such profits or sum, such shares or debentures 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 or capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members as fully paid.

143. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the profits or sums resolved to be capitalised thereby, and all allotments and issues of fully-paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation and any agreement made under such authority shall be effective and binding on all such Members.

143A. For the purposes of Article 142 the bearers for the time being of share or stock warrants shall be treated as the persons entitled to receive that portion of the sum capitalised by a resolution passed under that Article attributable to the shares or stock comprised in such warrants, and in order that the Directors may allot to them any shares or debentures to which they shall so become entitled, the following provisions shall have effect:-

- (1) The Directors shall publish an advertisement once in a leading London daily newspaper and such other newspaper (if any) as the Directors may from time to time determine, stating the effect of the resolution

for capitalisation and the method of application of the capitalised sum and the serial number of the dividend coupon to be presented; and thereupon any person presenting and delivering up a coupon of that serial number, at the place stated in the coupon or in the said advertisement shall be entitled to the proportion of the capitalised sum attributable to the shares or stock comprised in the warrant to which the said coupon was originally attached and the same shall be applied on his behalf in accordance with the resolution the effect of which is set out in the said advertisement.

- (2) The Company shall be entitled to recognise an absolute right in the bearer for the time being of any coupon referred to in the said advertisement to that portion of the capitalised sum attributable to the shares or stock comprised in the warrant to which the said coupon was originally attached and the delivery of such coupon shall be a good discharge to the Company accordingly.
- (3) If the holders of any share or stock warrants fail before the date specified in the said advertisement or such later date as the Directors may fix to claim the shares or debentures to which they are so entitled, the Directors may allot and issue the same to trustees or a trustee to be held in trust for and until claimed by such holders and may confer upon any such trustees or trustee powers, or give them or him directions, with regard to the realisation of the shares for purposes of distribution and otherwise as the Directors may deem expedient, and any such allotment and issue as aforesaid shall constitute full satisfaction to such holders of their interests in the said capitalised sum.

ACCOUNTS

144. The Directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended to the Company and the matters in respect of which the receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

145. The books of account shall be kept at the Office, or, subject to Section 147(3) of the Act, at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

146. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in General Meeting.

147. The Directors shall from time to time, in accordance with Sections 148, 150 and 157 of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts and reports as are referred to in those sections.

148. A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the Auditors' report shall, not less than twenty-one days before the date of the Meeting, be sent to every Member of, and every holder of debentures of the Company. Provided that this Article shall not require a copy of those documents to be sent to any person of whose address of the Company is not aware or to more than one of the joint holders of any shares or debentures. Three copies of all such documents shall at the same time also be sent to the Secretary of the Share and Loan Department, The Stock Exchange, London.

AUDIT

149. Auditors shall be appointed and their duties regulated in accordance with Sections 159 to 162 of the Act.

NOTICES

150. Any notice or document may be served by the Company on any Member either personally or by sending it by post to such Member at his registered address. Where a notice or document is sent by post, service of the notice or document shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected at the expiration of twenty-four hours after the letter containing the same is posted.

151. Each holder of registered shares whose registered place of address is not in the United Kingdom and each bearer of a share warrant may from time to time notify in writing to the Company an address in the United Kingdom which shall be deemed his registered address within the meaning of the last preceding Article. The Directors may from time to time require any such bearer of a share warrant who gives or has given such an address in the United Kingdom to produce his warrant and to satisfy them that he is or is still the bearer of the share warrant.

152. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of a share.

153. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred

154. Any notice advertised in at least one leading daily newspaper published in London and such other newspaper (if any) as the Directors may from time to time determine, shall be deemed to be duly given to each bearer of a share warrant on the day on which the advertisement first appears.

WINDING UP

155. If the Company shall be wound up the Liquidator may, with the sanction of an Extraordinary Resolution of the Company, divide among the Members in specie the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid. The Liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

156. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 448 of the Act in which relief is granted to him by the Court.

