

THE COMPANIES ACT 1929

AND

THE COMPANIES ACT 1985

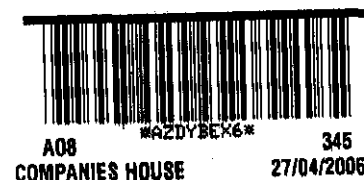
PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

ARRIVA plc

- 1 The name of the Company is 'ARRIVA plc'.*
- 2 The Company is to be a public company.
- 3 The Registered Office of the Company will be situate in England.
- 4 The objects for which the Company is established are:-
 - (a) To carry on the business of garage proprietors and to manufacture, own, buy, sell, let or hire, repair and generally deal in, motor cars, vans, lorries, coaches and omnibuses, motor cycles, bicycles and mechanically propelled vehicles of every description, engines, bodies, tyres, fittings, petrol, oil and all kinds of fuel, accessories, components, apparatus and requisites concerned with the manufacture, running, upkeep, repair or use of such vehicles and to carry on business as motor, mechanical, radio, electrical and general engineers, metal and alloy workers, dealers in radio apparatus and accessories, and to act as haulage contractors and carriers of goods and persons in every way
 - (b) To carry on all or any of the business specified in paragraph (a) of this clause and any other business which the Company is authorised to carry on either directly or through any one or more subsidiary or associated companies incorporated in any part of the world and generally to carry out all the functions of a holding company including the co-ordination of the policy and administration of any subsidiary companies or any companies which are in any manner controlled by the Company.



- * i) Re-registered as a public limited company on 7 May 1982.
 ii) Memorandum of Association adopted by Special Resolution passed at the Annual General Meeting held on 7 April 1993.
 iii) Current name adopted 6 November 1997 following a Special Resolution passed at an Extraordinary General Meeting of the Company held on 6 November 1997.

- (c) To carry on any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as ancillary to the general business of the Company.
- (d) To purchase, take on lease, exchange, hire, hire purchase or deferred payments, or otherwise acquire and hold for any estate or interest, and to sell, let or otherwise dispose of in whole or in part, any lands, buildings, machinery, rights, stock-in-trade, business concerns, choses in action, and any other real and personal property of any kind including all of the assets and undertaking of the Company for such consideration as the Company may think fit and to perform any services or render any consideration in connection therewith and to develop and build on any land and to construct, equip, improve, manage, develop, alter and maintain any buildings, works and machinery and any other part of the property rights of the Company necessary or convenient for the Company's business or otherwise.
- (e) To buy, sell, manufacture, process, repair, alter, improve, refine, manipulate, prepare for market, let on hire, and generally deal in all kinds of plant machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the businesses specified herein, or likely to be required by customers or other persons having or about to have, dealings with the Company.
- (f) To incorporate, constitute, float or otherwise acquire and/or hold shares or any other interest in any companies carrying on any of the businesses or pursuing any of the objects referred to herein, to act as a holding company in relation to and to assist (financially or otherwise), manage, control and administer any such companies.
- (g) To borrow or raise money upon such terms and in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, and to secure the repayment of any money borrowed raised or owing by the Company by mortgage, charge or lien upon all or any of the Company's property (both present and future) including its uncalled capital, and also by any similar mortgage, charge or lien, to secure and guarantee the performance by the Company or any other person firm or company, of any obligation or liability undertaken by the Company or any other person firm or company as the case may be, and to purchase, redeem or pay off any such securities.
- (h) To give all kinds of indemnities either with or without the Company receiving any consideration or advantage, direct or indirect therefrom and to guarantee either by personal covenant or by mortgaging, charging or creating a lien upon all or any part of the undertaking, property and assets present and future and uncalled capital of the Company or by a combination of such methods, the performance of the obligations or liabilities of any person, firm or company (and in particular (but without limiting the generality of the foregoing) any company which is for the time being the Company's holding or subsidiary company as defined by the Companies Act 1985, or otherwise associated with the Company in business) and whether or not the Company receives directly or indirectly any consideration or advantage therefrom.

- (i) To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
- (j) To acquire by any means, undertake and carry on the whole or any part of the assets, business, property and liabilities of any person, firm or company carrying on or proposing to carry on any business which the Company is authorised to carry on or possess, or which may seem to the Company capable of being conveniently carried on, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
- (k) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, or any corporations, companies or persons that may seem conducive to the Company's objects or any of them, and to obtain from any such governments, authorities, corporations, companies or persons any rights, privileges, charters, licences, authorisations, contracts, decrees and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights privileges, charters, licences, authorisations, contracts, decrees and concessions.
- (l) To apply for, or join in applying for, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere, any trade marks, patents, patent rights, brevets d'invention, licences, registered designs, protections and concessions, which may appear likely to be advantageous or useful to the Company, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to expend money in experimenting and testing and making researches, and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (m) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession, limiting competition or otherwise, with any person or company or with any employees of the Company including in such case if thought fit the conferring of a participation in the management or its directorate, and to give to any person or company special rights or privileges in connection with or control over the Company, and in particular the right to nominate one or more Directors of the Company; and to lend money to, guarantee and secure the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares or securities of any such person or company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
- (n) To act as agents for the collection, receipt or payment of money and generally to act as agents for and render services to customers and others.

- (o) To promote any company for the purpose of acquiring all or any of the property, undertaking and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company, and to place, or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such company as aforesaid.
- (p) To pay out of the funds of the Company all expenses which the Company may lawfully pay of or incidental to the formation, registration and advertising of or raising money for the Company, and the issue of its capital, or for contributing to or assisting any company either issuing or purchasing with a view to issue all or any part of the Company's capital in connection with the advertising or offering the same for sale or subscription including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or debenture stock.
- (q) To receive money on deposit upon such terms as the Company may approve.
- (r) To invest and deal with the monies of the Company in such manner as may from time to time be determined.
- (s) To subsidise, or lend money, or give credit to any person, firm or company (with or without security).
- (t) To establish and maintain, or procure the establishment and maintenance of, any non-contributory or contributory pension or superannuation funds for the benefit of, and to 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 for the time being the Company's holding or subsidiary company as defined by the Companies Act 1985 or otherwise associated with the Company or any such subsidiary or any of the predecessors of the Company in business, or who are or were at any time Directors or officers of the Company or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also to establish, subsidise or subscribe to any institutions, associations, societies, 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 persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid, and to support and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object, and to do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid.
- (u) To remunerate any company for services rendered or to be rendered, in placing, assisting to place, guaranteeing the placing or procuring the underwriting of any of the shares or debentures, or other securities of the Company, or of any company in which the Company may be interested or proposes to be interested, or in or about the conduct of the business of the Company, whether by cash payment or by the allotment of shares or securities of the Company, credited as paid up in full or in part, or otherwise.

