

3-0586

THE COMPANIES ACTS 1948 to 1981
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

BNB RECRUITMENT SOLUTIONS PLC¹



- 1 The name of the Company is BNB RECRUITMENT SOLUTIONS 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) ²To carry on, develop and turn to account the business of advertising agents, brokers, consultants and contractors in all its branches and the provision of public relations and marketing services and to carry on any other business, undertaking, transaction or operation commonly carried on or undertaken by manufacturers, merchants and dealers (both wholesale and retail) in all or any articles of commercial and personal use and consumption, importers, exporters, shipowners, bankers, factors, capitalists, promoters financiers, real property dealers and investors, concessionaires, brokers, contractors, mercantile and general agents, publishers, carriers and transporters of all kinds and to carry on all or any of the said businesses either together as one business or as separate distinct businesses in any part of the world.
 - (B) To acquire and assume for any estate or interest and to take options over, construct, develop or exploit any property, real or personal, and rights of any kind and the whole or any part of the undertaking, assets and liabilities of any person and to act and carry on business as a holding company.

¹ The name of the Company was changed from Trushelfco (No. 481) Limited to Charles Barker Holdings Limited on 30 December 1982, to Charles Barker Group Limited on 1 March 1983 to Charles Barker PLC on 25 April 1986, to BNB Resources PLC on 2 November 1989 and to BNB Recruitment Solutions PLC on 19 July 2005.

² Altered by Special Resolution dated 10 December 1982.

- (C) To manufacture, process, import, export, deal in and store any goods and other things and to carry on the business of manufacturers, processors, importers, exporters and storers of and dealers in any goods and other things.
- (D) To acquire and exploit lands, mines and mineral rights and to acquire, explore for and exploit any natural resources and to carry on any business involving the ownership or possession of land or other immovable property or buildings or structures thereon and to construct, erect, install, enlarge, alter and maintain buildings, plant and machinery and to carry on business as builders, contractors and engineers.
- (E) To provide services of all descriptions and to carry on business as advisers, consultants, brokers and agents of any kind.
- (F) To advertise, market and sell the products of The Company and of any other person and to carry on the business of advertisers or advertising agents or of a marketing and selling organisation or of a supplier, wholesaler, retailer, merchant or dealer of any kind.
- (G) To provide technical, cultural, artistic, educational, entertainment or business material, facilities or services and to carry on any business involving any such provision.
- (H) To lend money, and grant or provide credit and financial accommodation, to any person and to carry on the business of a banking, finance or insurance company.
- (I) To invest money of the Company in any investments and to hold, sell or otherwise deal with such investments, and to carry on the business of a property or investment company.
- (J) To acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.
- (K) To enter into any arrangements with any government or authority or person and to obtain from any such government or authority or person any legislation, orders, rights, privileges, franchises and concessions and to carry out, exercise and comply with the same.
- (L) To borrow and raise money and accept money on deposit and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by the creation and issue of securities.

- (M) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company.
- (N) To amalgamate or enter into partnership or any profit-sharing arrangement with, and co-operate or participate in any way with, and assist or subsidise any person.
- (O) To accept, draw, make, create, issue, execute, discount, endorse, negotiate and deal in bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise.
- (P) To apply for and take out, purchase or otherwise acquire any trade and service marks and names, designs, patents, patent rights, inventions and secret processes and to carry on the business of an inventor, designer or research organisation.
- (Q) To sell, exchange, mortgage, charge, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with or dispose of, all or any part of the undertaking, property and assets (present and future) of the Company for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities.
- (R) To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- (S) To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscriptions of, or otherwise assisting in the issue of any securities of, the Company or in or about the formation of the Company or the conduct or course of its business, and to establish or promote, or concur or participate in establishing or promoting, any company, fund or trust and to subscribe for, underwrite,

purchase or otherwise acquire securities of any company, fund or trust and to carry on the business of company, fund, trust or business promoters or managers and of underwriters or dealers in securities, and to act as director of and as secretary, manager, registrar or transfer agent for any other company and to act as trustee of any kind and to undertake and execute any trust.

- (T) To pay all the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and incorporation of the Company, and to procure the registration or incorporation of the Company in or under the laws of any place outside England.
- (U) ³To grant pensions, annuities, or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the Company or any company which at any time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of any predecessor in business of any of them (in this object referred to as "Group Employees"), and to the relations, connections or dependants of any Group Employees, and to other persons whose service or services have directly or indirectly been of benefit to the Company or whom the Company considers have any moral claim on the Company or to their relations, connections or dependants, and to establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payments towards insurances or other arrangements likely to benefit any such persons or otherwise advance the interests of the Company or of its Members, and to establish and maintain, and to contribute to, any scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of- Group Employees or by or for the benefit of such other persons as may for the time being be permitted bylaw, or any scheme for sharing profits with Group Employees, and (so far as for the time being permitted by law) to lend money to Group Employees (other than directors of the Company with a view to enabling them to acquire shares in the Company or a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or any predecessor in business of any of them and to subscribe, guarantee or pay money for any purpose likely, directly or indirectly, to further the interests of the Company or of its Members or for any national, charitable, benevolent, educational, social, public, general or useful object.