THE COMPANIES ACTS 1862 TO 1900
THE COMPANIES ACT 1948

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

(Passed 21st June, 1976)

At an extraordinary general meeting of the above Company duly convened and held at the registered office of the Company, Westminster House, 7 Millbank, London, SW1, on Monday, 21st June, 1976, the following resolution was duly passed as a special resolution.

SPECIAL RESOLUTION

1. That for the purpose of giving effect to the Scheme of Arrangement dated 25th May, 1976 proposed between (inter alios) the Company and the holders of its Ordinary Stock (other than Tobacco Securities Trust Company Limited ("TST")):-

(A) the share capital of the Company be reduced from £81,045,000 divided into £4,500,000 5 per cent Cumulative Preference Stock, £6,000,000 6 per cent Second Cumulative Preference Stock, £65,465,716.25 Ordinary Stock and 20,317,135 unissued Ordinary Shares of 25p each to £15,717,783.75 divided into £4,500,000 5 per cent Cumulative Preference Stock, £6,000,000 6 per cent Second Cumulative Preference Stock, £138,500 Ordinary Stock and 20,137,135 Ordinary Shares of 25p each by cancelling and extinguishing all the said Ordinary Stock other than the £138,500 of such Stock held by TST;

(B) forthwith upon the said reduction of capital taking effect:-

(i) the share capital of the Company be increased to its former amount of £81,045,000 by the creation of 261,308,865 new Ordinary Shares of 25p each;

- (ii) the reserve of £65,327,216.25 arising from the cancellation effected by paragraph (A) of this resolution be capitalised and applied in paying up in full all the new Ordinary Shares of 25p each created pursuant to sub-paragraph (i) of this paragraph, all of which new shares shall be issued, credited as fully paid, to TST or its nominees; and
- (iii) the £138,500 Ordinary Stock of the Company be reconverted into 554,000 Ordinary Shares of 25p each ranking pari passu in all respects with the 261,308,865 new Ordinary Shares to be issued pursuant to sub-paragraph (ii) of this paragraph.

21st June, 1976.

P. MACADAM
Chairman

CHANCERY DIVISION

MR JUSTICE TEMPLEMAN

Fo. 55 C. 20

Monday the 19th day of July, 1976

IN THE MATTER OF BRITISH-AMERICAN TOBACCO COMPANY LIMITED

and

IN THE MATTER OF THE COMPANIES ACT 1948

UPON THE PETITION of the above-named British-American Tobacco Company Limited (hereinafter called the "the Company") whose registered office is situate at Westminster House, 7 Millbank, London SW1P 3JE on the 22nd June 1976 preferred unto this Court.

AND UPON HEARING Counsel for the Company and for Imperial Investments Limited referred to in the Scheme of Arrangement hereinafter mentioned.

AND UPON READING the said Petition the Order dated 21st May 1976 (whereby the Company was ordered to convene a Meeting of the holders (other than Tobacco Securities Trust Company Limited) of its Ordinary Stock (including Ordinary Stock represented by warrants to bearer) for the purpose of considering and if thought fit approving, with or without modification, a Scheme of Arrangement proposed to be made between (inter alios) the Company and the holders of its said Stock (other than as aforesaid) the Order dated the 30th June 1976 (dispensing with the settlement of a list of Creditors) the "Financial Times" newspaper of the 26th May 1976 and the "Times" newspaper of the 27th May 1976 (each containing an advertisement of the notice convening the Meeting directed to be held by the said Order dated 21st May 1976) the "Times" newspaper of the 10th July 1976 (containing a notice of the presentation of the said Petition and that the same was appointed to be heard this day) the Affidavit of Peter Dudley Tindley filed the 18th May 1976 the several Affidavit of Reginald Illingworth and John James Willoughby filed the 18th June 1976 the two Affidavits of Peter Macadam both filed the 22nd June 1976 and the Exhibits in the said Affidavits respectively referred to