- (v) To subscribe for, either absolutely or conditionally, or otherwise acquire and hold, shares, stocks, debentures, debenture stock or other obligation of any other company.
- (w) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable and transferable instruments.
- (x) To adopt such means of making known the services and products of the Company as may seem expedient, and, in particular, by advertising in the Press, circulars, the purchase and exhibition of works of art or interest, the publication of books and periodicals, and the granting of prizes, rewards and donations.
- (y) To apply for, promote and obtain any Provisional Order or Act of Parliament for enabling the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution or for any other purposes which may seem expedient, and to oppose any actions, steps, proceedings or applications, which may seem calculated directly or indirectly to prejudice the Company's interests.
- (z) To do all or any of the above things in any part of the world, and either as principal, agent, contractor, trustee or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others and, either by or through agents, trustees, sub-contractors or otherwise, to procure the Company to be registered or recognised in any part of the world.
- (aa) To cease carrying on or wind up any business or activity of the Company and to cancel any registration of and to wind up or procure the dissolution of the Company in any state or territory.
- (bb) To distribute any of the property of the Company in specie among the shareholders of the Company.
- (cc) To do all such other things as are incidental or conducive to the attainment of the above objects, or any of them.

And it is hereby declared that the word 'company' in this clause shall, except where used in reference to the Company, be deemed to include any person, partnership or other body of persons, whether corporate or unincorporate or domiciled in the United Kingdom or elsewhere, and words denoting the singular number only shall include the plural number and vice versa, and so that objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be regarded as independent objects, and in no way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

5 The liability of the Members is limited.

- 6 *The share capital of the Company is £1,500 divided into 1,500 shares of £1 each. The shares in the original or increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

We the several persons whose names, addresses and descriptions 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 OF
SUBSCRIBERS**

**Number of shares taken
by each subscriber**

THOMAS STEPHENSON KNOWLES COWIE
2 Meadow Gardens
Sunderland

One

Motor Engineer

FLORENCE COWIE
2 Meadow Gardens
Sunderland

One

Married Woman

One

THOMAS COWIE
2 Meadow Gardens
Sunderland

Motor Engineer

DATED this third day of December, 1938.

WITNESS to the above signatures:-

ALEX MCKENZIE
32 West Sunnyside
Sunderland
Chartered Accountant

- * *On 21 June 1960 the capital was increased to £250,000 by the creation of 248,500 ordinary shares of £1 each.*

On 30 September 1964 the capital was increased to £500,000 by the creation of 250,000 ordinary shares of £1 each.

On 30 November 1964 the 500,000 shares of £1 each were subdivided into 10,000,000 ordinary shares of 5p each.

On 18 July 1969 the capital was increased to £600,000 by the creation of 2,000,000 ordinary shares of 5p each.

On 16 March 1972 the capital was increased to £700,000 by the creation of 2,000,000 ordinary shares of 5p each.

On 9 June 1980 the capital was increased to £3,200,000 by the creation of 6,000,000 ordinary shares of 5p each and 2,200,000 10½ per cent convertible redeemable cumulative preference shares of £1 each.

On 2 April 1984 the capital was increased to £3,400,000 by the creation of 4,000,000 ordinary shares of 5p each.

On 27 August 1987 the capital was increased to £8,200,000 by the creation of 96,000,000 ordinary shares of 5p each.

On 9 October 1987 the capital was increased to £10,700,000 by the creation of 50,000,000 ordinary shares of 5p each.

On 14 May 1993 the capital was increased to £11,700,000 by the creation of 20,000,000 ordinary shares of 5p each.

On 31 December 1995 the composition of the authorised capital of £11,700,000 was adjusted as a consequence of the redemption of the 10½% Redeemable Cumulative Preference Shares of £1 each ("Preference Shares") so as to comprise 2,162,773 Preference Shares and 190,744,540 Ordinary Shares of 5p each.

On 16 April 1996 the capital was reduced to £9,500,000 by the cancellation of 2,162,773 Authorised 10½% Redeemable Cumulative Preference Shares of £1 each and the cancellation of 744,540 authorised Ordinary Shares of 5p each.

On 4 July 1996 the capital was increased to £14,500,000 by the creation of 100,000,000 ordinary shares of 5p each.

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The Companies Act 1985

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION*

OF

ARRIVA plc

TABLE A

- 1 The regulations in Table A in the First Schedule to the Companies Act 1948 and in the Companies (Table A to F) Regulations 1985 as amended shall not apply to the Company.

INTERPRETATION

- 2 In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context -

WORDS

MEANINGS

The Act

The Companies Act 1985 including any statutory modification or re-enactment of it for the time being in force.

Address or Place †

Includes, in relation to electronic communication, any number or address used for the purpose of such communication.

These Articles

These Articles of Association and the regulations of the Company for the time being in force.

cash memorandum account

An account so designated by the relevant system concerned.

The Company

ARRIVA plc.

* *Adopted by Special Resolution passed at the Annual General meeting of the Company held on 16 April 1996.*

† *Inserted by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002.*

Communication*	Except in Article 37, has the same meaning as in the Electronic Communications Act 2000.
Dividend	Includes bonus.
Electronic Communication*	Has the same meaning as in the Electronic Communications Act 2000.
The Group	The Company and any of its subsidiaries from time to time within the meaning of Section 736 of the Act.
In writing	Written or produced by any substitute for writing or partly one and partly another.
Listing Rules	The rules made by the UK Listing Authority from time to time as the competent authority under Part VI of the Financial Services and Markets Act 2000.
Month	Calendar month.
The Office	The registered office of the Company.
Paid up	Includes credited as paid up.
properly authenticated dematerialised instruction	Has the same meaning as in the Regulations.
Recognised person	A recognised clearing house or a nominee of a recognised investment exchange who is designated as mentioned in Section 185(4) of the Act.
Regulations	The Uncertificated Securities Regulations 1995 including any modification or re-enactment of them for the time being in force.
relevant system	Has the same meaning as in the Regulations.
The Seal	The Common Seal of the Company and any official Seal kept by the Company by virtue of Section 40 of the Act, or either of them, as the case may require.
The Statutes	The Companies Act 1985 and every other Act for the time being in force concerning companies and affecting the Company.

* *Inserted by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002*

* *Inserted by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002*

Uncertificated Proxy
Instruction

A properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors.

Words importing the singular number only shall include the plural number, and vice versa.

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

Words importing persons shall include corporations.

A reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it from time to time in force.

Subject as aforesaid, any words or expressions defined in the Statutes shall bear the same meaning in these Articles.

BUSINESS

- 3 Subject as aforesaid, any branch or kind of business which by the Memorandum of Association of the Company or these Articles is either expressly or by implication authorised to be undertaken by the Company may be undertaken by the Directors at such time or times as they shall think fit, and further, may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.
- 4 The Office shall be at such place as the Directors shall from time to time appoint.