³ Altered by Special Resolution dated 10 December 1982.

- (V) 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.
- (W) To distribute any of the property of the Company among its creditors and Members in specie or kind.
- (X) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (Y) To carry on any other business or activity and do anything of any nature which in the opinion of the Company is or may be capable of being conveniently carried on or done in connection with the above or likely directly or indirectly to enhance the value of or render more profitable all or any part of the Company's undertaking, property or assets or otherwise to advance the interests of the Company or of its Members.
- (Z) To do all such other things as in the opinion of the Company are or may be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that "company" in this clause, except where used in reference to this Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and whether formed, incorporated, domiciled or resident in the United Kingdom or elsewhere, "person" shall include any company as well as any other legal or natural person, securities" shall include any fully, partly or nil paid share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation "and" "and or" shall mean "and/or" where the context so permits, "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible, and the objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

- 5 The liability of the Members is limited.

- 6 The share capital of the Company is £2⁴ divided into 2 Shares of £1 each, and the Company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

⁴ By Special Resolutions dated 10th December, 1982, the share capital of the Company was (i) converted into 8 Ordinary Shares of 25p each and (ii) increased to £87,187.50 divided into 348,750 Ordinary Shares of 25p each. By Special Resolution dated 22nd December, 1982, the share capital of the Company was increased to £450,000 divided into 600,000 Ordinary Shares of 25p each and 1,200,000 Preferred Ordinary Shares of 25p each. By Special Resolution dated 31st January, 1985, the share capital of the Company was increased to £600,000 by the creation of 600,000 Ordinary Shares of 25p each and by Ordinary Resolution of the same date the 1,200,000 Ordinary Shares of 25p each and the 1,200,000 Preferred Ordinary Shares of 25p each were sub-divided into 6,000,000 Ordinary Shares of 5p each and 6,000,000 Preferred Ordinary Shares of 5p each, respectively. By Special Resolution dated 12th May, 1986 each Preferred Ordinary Share of 5p each was converted into and re-designated as an Ordinary Share of 5p each and the authorised share capital was increased to £1,200,000 by the creation of 12,000,000 Ordinary Shares of 5p each. By Ordinary Resolution dated 15th September, 1987 the authorised share capital was increased to £1,500,000 by the creation of 6,000,000 Ordinary Shares of 5p each. By Ordinary Resolution dated 6 February 2002 the authorised share capital was increased to £2,500,000 by the addition of £1,000,000 divided into 20,000,000 ordinary shares of 5p each. By Ordinary Resolution dated 16 December 2002 the authorised share capital was increased to £6,250,000 by the addition of £3,750,000 divided into 75,000,000 ordinary shares of 5p each. By Ordinary Resolution dated 15 March 2004 the authorised share capital was increased to 15,000,000 by the addition of £8,750,000 divided into 175,000,000 ordinary shares of 5p each. By Ordinary Resolution dated 30 December 2005 the authorised share capital was increased to £35,000,000 from £15,000,000 by the creation of 200,000,000 ordinary shares of 5p each and 200,000,000 convertible preference shares of 5p each.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of the 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	SUBSCRIBER	NUMBER OF SHARES TAKEN BY EACH
For and on behalf of: TRUCIDATOR NOMINEES LIMITED 35 Basinghall Street London EC2V 5DB T.G.M. Buckley	Director	One
For and on behalf of: TREXCO LIMITED 35 Basinghall Street London EC2V 5DB R C Harvey	Director	One

DATED the 21st day of July 1982

WITNESS to the above Signatures

N.D. Moore
35 Basinghall Street, London
EC2V 5DB

Solicitor's Articled Clerk

ARTICLES OF ASSOCIATION

of

BNB RECRUITMENT SOLUTIONS PLC⁵

(Articles adopted on 12th May, 1986)

PART 1

SPECIAL PROVISIONS

SHARE CAPITAL

1 (A)(i) The authorised share capital of the company at the date of adoption of this Article⁶ is £35,000,000 divided into 500,000,000 ordinary shares of 5p each and 200,000,000 convertible preference shares of 5p each.