And the said Imperial Investments Limited by its Counsel submitting to be bound by the Scheme of Arrangement hereinafter sanctioned

THIS COURT DOTH HEREBY SANCTION the Scheme of Arrangement as set forth in the Schedule to the said Petition and in the First Schedule hereto

AND THIS COURT DOTH ORDER that the reduction of the capital of the Company from £81,045,000 to £15,717,783.75 resolved on and effected by a Special Resolution passed at an Extraordinary General Meeting of the Company held on the 21st June 1976 be and the same is hereby confirmed in accordance with the provisions of the above-mentioned Act.

AND THE COURT DOTH HEREBY APPROVE the Minute set forth in the Second Schedule hereto

AND IT IS ORDERED that this Order be produced to the Registrar of Companies and that an Office Copy hereby be delivered to him together with a copy of the said Minute

AND IT IS ORDERED that notice of the registration by the Registrar of Companies of this Order (so far as it confirms the reduction of the capital of the Company) and of the said Minute be published once in the "Times" newspaper within 21 days after such registration.

G. DEARBERGH
Registrar

THE FIRST SCHEDULE before referred to

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

1976 No. 001608 of

IN THE MATTER OF BRITISH-AMERICAN TOBACCO COMPANY LIMITED
and

1976 No. 001609 of

IN THE MATTER OF TOBACCO SECURITIES TRUST COMPANY LIMITED
and

IN THE MATTER OF THE COMPANIES ACT 1948

SCHEME OF ARRANGEMENT
(under section 206 of the Companies Act 1948)

between

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

and

the holders of its Ordinary Stock
(other than Tobacco Securities Trust Company Limited)

and between

TOBACCO SECURITIES TRUST COMPANY LIMITED

and

the holders of

- (i) its Ordinary Stock (other than British-American Tobacco Company Limited and Imperial Investments Limited);
- (ii) its Deferred Stock (other than as aforesaid);
- (iii) the BAT holding (as defined in the Scheme);
and
- (iv) the IMPS holding (as so defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:-

| | |
|--|---|
| "BAT" | means British-American Tobacco Company Limited; |
| "TST" Limited; | means Tobacco Securities Trust Company |
| "IMPS" | means Imperial Investments Limited; |
| "the BAT holding" | means (1) the 850,000 Ordinary Shares of £1 each and the £274,069 Ordinary Stock; and (2) the 24,033 Deferred Shares of 25p each and the £17,197.50 Deferred Stock in the capital of TST registered in the name of BAT; |
| "the IMPS holding" | means (1) the 150,000 Ordinary Shares of £1 each and the £701,525 Ordinary Stock; and (2) the 25,967 Deferred Shares of 25p each and the £233,179 Deferred Stock in the capital of TST registered in the name if IMPS; |
| "the TST holding" | means the £138,500 Ordinary Stock in the capital of BAT registered in the name of TST; |
| "the BAT Scheme Ordinary Stock" | means the Ordinary Stock in the capital of BAT other than the TST holding; |
| "the registered BAT Scheme Ordinary Stock" | means the BAT Scheme Ordinary Stock in registered form; |
| "the bearer BAT Scheme Ordinary Stock" | means the BAT Scheme Ordinary Stock represented by stock warrants to bearer; |
| "new TST Ordinary Shares" | means the Ordinary Shares of 25p each of TST to be issued pursuant to clauses 4 and 7 of this Scheme; |
| "new TST Deferred Ordinary Shares" | means the new Deferred Ordinary Shares of 25p each of TST to be issued pursuant to clause 7 of this Scheme; |
| "new TST Shares" | means the new TST Ordinary Shares and the new TST Deferred Ordinary Shares; |
| "the Effective Date" | means the date on which this Scheme becomes effective in accordance with clause 14 of this Scheme; |
| "Terminal Time" | means the close of business on the day immediately preceding the Effective Date; and |
| "holder" | in relation to registered stock and shares, includes a person entitled by transmission. |

(B) The share capital of BAT is £81,045,000 divided into £4,500,000 5 per cent Cumulative Preference Stock, £6,000,000 6 per cent Second Cumulative Preference Stock, £65,465,716.25 Ordinary Stock and 20,317,135 unissued Ordinary Shares of 25p each. On 20th May, 1976, £1,415,410 in nominal amount of the Ordinary Stock of BAT was represented by stock warrants to bearer.