SHARE CAPITAL AND VARIATION OF RIGHTS

- 5 At the date of adoption of these Articles the Share Capital of the Company is £9,500,000 divided into 190,000,000 Ordinary Shares of 5p each.
- 6 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by Ordinary Resolution determine.
- 7 Subject to the provisions of the Act, any shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company, before the issue of the shares, may by Special Resolution determine.
- 8 The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

- 9 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) and other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 10 The shares shall be at the disposal of the Directors, and they may allot, grant options over, or otherwise deal with or dispose of them to such persons as such times and generally on such terms and conditions as they think proper.
- 11 If two or more persons are registered as joint holders of any shares, any one of such persons may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share.
- [†]12 Every person whose name is entered as a member in the Register of Members and whose shares are not in uncertificated form shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or several certificates for one or more of his shares upon payment of such reasonable sum as the Directors may determine for every certificate after the first or such less sum as the Directors shall from time to time determine. Every certificate shall specify the shares to which it relates and the amount paid up thereon. Provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. And provided that where a member has transferred part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.
- ^{*}12(a) Notwithstanding any other Article or regulation, the Directors may from time to time determine, either generally or in any particular case, the method by which any share certificate issued by the Company in respect of the Company's shares, stock, debentures or other securities shall be authenticated or executed by or on behalf of the Company and, in particular:-
- (i) the Directors may determine the manner, and by whom any such certificate is to be signed, and may dispense with the need for such certificate to be signed or executed in any way;
 - (ii) the Directors may permit the signature or a facsimile of the signature of any person to be applied to such share certificate by any mechanical or electronic means in place of that person's actual signature.

And any certificate issued in accordance with the requirements of the Directors shall, as against the Company, be 'prima facie' evidence of the title of the person named in that

[†] *Article 12 amended by Special Resolution passed at the Annual General Meeting of the Company held on 28 April 2000.*

^{*} *New Article 12(a) adopted by Special Resolution passed at the Annual General Meeting of the Company held on 28 April 2000*

certificate to the shares comprised in it.

- 13** If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out of pocket expenses incurred by the Company in investigating evidence as the Directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.
- 14** No shareholder shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a member, until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person together with interest and expense (if any).
- 15** Subject to the provisions of the Statutes, the Company may purchase any of its own shares (including any redeemable shares) provided that no such purchase shall take place until it shall have been sanctioned by an Extraordinary Resolution passed at a separate General Meeting of the holders of each class of shares in issue convertible into equity share capital of the Company. Neither the Company nor the Directors shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares. Notwithstanding anything to the contrary contained in these Articles, the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company or the Directors pursuant to this Article.

UNCERTIFICATED SHARES

- 16** (a) Words or expressions used in this Article have the same meaning as in the Regulations in force on the date of the adoption of these Articles.
- (b) Nothing in these Articles shall prevent title to any securities of the Company from being evidenced and transferred without a written instrument in accordance with the Companies Act 1989 and the Regulations and the Directors shall have power to implement such procedures as they may think fit and as may accord with that act and the Regulations for recording and transferring title to securities and for the regulation of those procedures and the persons responsible for or involved in their operation.
- (c) In relation to any share which is in uncertificated form, these Articles shall have the effect subject to the provisions of the Regulations and (so far as consistent with them) to the following provisions:-
- (i) notwithstanding Articles 12 and 13, the Company shall not be obliged to issue a certificate;
 - (ii) title may be transferred, and any other change in the person registered as the holder of the share (whether in consequence of a relevant circumstance or otherwise) may be made, only in accordance with the Regulations;

- (iii) an instruction to register shall be subject to the same restriction as an instrument of transfer of a certificated share (so far as they are capable of applying) and any provision of these Articles which refers to the registration of an instrument of transfer or the right to refuse registration, shall be construed accordingly;
- (iv) any provision of these Articles entitling the Company or the Directors to dispose of, or to arrange for the disposal of, any share or to execute, or to authorise or appoint a person to execute, an instrument of transfer of any share shall confer on the Company or a person appointed by it authority to take such action as may be necessary under the Regulations to give effect to the disposal or transfer of the share;
- (v) any power to suspend the registration of transfers of shares shall only apply subject to the terms of the Regulations; and
- (vi) any communication required or permitted by these Articles to be given by a person to the Company may be given in accordance with and in any manner (whether or not in writing) prescribed or permitted by the Regulations.

LIEN ON SHARES

- 17 The Company shall have a first and paramount lien and charge on all the shares not fully paid up registered in the name of a member (whether solely or jointly with others) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The Company's lien (if any) on a share shall extend to all amounts payable in respect of it.
- 18 For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made until such time as the moneys are presently payable, and until a notice in writing stating the amount due and demanding payment and giving notice of intention to sell in default shall have been served in such manner as the Directors shall think fit on such member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him for fourteen days after such notice.
- 19 The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due, and the residue (if any) shall be paid to the member or the person (if any) entitled by transmission to the shares; provided always that the Company shall be entitled to a lien upon such residue in respect of any moneys due to the Company but not presently payable like to that which it had upon the shares immediately before the sale thereof.
- 20 Upon any such sale as aforesaid, the Directors may authorise some person to transfer the shares sold to the purchaser any may enter the purchaser's name in the register as holder of the shares, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by any irregularity or invalidity in the proceedings or be bound to see to the application of the purchase money, and after his name has been entered in the register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

CALLS ON SHARES

- 21** The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the share or be payable less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
- 22** A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments.
- 23** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 24** 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 5 per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
- 25** 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 value of the share or by way of premium shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 26** The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
- 27** The Directors may, if they think fit, receive from any shareholder willing to advance the same all or any part of the monies due upon his shares beyond the sums actually called up thereon, and upon all or any of the moneys so advanced the Directors may (until the same would but for such advance become presently payable) pay or allow such interest (not exceeding, without the consent of a General Meeting, 5 per cent per annum) as may be agreed upon between them and such shareholder in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up. No sum paid in advance of calls shall entitle the holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

TRANSFER OF SHARES

- 28** Any member may transfer all or any of his shares which are not in uncertificated form by instrument in writing in any usual or common form.
- 29** (a) The instrument of transfer of a share which is not in uncertificated form shall be signed by or on behalf of the transferor and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Provided that in case of a partly paid share the instrument of transfer must also be signed by or on behalf of the transferee.
- (b) The Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the Regulations to register the transfer.
- 30** Subject to Article 16, the Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid or over which the Company has a lien provided that the exercise of such discretion does not prevent dealings in the shares from taking place on an open and proper basis. They may also decline to register any instrument of transfer unless the instrument of transfer:-
- (a) is lodged, duly stamped (if stampable), at the Office or at such other place as the Directors may appoint and (except in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share 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) is in respect of only one class of share; and
- (c) is in favour of not more than four transferees.
- 31** If the Directors refuse to register a transfer 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.
- 32** Subject to the Regulations the registration of transfers may be suspended and the Register of Members closed during the fourteen days immediately preceding every Annual General Meeting of the Company, and at such other times (if any) and for such period as the Directors may from time to time determine, provided always that the register shall not be closed for more than thirty days in any year.
- 33** The Company shall be entitled to destroy:-