(C) The share capital of TST is £5,000,000 divided into 1,000,000 Ordinary Shares of £1 each (all of which have been issued and are fully paid), £3,000,000 Ordinary Stock, 550,000 Deferred Shares of 25p each (50,000 of which have been issued and are fully paid) and £862,500 Deferred Stock.

(D) BAT and IMPS are the registered holders and beneficial owners of the shares and stock of TST comprised in the BAT holding and the IMPS holding respectively. TST is the registered holder and beneficial owner of the Ordinary Stock of BAT comprised in the TST holding.

(E) The purposes of this Scheme are (i) to reorganise the share capital of TST by the elimination of the BAT holding and the IMPS holding and the conversion of the Deferred Stock of TST into Ordinary Shares and (ii) for BAT to become a subsidiary of TST.

(F) It is proposed that the name of TST should be changed to B.A.T Industries Limited with effect from the Effective Date.

(G) IMPS has agreed to appear by Counsel on the hearing of the petitions to sanction this Scheme and to undertake to the Court to be bound thereby.

THE SCHEME

1. The share capital of TST shall be reduced by the cancellation of the BAT holding and the IMPS holding and forthwith upon such reduction of capital taking effect the capital of TST shall be increased to £4,472,900 by the creation of 6,845,482 new Ordinary Shares of 25p each.

2. In consideration of the cancellation of the BAT holding TST shall issue to BAT credited as fully paid £10,667,976 in nominal amount of 15 per cent Subordinated Unsecured Loan Stock to be constituted by an instrument in the form of the draft already prepared and signed for the purposes of identification by Herbert Smith & Co., solicitors, with such modifications (if any) as may, prior to the execution thereof, be agreed by BAT and TST and approved by the Court.

3. In consideration of the cancellation of the IMPS holding (i) BAT shall on the Effective Date pay to IMPS the sum of £14,332,024 in cash together with interest (if any) payable thereon calculated in accordance with the terms of an agreement dated 28th April, 1976 and made between BAT, Imperial Group Limited and IMPS (as amended by an agreement dated 12th May, 1976 and made between the said three parties) and (ii) TST shall issue to BAT credited as fully paid £14,332,024 in nominal amount of the 15 per cent Subordinated Unsecured Loan Stock of TST referred to in clause 2 of this Scheme.

4. (a) The £2,024,406 Ordinary Stock in the capital of TST not comprised in the BAT holding or in the IMPS holding shall be reconverted into 8,097,624 Ordinary Shares of 25p each.
- (b) The 500,000 unissued Deferred Shares of 25p each in the capital of TST shall be converted into and become 500,000 Ordinary Shares of 25p each.