- (i) all instruments of transfer of shares or debentures or other forms of security of the Company, all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfer and applications for allotment which have been registered or in respect of which an entry shall have been made on the register at any time after the expiration of six years from the date of registration or entry thereof;
- (ii) all dividend mandates and other written instructions as to the payment of dividends or interest and notifications of change of address at any time after the expiration of two years from the date of recording thereof; and
- (iii) all registered certificates for shares or debentures or representing any other form of security of the Company (being certificates for shares, debentures or other securities in the name of a transferor and in respect whereof the Company has registered a transfer) which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof

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

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner; and
- (d) any document referred to in paragraphs (ii) and (iii) of this Article may be destroyed at any date earlier than that authorised by this Article provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period otherwise applicable to the destruction of the original of such document and in respect of which the Directors shall take adequate precautions for guarding against falsification and for facilitating its production.

TRANSMISSION OF SHARES

- 34** In case of death of a member the survivor, or survivors where the deceased was a joint holder, and the legal personal representative of the deceased where he was a sole holder, or the only survivor or joint holders shall be the only persons recognised by the Company

as having any title to the estate of a deceased joint holder; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him with other persons.

- 35 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly 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, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be. 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 regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 36 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, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

UNTRACED MEMBERS

- 37 (a) The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a member or any share or stock to which a person is entitled by transmission if and provided that:-
- (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the member or to the person entitled by transmission to the share or stock at his address on the Register of Members or other last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and

- (ii) the Company has at the expiration of the said period of twelve years by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in sub-paragraph (i) of this Article is located given notice of its intention to sell such share or stock; and
 - (iii) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission.
- (b) To give effect to any sale pursuant to this Article the Company may, in the case of a share or stock in certificated form, appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder or person entitled by transmission to such share or stock. In the case of a share or stock in uncertificated form, the Company may take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as it thinks fit to effect the transfer. The Company shall account to the member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.
- (c) The Company shall also be entitled to sell, in the manner provided for in Article 37(a), any share ("additional share") issued (whether as a consequence of a bonus issue, rights issue, capitalisation of reserves or otherwise) during the said period or periods of 12 years and three months in respect of any share to which Article 37(a) applies or in respect of any share issued during either of such periods, provided that the requirements of Articles 37(a)(i) (but modified to exclude the words "for a period of 12 years" and modified to exclude the proviso), 37(a)(ii) (but modified to exclude the words "at the expiration of the said period of 12 years") and 37(a)(iii) are satisfied in respect of such additional share.

FORFEITURE OF SHARES

- 38 If a member fails to pay the whole or any part of any call on or before the day appointed for the payment thereof, the Directors may at any time thereafter during such time as the call, or any part thereof remains unpaid, serve a notice on him requiring him to pay such call, or such part thereof as remains unpaid, together with any accrued interest and any expenses incurred by the Company by reason of such non-payment.
- 39 The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which 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

appointed, the shares, in respect of which the call was made, will be liable to be forfeited.

- 40 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice 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 share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited under these Articles.
- 41 A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.
- 42 Notwithstanding any such forfeiture as aforesaid, the Directors may at any time, before the forfeited share has been otherwise disposed of, permit the share so forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon any further or other terms they may think fit.
- 43 Every share which shall be forfeited shall thereupon 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 whether with or without all or any part of the amount previously paid on the share being credited as paid. The Directors may, if necessary, authorise some person to transfer a forfeited share to any such other person as aforesaid. The Directors may, if necessary, in the case of a share in certificated form, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid and in the case of a forfeited or surrendered share in uncertificated form, the Directors may take such steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer.
- 44 A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- 45 The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past members.
- 46 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any,

given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share and shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

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

CONVERSION OF SHARES INTO STOCK

- 48 The Company may by Ordinary Resolution convert all or any of its paid-up shares into stock, and may in like manner reconvert any such stock into paid-up shares of any denomination.
- 49 The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- 50 The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred the privilege or advantage.
- 51 Such of the Articles of the Company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

- 52 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.
- 53 The Company may by Ordinary Resolution:-
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) Subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to provisions 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.

- 54 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Directors may on behalf of those members or, if the net proceeds in respect of any holding do not exceed £3.00, on behalf of the Company, sell to any person (including, subject to the provisions of the Act, the Company) the shares representing the fractions for such price as the Directors think fit and distribute the net proceeds of sale in due proportion among those members or the Company (as the case may be) and the Directors may, in the case of shares in certificated form, authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser; and in the case of shares in uncertificated form, the Directors may take such steps (including the giving of directions to or on behalf of the holder who shall be bound by them) as they think fit to effect the transfer. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 55 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.

MODIFICATION OF RIGHTS OF SHARES

- 56 Subject to the provisions of Section 127 of the Act, all or any of the special rights or restrictions attached to any class of shares in the capital of the Company for the time being may, at any time, as well before as during liquidation, be affected, altered, modified, abandoned or dealt with, either with the consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class, and all the provisions contained in these Articles relating to General Meetings shall *mutatis mutandis* apply to every such meeting, but so that the quorum thereof shall not be less than two persons personally present and holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class, present in person or by proxy may demand a poll and that each holder of shares of the class present in person or by proxy shall, on a poll, be entitled to one vote for each share of the class of which he is the holder, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, and two holders of shares of the class who are personally present shall be a quorum. The Directors shall comply with the provisions of Section 380 of the Act as to forwarding a copy of such consent or resolution to the Registrar of Companies.

GENERAL MEETINGS

- 57 The Company shall in each calendar year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notices calling it; and so that not more than eighteen months shall elapse between the date of incorporation of the Company and the date of the first meeting 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.

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

59 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 368 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 possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

60* An Annual General Meeting and a meeting called for the passing of a Special Resolution shall be called by at least twenty-one days' clear notice in writing or by electronic communication, 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 at least fourteen days' clear notice in writing or by electronic communication. 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 the general nature of that business, and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in General Meeting, to such persons as are, under the regulations of the Company, entitled to receive such notices from the Company.

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

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

61 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 at that meeting.

** Article 60 amended by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002.*

PROCEEDINGS AT GENERAL MEETINGS

- 62 No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members present in person shall be a quorum.
- 63 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 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.
- 64 The Chairman, if any, of the board of Directors shall preside as Chairman at every General Meeting of the Company, or if there is no such Chairman or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Deputy Chairman, if any, shall so preside. In the event of the Deputy Chairman not being present or being unwilling to act, the Directors present shall elect one of their number to be Chairman to the Meeting.
- 65 If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be Chairman of the Meeting.
- 66 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting 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.
- 67 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; or
 - (b) By at least two 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 that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost 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 of proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn but only with the consent of the Chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

- 68 Except as provided in Article 70, if a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 69 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 or poll (as the case may be) takes place, shall be entitled to a second or casting vote.
- 70 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, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 71 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any General Meeting and at any separate meeting of the holders of any class of shares in the Company.

VOTES OF MEMBERS

- 72 Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any class of shares in the capital of the Company, on a show of hands every member personally present shall have one vote only, and in case of a poll every member shall (subject as hereinafter provided) have one vote for every share held by him.
- 73 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
- 74 A member in respect of whom an order has been made by any court having competent jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, on a show of hands or on a poll, by any person authorised in that behalf by that court, who may on a poll vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming the right to vote shall be deposited

at the Office, or at such other place as is specified in accordance with these articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exerciseable.

- 75 No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 76 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.
- 77 On a poll votes may be given either personally or by proxy.
- 78* The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in any form which is common or usual or any other form which the Directors may approve. No signature on any instrument need be witnessed. Any such instrument given by a corporation shall be executed under its common Seal or signed on its behalf by an attorney or its duly authorised officer. A proxy need not be a member of the Company.
- 79** The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:-
- (a) in the case of an instrument in writing, be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 48 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 24 hours before the time appointed for the taking of a poll, and in default the instrument of proxy shall not be treated as valid; or
 - (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:-
 - (i) in the notice convening the meeting; or
 - (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or

* Article 78 amended by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002.

** New Article 79 adopted by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002.

- (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting.

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

- 80***
- (a) The appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll.
 - (b) Without limiting the foregoing, in relation to any shares which are held in uncertificated form:-
 - (i) the Directors may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an Uncertificated Proxy Instruction (subject always to the facilities and requirements of the relevant system concerned) and may in a similar manner permit supplements to or amendments or revocations of any such Uncertificated Proxy Instructions to be made by like means;
 - (ii) the Directors may in addition to the provisions of Articles 80(b)(i) prescribe the method for determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant; and
 - (iii) the Directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder.

81† A vote given in accordance with the terms of the appointment of a 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, or where the appointment of a proxy was contained in an electronic communication at the address at which such appointment was duly received, before the commencement of the meeting or adjourned meeting at which the proxy is used.

** Article 80 amended by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002.*

† Article 81 amended by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002

DISCLOSURE OF INTERESTS

- 82 (a) If a member, or any other person appearing to be interested in shares held by that member, has been given notice under Section 212 of the Act and has failed in relation to any shares ("the default shares") to give the Company the information thereby required within the prescribed period from the date of the notice, the Directors may by notice to the member direct that the following sanctions shall apply unless the Directors otherwise determine:-
- (i) the member shall not be entitled in respect of the default shares to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or to exercise any other right conferred by membership in relation to any such meeting; and
 - (ii) where the default shares represent 0.25 per cent or more in nominal amount of their class:-
 - (aa) any dividend or other money payable in respect of the shares shall (except on a winding up of the Company) be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to the other provisions of these Articles, to receive shares instead of that dividend;
 - (bb) no transfer, other than an approved transfer, of any shares held by the member shall be registered unless:-
 - (1) the member is not himself in default as regards supplying the information required; and
 - (2) the member provides evidence to the satisfaction of the Directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; and
 - (cc) no other distribution shall be made on the default shares.
- (b) Where the sanctions under paragraph (a) of this Article apply in relation to any shares, they shall cease to have effect seven days after the earlier of the following:-
- (i) if the shares are transferred by means of an approved transfer; or
 - (ii) when the Directors are satisfied that the information required by the notice mentioned in that paragraph has been received in writing by the Company.
- (c) For the purposes of this Article:-

- (i) a person other than the member holding a share shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a Section 212 notice under the Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be so interested;
- (ii) “interested” shall be construed as it is for the purpose of Section 212 of the Act;
- (iii) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes reference to his having:-
 - (aa) failed or refused to give all or any part of it; and
 - (bb) information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (iv) “prescribed period” means:-
 - (aa) in a case where the default shares represent at least 0.25 per cent in nominal amount of their class, 14 days; and
 - (bb) in any other case, 28 days;
- (v) “approved transfer” means, in relation to any shares held by a member:-
 - (aa) a transfer by way of or pursuant to acceptance of a take-over offer for the Company (within the meaning of Section 428 of the Act); or
 - (bb) a transfer in consequence of a sale made through a Recognised person or other stock exchange outside the United Kingdom on which the Company’s shares are normally traded; or
 - (cc) a transfer which is shown to the satisfaction of the Directors to be made in consequence of a bona fide sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares;
- (vi) the expression “default shares” shall include any shares issued in right of any default shares.

- (d) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a notice under Section 212 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (a) of this Article.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

- 83 Any corporation which is a member of the Company may by resolution of its Director or 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

- 84 Until otherwise determined by the Company in General Meeting the number of Directors shall not be less than two nor more than twelve.
- 85 Section 293 of the Act (which relates to the retirement of Directors under an age limit) shall not apply to the Company.

REMUNERATION OF DIRECTORS

- 86* (a) Unless and until otherwise determined by the Company in general meeting, the total fees of the Directors (other than any alternate Directors) shall not exceed £400,000 per annum and such fees shall be divisible among the Directors as they may agree, or, failing agreement, equally except that, unless the Company in general meeting determines otherwise, the remuneration shall be deemed to accrue from day to day. With effect from each 1 January (commencing 1 January 2005) the Directors may at their sole discretion increase the total fees, the percentage increase not to exceed the increase in the UK index of wage inflation (or, in the absence of such index, the index which in the opinion of the directors is the closest to the UK index of wage inflation) for the previous calendar year.
- (b) Any Director who holds any executive office (including for this purpose the office of Chairman, Chief Executive or Managing Director whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors or any committee of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors or any committee of the Directors may determine.

* New Article 86(a) adopted by Special Resolution passed at the Annual General Meeting of the Company held on 23 April 2004.

- 87 The Directors or any committee of the Directors may grant special remuneration to any member of the Board who, being called upon, shall be willing to render any special or extra services to the Company or to go or reside abroad in connection with the conduct of any of the affairs of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary or by a percentage of profits or by any or all of those modes.

ALTERNATE DIRECTORS

- 88 Any Director (other than an alternate Director) may appoint any person, who is willing to act and who is either a Director or who is approved by resolution of the Directors, to be an alternate Director and may remove from office an alternate Director appointed by him.
- 89 An alternate Director shall (unless he is absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and of committees of the Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not present, and generally to perform all the functions of his appointor as a Director in his absence, but shall not (unless the Company by Ordinary Resolution otherwise determines) be entitled to any fees for his services as an alternate Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one director his voting rights shall be cumulative. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this Article 89 shall also apply mutatis mutandis to any meeting of any such committee of which his appointor is a member. An alternate Director shall not (except as aforesaid) have power to act as a Director.
- 90 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but, if a Director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his re-appointment.
- 91 An appointment or removal of an alternate Director shall be by notice to the Company executed by the Director making or revoking the appointment and deposited at the Office, or in any other manner approved by the Directors.
- 92 Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults, and he shall not be deemed to be the agent of the Director appointing him. An alternate Director shall, subject to Article 89, be entitled to the same extent as if he were a Director to contract and be interested in any benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified.