- (c) The £612,123.50 Deferred Stock in the capital of TST not comprised in the BAT holding or in the IMPS holding shall be converted into and become 2,448,494 Ordinary Shares of 25p each and the sum of £1,836,370.50 standing to the credit of Capital Reserve Account in the books of TST shall be capitalised and applied in paying up in full 7,345,482 unissued Ordinary Shares of 25p each of TST (being new TST Ordinary Shares as hereinbefore defined) which shall be allotted and issued credited as fully paid to the persons (other than BAT and IMPS) who were at the Terminal Time the holders of the TST Deferred Stock in the proportion of 3 new TST Ordinary Shares for every 25p in nominal amount of Deferred Stock of TST then held by such holders.
- 5.
 - (a) The share capital of BAT shall be reduced by the cancellation of the BAT Scheme Ordinary Stock.
 - (b) Forthwith upon such reduction of capital taking effect:-
 - (i) the share capital of BAT shall be increased to its former amount by the creation of 261,308,865 new Ordinary Shares of 25p each.
 - (ii) the reserve of £65,327,216.25 arising on the said cancellation shall be applied in paying up in full the said new Ordinary Shares of BAT which shall be allotted and issued credited as fully paid to TST or its nominees; and
 - (iii) the TST holding shall be reconverted into 554,000 Ordinary Shares of 25p each.
- 6. The capital of TST shall be further increased to £100,000,000 by the creation of:-
 - (a) 319,828,921 new Ordinary Shares of 25p each (being new TST Ordinary Shares as hereinbefore defined).
 - (b) 26,130,887 new Deferred Ordinary Shares of 25p each (being new TST Deferred Ordinary Shares as hereinbefore defined), which shares shall carry the rights set out in the new Articles of Association of TST to be adopted in the form of the draft already prepared and signed for purposes of identification by Herbert Smith & Co., solicitors, with such modifications (if any) as may, prior to the adoption thereof, be agreed by BAT and TST; and
 - (c) 36,148,592 unclassified shares of 25p each.
- 7.
 - (a) In consideration of the cancellation of the BAT Scheme Ordinary Stock, and the issue to TST of the new Ordinary Shares of BAT referred to in clause 5 (b) of this Scheme, TST shall, subject as provided in sub-clause (b) of this clause, allot and issue credited as fully paid:-
 - (i) to the holders registered as at the Terminal Time of the registered BAT Scheme Ordinary Stock, 12 new TST Ordinary Shares and 1 new TST Deferred Ordinary Share in respect of every £2.50 in nominal amount of registered BAT Scheme Ordinary Stock then held by them respectively; and

- (ii) subject as provided in clause 8 of this Scheme, to the persons from time to time on or after the Effective Date delivering up stock warrants in respect of bearer BAT Scheme Ordinary Stock to TST or to any person appointed by TST to receive the same, and otherwise complying with any conditions imposed by TST in relation to such delivery, 12 new TST Ordinary Shares and 1 new TST Deferred Ordinary Share in respect of every £2.50 in nominal amount of bearer BAT Scheme Ordinary Stock comprised in the stock warrants so delivered up by them respectively.
- (b) No fraction of a new TST Ordinary Share or of a new TST Deferred Ordinary Share shall be allotted to any holder of registered BAT Scheme Ordinary Stock or to any person delivering up a stock warrant in respect of bearer BAT Scheme Ordinary Stock, but all such fractions shall be aggregated and allotted to some person nominated by TST who shall sell the same and TST shall distribute the net proceeds of sale amongst the persons who would have been entitled to the fractions in due proportion.

8. If any holder of bearer BAT Scheme Ordinary Stock has not, within two years after the Effective Date, duly delivered up his stock warrant so as to become entitled to new TST Shares in respect thereof pursuant to the provisions of clause 7 of this Scheme, the obligation of TST to allot new TST Shares in respect of the relative holding of bearer BAT Scheme Ordinary Stock shall terminate and TST shall instead be bound to pay in cash to such holder, upon delivery up of the relative stock warrant pursuant to clause 7 (a) (ii) of this Scheme, a sum equal to the middle market quotation as shown by the Daily Official List of The Stock Exchange on the second anniversary of the Effective Date (or, if such second anniversary is not a dealing day, on the next dealing day thereafter) of the number of new TST Shares to which he would, apart from the provisions of this clause, have been entitled: provided always that this clause shall not have effect to the extent that the aggregate amount of cash which would be payable to TST hereunder, together with the cash payable in respect of fractions pursuant to clause 7 (b) of this Scheme, would exceed 10 per cent of the nominal value of the new TST Shares to be issued in exchange for the BAT Scheme Ordinary Stock.