BORROWING POWERS OF DIRECTORS

- 93 (a) 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, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- (b) 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 subsidiary companies so as to secure (so far, as regards subsidiary companies, as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all monies borrowed by the Company and/or any of its subsidiary companies (exclusive of monies borrowed by the Company from and for the time being owing to any such subsidiary or by any such subsidiary from and for the time being owing to the Company or another such subsidiary) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed ten times the amount of the issued and paid up share capital of the Company from time to time and the amounts standing to the credit of the consolidated capital and revenue reserves (including share premium account, capital redemption reserve fund and profit and loss account) from time to time of the Company and its subsidiary companies and for the purposes of the said limit 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.
- (c) No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provision be concerned to see or inquire whether this limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the sender or the recipient of the security had at the time when the debt was incurred or security given express notice that the limit hereby imposed had been or would thereby be exceeded.

POWERS AND DUTIES OF DIRECTORS

- 94 The business of the Company shall be managed by the Directors, who may pay all expenses in promoting and registering the Company, and may exercise all such powers of the Company as are not, by the Act or by these regulations, required to be exercised by the Company in General Meeting, subject, nevertheless, to any of these regulations, to the provisions of the Act and to such regulations, being not inconsistent with the aforesaid regulations 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.
- 95 The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official Seal for use abroad, and such powers shall be vested in the Directors.

- (a) Save as otherwise provided by these Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal in which he has an interest which (together with any interest of any person connected with him within the meaning of Section 346 of the Act) is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (b) Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-
- (i) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (ii) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) where the Company or any of its subsidiary undertakings is offering securities in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (iv) any proposal concerning another company in which he and any persons connected with him (within the meaning of Section 346 of the Act) do not to his knowledge hold an interest (as that term is used in Part VI of the Act) representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company;
 - (v) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
 - (vi) any proposal concerning insurance which the Company proposes to purchase or maintain for the benefit of Directors or for the benefit of persons including Directors.

- (c) Where proposals are under consideration concerning the appointment or termination of appointment (including the fixing or varying of terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (provided he is not by virtue of sub-paragraph (iv) of paragraph (b) of this Article, or otherwise under that paragraph, or for any other reason, precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment or termination of appointment.
 - (d) If any question shall arise at any meeting as to the extent or materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall (unless the Director concerned is the Chairman in which case he shall withdraw from the meeting and the Directors shall elect (if they shall not already have done so) a Deputy Chairman to consider the question in place of the Chairman) be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed and provided that any such question shall, for the purposes of disclosure of the interest in the accounts of the Company, be finally and conclusively decided by a majority of the Directors (other than the Director concerned).
- 97 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies 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.
- 98 The Directors shall cause minutes to be made in books provided for the purpose:-
- (a) Of all appointments required by the Statutes to be so recorded;
 - (b) Of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) Of all resolutions and proceedings at all meetings of the Company, and of Directors, and of all committees of Directors.
- 99 The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

DIRECTORS' EXPENSES

- 100** The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors or General Meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

- 101** Subject to the provisions of the Statutes the Directors may appoint one or more of their number to the office of Chief Executive, Managing Director or to any other executive office under the Company, may enter into an agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director and may permit any person appointed to be a Director to continue in any other office or employment held by him in the Company before he was so appointed. Any such appointment, agreement or arrangement may be made upon such terms as the Directors or any committee of the Directors may determine and they may remunerate any such Director for his services as they think fit. Without prejudice to the generality of the foregoing, the Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any claim to damages for breach of the contract of service between the Director and the Company.
- 102** (a) Subject to the provisions of the Statutes and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:-
- (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (ii) may be a director or other officer of, or employed by or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and
 - (iii) may be a party to, or otherwise interested in, any transaction or arrangement with any such body corporate.

Such Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit. In particular a Director may act by himself or through his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(b) For the purposes of this Article:-

- (i) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and
- (ii) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

DELEGATION OF DIRECTORS' POWERS

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

104 The Directors may from time to time and at any time by power of attorney appoint any company, firm or person 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 power 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.

- 105** The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (a) the number of co-opted members shall be less than one half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.
- 106** The meetings and proceedings of any such committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

DISQUALIFICATION OF DIRECTORS

- 107** The office of a Director shall be vacated if:-
- (a) he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he is, or may be, suffering from mental disorder and either:-
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs; or
 - (d) he resigns his office by notice in writing to the Company; or
 - (e) he is absent for more than six consecutive months without permission of the Directors from meetings of the Directors held during that period (whether or not an alternate Director appointed by him attends) and the Directors resolve that his office be vacated; or
 - (f) being Managing Director or a Director holding an executive office, he is dismissed from such office.

ROTATION OF DIRECTORS

- *108** At every Annual General Meeting one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but if there is only one Director who is subject to retirement by rotation, he shall retire and, provided always that any Director who has held office for more than 3 years since he was last appointed or re-appointed by the Company in general meeting, shall also retire at the Annual General Meeting, or immediately following such third anniversary.
- ‡109** Subject to the provisions of the Act, the Directors to retire in every year shall be those who have been longest in office since their last election or re-election, but as between persons who became or who were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board of Directors at the date of the notice convening the Annual General Meeting, and no Director shall be required to retire or be relieved from retiring by reason only of any change, in the number or identity of the Directors after the date of such notice but before the close of the meeting.
- 110** (a) The Company at the meeting at which the 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 Director shall have been put to the meeting and lost.
- (b) A retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost. Accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.
- 111** No person other than a Director retiring at the meeting shall, unless recommended by the Directors, be eligible for election to the office of Director at any General Meeting unless not less than seven nor more than forty-two days before the date appointed for the meeting there shall have been left at the Office, notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing by that person of his willingness to be elected.
- 112** 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.

** New Article 108 adopted by Special Resolution passed at the Annual General Meeting of the Company held on 28 April 2000*

‡ Article 109 amended by Special Resolution at the Annual General Meeting held on 24 April 1997

- 113 The Directors shall have power at any time and from time to time, to appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed 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.
- 114 The Company may by Ordinary Resolution of which special notice has been given in accordance with the Act, remove any Director before the expiration of his period of office, notwithstanding anything in the Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.
- 115 The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under the immediately preceding regulation, and, without prejudice to the powers of the Directors under Article 113, 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.