- 9.
 - (a) BAT shall on 1st October, 1976 pay to the holders of its Ordinary Stock a dividend of 3.7p per 25p nominal of Ordinary Stock, but save as aforesaid the holders of the BAT Scheme Ordinary Stock shall not be entitled to any further dividends thereon. The said dividend shall be payable in the case of Ordinary Stock of BAT in registered form to the holders on the register at the Terminal Time, and in the case of Ordinary Stock of BAT represented by stock warrants to bearer to the persons presenting coupon no. 277.
 - (b) Each mandate in force at the Terminal Time relating to the payment of dividends on BAT Scheme Ordinary Stock shall, unless and until revoked, be deemed as from the Effective Date to be a valid and effective mandate to TST in relation to dividends on the corresponding new TST Shares to be issued pursuant to this Scheme.

- (c) TST shall on 31st July, 1976 pay to the holders of its Ordinary and Deferred Stock and Shares on the register at the close of business on 9th July, 1976 dividends of 6p (in the case of the Ordinary Stock and Shares) and 24p (in the case of the Deferred Stock and Shares) respectively per 25p nominal of such capital then held by them.

10. From and after the Effective Date:-

- (a) the certificates for the registered BAT Scheme Ordinary Stock shall cease to be of value and shall at the request of BAT be surrendered for cancellation to BAT or to any person appointed by BAT to receive the same; and
- (b) the stock warrants for the bearer BAT Scheme Ordinary Stock shall cease to be of value otherwise than for the purpose of delivery up pursuant to the provisions of clause 7 (a) (ii) of this Scheme.

11. The new TST Ordinary Shares to be allotted pursuant to this Scheme shall rank in full for all dividends and other distributions declared, made or paid on or after the Effective Date, except for the dividends referred to in clause 9 (c) of this Scheme.

12. (a) TST shall make the allotments of new TST Shares provided for by clauses 4 and 7 (a) (i) of this Scheme within 28 days after the Effective Date.
- (b) Subject as provided in clause 8 of this Scheme, TST shall make any allotments of new TST Shares provided for by clause 7 (a) (ii) of this Scheme within 28 days after the delivery up of the stock warrant in respect of which the obligation to make the allotment in question arises, or within 28 days after the Effective Date, whichever is the later.
- (c) TST shall (unless prohibited by law), send by post to the allottees certificates for the new TST Shares and cheques or warrants in respect of fractional entitlements to which such persons are respectively entitled pursuant to this Scheme.

13. All certificates, cheques and warrants required to be sent by TST pursuant to this Scheme shall be sent through the post in prepaid envelopes and TST shall not be responsible for any loss in transmission. Such envelopes shall be addressed:-

- (a) in the case of certificates, cheques and warrants to be sent to the persons entitled pursuant to clause 4 of this Scheme and to holders of registered BAT Scheme Ordinary Stock entitled pursuant to clause 7 of this Scheme, to their respective registered addresses appearing in the register of members of TST or, as the case may be, BAT at the Terminal Time (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the relevant register in respect of the joint holding); and
- (b) in the case of certificates, cheques and warrants to be sent to holders of bearer BAT Scheme Ordinary Stock entitled pursuant to clause 7 of this Scheme, to the addresses given by the persons delivering up the relative stock warrants.

14. This Scheme shall become effective as soon as office copies of the Orders sanctioning this Scheme under section 206 of the Companies Act 1948 and confirming under section 68 of the said ACT the reductions of capital provided for in this Scheme are duly delivered to the Registrar of Companies for registration by BAT and TST respectively. If this Scheme has not become effective by 31st October, 1976 (or such later date as the Court may allow) it shall not be capable of becoming effective.

15. BAT and TST may jointly consent on behalf of all concerned to any modification of or addition to this Scheme or any condition which the Court may think fit to approve or impose.