PROCEEDINGS OF DIRECTORS

- 116 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. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the 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.
- 117 The quorum necessary for the transaction of the business of the Directors shall be fixed by the Directors, and unless so fixed shall be two. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum, provided that an alternate Director who is himself a Director shall only be counted once in calculating a quorum.
- 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 pursuant to the regulations of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or summoning a General Meeting of the Company, but for no other purpose.

- 119 The Directors may elect a Chairman and Deputy Chairman of their meetings and determine the period for which each is to hold office, but if no such elections are made, or if at any meeting, neither the Chairman nor the Deputy Chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
- 120 All acts done by any meeting of the 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, be as valid as if every person had been duly appointed and was qualified to be a Director.
- 121 A resolution in writing executed by all the Directors entitled to receive notice of a meeting of the Directors or of a committee of the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) of that committee of the Directors duly convened and held, and may consist of several documents in the like form each executed by one or more Directors, but a resolution executed by an alternate Director need not also be executed by his appointor and, if it is executed by a Director who has appointed an alternate Director, it need not also be executed by the alternate Director in that capacity.
- 122 The Directors and any committee to which the Directors shall delegate their powers pursuant to these Articles may conduct a meeting of the Directors (or such committee) by telephone, teleconference or video link and (subject to these Articles) a resolution passed at such a meeting shall be as valid and effectual as if it had been passed by a duly constituted meeting of the Directors present in the same location provided that the Directors present at such a meeting are in constant communication throughout by telephone, television, video link or some other form of communication.

SECRETARY

- 123 The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they think fit, and any Secretary so appointed may be removed by them.
- 124 No person shall be appointed or hold office as Secretary who is:-
- (a) The sole Director of the Company; or
 - (b) A corporation, the sole Director of which is the sole Director of the Company; or
 - (c) The sole Director of a corporation which is the sole Director of the Company.

THE SEAL

- 125 (a) The Seal shall be used only by the authority of a resolution of the Directors or of a committee of the Directors. The Directors may determine whether any instrument to which the Seal is affixed, shall be signed and, if it is to be signed, who shall sign it. Unless otherwise so determined:-

- (i) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the Seal in respect of any debentures or other securities, need not be signed and any signature may be affixed to or printed on any such certificate by any means approved by the Directors; and
 - (ii) every other instrument to which the Seal is affixed shall be signed by one Director and by the Secretary or another Director.
- (b) A document signed by a Director and by the Secretary or another Director and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were under Seal and a document so executed which makes it clear on its face that it is intended to be a deed (in whatever form of words) has effect, upon delivery, as a deed.

DIVIDENDS AND RESERVE

- 126** Subject to the provisions of the Act, the Company in General Meeting may by Ordinary Resolution declare dividends but no dividend shall exceed the amount recommended by the Directors.
- 127** The Directors may 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.
- 128** 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.
- 129** 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 or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion of portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

- 130 Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets, and in particular of paid-up shares debentures or debenture stock of any other company or in any one or more such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine the cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.
- 131 The Directors may deduct from any dividend or other monies payable in respect of any shares held by a member, either alone or jointly with any other member, all such sums of money (if any) as may be due and payable to him either alone or jointly with any other person to the Company on account of calls or otherwise in relation to shares of the Company.
- 132(a) The Company may transmit any dividend or any other monies payable in respect of any share in the form of a cheque, warrant or similar financial instrument by post to the registered address of the holder or person entitled thereto or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to any one of such persons, or to such person and address as the holder or joint holders or person or persons entitled may be writing direct. Alternatively, if the Directors shall so determine, such payment may be made by any form of electronic media to a bank account of the person otherwise entitled to receive payment by cheque or warrant pursuant to this Article. Every such cheque or warrant shall be made payable to the person to whom it is sent and any payment by electronic media shall be paid to the bank account details of which shall have been provided to the Company in writing by the person entitled to receive the same. Every such payment shall be sent at the risk of the person entitled to receive the same and shall be a good discharge to the Company. If cheques or warrants in respect of dividends are returned undelivered or are left uncashed on two consecutive occasions the Directors may cause the Company to cease sending such cheques or warrants by post to the member or members or person or persons concerned.
- 132(b) In respect of shares in uncertificated form:-
- (i) every such payment by means of such relevant system shall be made in such manner as may be consistent with the facilities and requirements of the relevant system concerned and such payment may include the sending by the Company or by any person on its behalf of an instruction to the operator of such relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such other person as the holder or joint holders may in writing direct;
 - (ii) the payment by the Company of any sum in accordance with this Article 132 (including in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the relevant system concerned) shall be a good discharge to the Company.

- 133 No dividend shall bear interest against the Company.
- 134 The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof and any dividends unclaimed after a period of twelve years after the date of declaration of such dividend shall be forfeited and shall revert to the Company.
- 135 Notwithstanding any other provision of these Articles, but without prejudice to any rights attached to any shares, the Company or the Directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.
- 136 The Directors may offer to members holding Ordinary Shares the right to elect to receive new Ordinary Shares ('Additional Shares') credited as fully paid in respect of all or part of their holding of Ordinary Shares instead of cash in respect of the whole (or some part, to be determined by the Directors) of any dividend specified by the Ordinary Resolution specified below. The following provisions shall apply:
- (a) the authority of the Company in general meeting by Ordinary Resolution shall be required before the Directors implement any such offer;
 - (b) the said resolution may specify a particular dividend or may specify all or any dividends paid during a specified period not exceeding 5 years from the date on which the said resolution is passed; provided that the Directors may nevertheless in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination.
 - (c) the basis of allotment of shares shall be determined by the Directors so that the Relevant Value of the Additional Shares shall be as nearly as possible equal to (but not more than) the cash amount of the relevant dividend (exclusive of any imputed tax credit). For the purpose of this Article, 'Relevant Value' shall be the average of the middle market quotations for the Ordinary Shares as derived from the London Stock Exchange Daily Official List ('the Official List') for the day when the Ordinary Shares are first quoted 'ex' the relevant dividend and the four immediately following business days;
 - (d) the basis of allotment shall be such that no member may receive a fraction of a share;
 - (e) the Directors, after determining the basis of allotment, shall notify the members in writing of any right of election offered to them, and shall send forms of election with or following such notification and specify the procedure to be followed and the place at which, and the latest time or date by which, duly completed forms of election must be lodged in order to be effective;

- (f) the dividend (or that part of the dividend for which a right of election has been given) shall never become payable on shares for which the election has been duly exercised ('Elected Shares') and in place thereof Additional Shares shall be allotted to the holders of the Elected Shares on the basis of allotment determined as aforesaid. For such purpose the Directors shall, notwithstanding the provisions of these Articles above capitalise out of such of the sums standing to the credit of any of the Company's reserves (including any share premium account or capital redemption reserve) or its profit and loss account as the Directors may determine, a sum equal to the aggregate nominal amount of the Additional Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Elected Shares on such basis;
- (g) The Additional Shares so allotted shall rank *pari passu* in all respects with the Ordinary Shares then in issue save only as regards participation in the dividend in place of which they were allotted.
- (h) a resolution of the Directors capitalising any part of the reserves of profits hereinafter mentioned shall have the same effect as if such capitalisation had been declared by Ordinary Resolution of the Company in accordance with Article 141 and in relation to such capitalisation the Directors may exercise all the powers, other than the power to allot fractional shares, conferred on them by Article 141 without the need for any such Ordinary Resolution.
- (i) the Directors may on any occasion decide that the rights of election shall not be made available to any category of members or to any members in any territory where, in the absence of a registration statement or other special formalities or for any other reason, the circulation of an offer of rights of election to such members or in such territory would or might be unlawful or where, in the opinion of the Directors, compliance with local laws and/or regulations would be unduly onerous and in such case the provisions of this Article shall be subject to such decision;
- (j) every duly effected election shall be binding on the holder of the Elected Shares and on every successor in title to the Elected Shares (or any of them);
- (k) the Directors shall apply to the Council of the London Stock Exchange for the Additional Shares so allotted to be admitted to the Official List;
- (l) notwithstanding the foregoing, the Directors may at any time prior to payment of the relevant dividend determine, if it appears to them desirable to do so because of a change in circumstances, that the dividend shall be payable wholly in cash after all. If they so determine then all elections made shall be disregarded. The dividend shall be payable wholly in cash if the ordinary share capital of the Company ceases to be admitted to trading on the London Stock Exchange or traded on the Alternative Investment Market at any time prior to the due date of issue of the additional shares or if the listing is suspended and not reinstated by the date immediately preceding the due date of such issue; and

- (m) the Directors shall have power to do all acts and things as they consider necessary or expedient to give effect to this Article.

ACCOUNTS

137 The Directors shall cause proper books of account to be kept with respect to:-

- (a) All sums of money received and expended by 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.

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

139 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.

140 (a) Except as provided in paragraph (b) below, a printed copy of the Directors' and Auditors' Reports accompanied by printed copies of the balance sheet and every document required by the Act to be annexed to the balance sheet and of the profit and loss account or income and expenditure account shall, not less than twenty-one clear days before the General Meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company, and to the Auditors; but this Article shall not require a copy of those documents to be sent to any member or holder of debentures of whose address the Company is unaware or to more than one of the joint holders of any shares or debentures. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of each of those documents as may be required by the regulations of that stock exchange.

- (b) The Company may, in accordance with Section 251 of the Act and any regulations made under it, send a summary financial statement to any member instead of or in addition to the documents referred to in the paragraph (a) above; and where it does so the statement shall be delivered or sent by post to the member not less than twenty-one clear days before the General Meeting before which those documents are to be laid.

CAPITALISATION OF RESERVES

141 The Directors may with the authority of an Ordinary Resolution of the Company:-

- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of the Company's share premium account or capital redemption reserve;
- (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- (d) make such provisions by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
- (f) generally do all acts and things required to give effect to such resolution as aforesaid.

NOTICES

- 142*** Any notice to be given to or by any person pursuant to these Articles (other than a notice calling a meeting of the Directors) shall be in writing or shall be given using electronic communication to an address for the time being notified for that purpose to the person giving the notice.
- 143†** The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communication to an address for the time being notified to the Company by that member. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the Register of Members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.
- A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communication, shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.
- 144** A member present either in person or by proxy, or in the case of a member which is a corporation by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 145** Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title; but this Article does not apply to a notice given under Section 212 of the Act.
- 146** Where, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a General Meeting by notice sent by post, notice of the meeting shall be sufficiently given if given by advertisement in one national newspaper published in the United Kingdom. The Company shall send a copy of the notice to members by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 147** Any notice to be given by the Company to the members or any of them, the manner of giving which is not provided for these Articles, shall be sufficiently given if given by advertisement in at least one national newspaper published in the United Kingdom.

* New Article 142 adopted by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002

† New Article 143 adopted by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002.

- 148*** A notice sent by post shall be deemed to have been given on the day following that on which the envelope containing the notice was posted unless it was sent by second class post or there is only one class of post in which case it shall be deemed to have been given on the day next but one after it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after posting. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that notice was given. A notice given by advertisement shall be deemed to have been served on the day on which the advertisement appears. Proof that a notice contained in an electronic communication was sent in accordance with guidance issues by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.
- 149** A notice may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or operation of law had not occurred.
- 150** Notice of every General Meeting shall be given in any manner hereinbefore authorised to:-
- (a) Every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;
 - (b) Every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where a member but for his death or bankruptcy would be entitled to receive notice of the meeting; and
 - (c) The Auditor for the time being of the Company.

No other person shall be entitled to receive notice of General Meetings.

AUDITORS

- 151** Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there is some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

** New Article 148 adopted by Special Resolution passed at the Annual General Meeting of the Company held on 26 April 2002.*

- 152 An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

WINDING UP

- 153 If the Company shall be wound up the Liquidator may, with the sanction of an Extraordinary Resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members of different classes of members. The Liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

ELECTRONIC COMMUNICATIONS

- 154 The Company shall be entitled to rely upon the posting of documents on a website electronically in order to comply with the requirements of the Statutes and the Listing Rules in respect of the delivery by the Company of such documents to shareholders or debenture holders of the Company provided that:-
- (a) the Company and the shareholder shall first have agreed to the use of electronic communication for sending such documents and the shareholder has notified the Company of an address to be used for that purpose; or
 - (b) the Company and the shareholder have first agreed to the shareholder having access to such documents on its website and the shareholder is notified of:-
 - (i) the publication of the documents on the website;
 - (ii) the address of the website;
 - (iii) the place on that website where the documents may be accessed and how they may be accessed; and
 - (iv) the period of time for which documents will be available on the website which must be for at least a period of 21 clear days or, where applicable, until the conclusion of any general meeting to which the documents relate.
 - (c) a notification under Article 154(a) that information is available on the Company's website shall be deemed to have been delivered 48 hours after it was sent.

INDEMNITY AND INSURANCE

155 Subject to the provisions of and so far as may be consistent with the Statutes, the Company may provide for a Director an indemnity out of the assets of the Company to the extent that such indemnity is a "qualifying third party indemnity provision" within the meaning of section 309B(1) of the Act and may provide a Director with funds in accordance with section 337A of the Act to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in section 337A (2) of the Act, but so that any provision of funds will become repayable by the Director or any liability of the Company under any transaction connected with any provision of funds will become repayable by the Director not later than:-

- (i) in the event of the Director being convicted in the proceedings, the date when the conviction becomes final;
- (ii) in the event of judgment being given against him in the proceedings, the date when the judgment becomes final; or
- (iii) in the event of the court refusing to grant him relief on the application, the date when the refusal of relief becomes final.

Subject to the provisions of the Statutes, the Directors may purchase and maintain insurance at the expense of the Company for the benefit of any Director or other officer of the Company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a Director or officer.