DATED 25th May, 1976

THE SECOND SCHEDULE before referred to

MINUTE APPROVED BY THE COURT

The capital of British-American Tobacco Company Limited was by virtue of a Special Resolution and with the sanction of an Order of the High Court of Justice dated the 19th July 1976 reduced from the former capital of £81,045,000 to £15,717,783.75 (divided into £4,500,000 Cumulative Preference Stock, £6,000,000 Second Cumulative Preference Stock, £138,500 Ordinary Stock and 20,317,135 Ordinary Shares of 25p each). By virtue of a Scheme of Arrangement sanctioned by the same Order and of the said Special Resolution the capital of the Company at the date of the registration of this Minute is £81,045,000 (divided into £4,500,000 Cumulative Preference Stock, £6,000,000 Second Cumulative Preference Stock and 282,180,000 Ordinary Shares of 25p each) of which 554,000 have been issued and are deemed to be fully paid and the remainder are unissued.

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL AND ORDINARY RESOLUTIONS

- of -

BRITISH-AMERICAN TOBACCO COMPANY LIMITED

Passed 6th November 1996

AT AN EXTRAORDINARY GENERAL MEETING of the members of the said Company, duly convened and held at the Novotel London Heathrow Hotel, Cherry Lane, West Drayton, Middlesex, UB7 9HB, on Wednesday, the 6th day of November, 1996 the following RESOLUTIONS were duly passed, Number 1 as a SPECIAL RESOLUTION and Number 2 as an ORDINARY RESOLUTION:-

SPECIAL RESOLUTION

- "1. THAT conditional upon the passing of the Extraordinary Resolutions proposed at the separate meetings of holders of the 6 per cent. Second Cumulative Preference Stock Units and 5 per cent. Cumulative Preference Stock Units convened for 6th November 1996 at the Novotel London Heathrow Hotel the capital of the Company be reduced to £124,500,000 by cancelling and extinguishing all the 6 per cent. Second Cumulative Preference Stock Units and all the 5 per cent. Cumulative Preference Stock Units and that such reduction be effected by paying to the holders of 6 per cent. Second Cumulative Preference Stock Units 88.187p per Unit and to the holders of 5 per cent. Cumulative Preference Stock Units 73.784p per Unit, together with in both cases accrued dividends down to the date of payment, in accordance with their respective rights, as varied and approved by the separate meetings of the holders of the Preference Stocks."

ORDINARY RESOLUTION

"2. THAT

- (A) the authorised share capital of the Company be increased by the creation of 42,000,000 new Ordinary Shares of 25 pence each;
- (B) for the purposes of section 80 of the Companies Act 1985 (the "Act") (and so that expressions used in this resolution shall bear the same meanings as in the Act);
 - (i) the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities up to a maximum nominal amount of £10,500,000 to such persons and at such times and on such terms as they think proper during the period commencing on the date of the passing of this resolution and expiring on 31st December 1997; and
 - (ii) the Company be and is hereby authorised to make prior to the expiry of such period any offers or agreements which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offers or agreements notwithstanding the expiry of the authority given by this resolution."

K.S. DUNT
Chairman of the Meeting



**CERTIFICATE OF REGISTRATION
OF ORDER OF COURT AND MINUTE
ON
REDUCTION OF CAPITAL**

No.74974

Whereas **BRITISH-AMERICAN TOBACCO COMPANY
LIMITED**

having by Special Resolution reduced its capital as confirmed by an Order
of the High Court of Justice, Chancery Division

dated the **11th December 1996**

Now therefore I hereby certify that the said Order and a Minute approved
by the Court were registered pursuant to section 138 of the Companies
Act, 1985, on the **12th December 1996**

Given at Companies House, Cardiff the **12th December 1996**

C. Hardman
C. HARDMAN

For The Registrar Of Companies

THE COMPANIES ACTS 1862 TO 1900
THE COMPANIES ACT 1948

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

**BRITISH AMERICAN
TOBACCO (INVESTMENTS)
LIMITED**

Incorporated the
29th day of September, 1902