1 (A)(ii) The special rights, restrictions and provisions attaching to the Convertible Preference Shares are as follows:

1(A)(ii) 1 Income

The Convertible Preference Shares shall not entitle the holders thereof to receive any dividend or other distribution.

1(A)(ii) 2 Capital

On a liquidation, reduction or return of capital, dissolution or winding up of the Company, the assets of the Company available for distribution after payment of its liabilities shall be applied in the following order of priority:

1(A)(ii) 2.1 first, in paying to the holders of Convertible Preference Shares (in that capacity) an amount equal to the subscription price for their Convertible Preference Shares; and

⁵ The name of the company was changed from Trushelfco (No.481) Limited to Charles Barker Holdings Limited on 30th December, 1982, to Charles Barker Group Limited on 1st March, 1983, to Charles Barker PLC on 25th April, to BNB Resources PLC on 2nd November, 1989 and to BNB Recruitment Solutions PLC on 19 July 2005.

⁶ Article 1(A) amended by ordinary resolutions on 23/10/89, 16.05.99, 06.02.02, 16.12.02 and 30.12.05.

1(A)(ii) 2.2 secondly, in paying to the holders of Ordinary Shares the balance of such assets in proportion to the number of shares that are held by each of them respectively.

1(A)(ii) 3 Voting

The Convertible Preference Shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company.

1(A)(ii) 4 Conversion

1(A)(ii) 4.1 Subject as hereinafter provided, each holder of Convertible Preference Shares shall be entitled at any time after 6 months following the date of issue and prior to the fifth anniversary of the date of issue (the "Conversion Period"), and in the manner set out in this resolution, to convert all or (subject as provided below) any of their Convertible Preference Shares into fully paid Ordinary Shares on the basis set out in article 1(A)(ii) 4.6 ("Conversion Rights") (the date of such conversion pursuant being the "Conversion Date").

1(A)(ii) 4.2 On the fifth anniversary of the date of issue ("Compulsory Conversion Date"), all Convertible Preference Shares shall, to the extent not already converted, automatically convert into fully paid Ordinary Shares on the basis set out in article 1(A)(ii) 4.6 ("Compulsory Conversion").

1(A)(ii) 4.3 Conversion Rights shall be exercisable by a holder of Convertible Preference Shares delivering a Conversion Notice (as defined below) during the Conversion Period specifying the number of Convertible Preference Shares to be converted together with such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such Conversion Rights. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company.

- 1(A)(ii) 4.4 For the purposes of this article 1(A)(ii), a “Conversion Notice” means, in relation to any Convertible Preference Shares that are in certificated form on any Conversion Date, a Certificated Conversion Notice (as defined in this article) or, in relation to any Convertible Preference Shares that are in uncertificated form on any Conversion Date, an Uncertificated Conversion Notice (as defined in this article). In relation to any Convertible Preference Shares that are in certificated form on any Conversion Date, the right to convert shall be exercisable, subject to the provisions of article 1(A)(ii) 4.5, by completing the Conversion Notice endorsed on the share certificate relating to such Convertible Preference Shares (a “Certificated Conversion Notice”). In relation to any Convertible Preference Shares that are in uncertificated form on any Conversion Date, the right to convert shall be exercisable, subject to the provisions of article 1(A)(ii) 4.5, by completing a properly authenticated dematerialised instruction and/or other instruction or notification in such form and subject to such conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned).
- 1(A)(ii) 4.5 Conversion Rights shall be exercisable in whole or in part during the Conversion Period, in tranches of at least £100,000 nominal value, provided that if a Conversion Notice is given in respect of part only of a holding of Convertible Preference Shares so that there would remain, following the conversion, shares in that holding with an aggregate nominal value of less than £100,000, all of the shares in the holding shall be converted notwithstanding the figure inserted in the Conversion Notice.
- 1(A)(ii) 4.6 Convertible Preference Shares shall be converted on a Conversion Date at a discount to the average mid market price per Ordinary Share for the five trading days prior to the date of the relevant Conversion Notice (the “Discount

Rate”), or, in the case of a Compulsory Conversion, at a 30 per cent. discount to the average mid market price per Ordinary Share for the five trading days prior to the Compulsory Conversion Date (“Relevant Shares”). The Discount Rate applied shall be between 5 per cent. and 27.2 per cent. according to the time elapsed following the issue of the Convertible Preference Shares which are the subject of the Conversion Notice, in accordance with the table below, but in any event such Discount Rate shall be no greater than 27.2 per cent, prior to the fifth anniversary of issue.

Conversion Date	Discount Rate
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Between six months after the date of issue and the first anniversary of the date of issue	5%
After the first anniversary of issue and up to 18 months after the date of issue	7.8%
After 18 months after the date of issue and up to the second anniversary of the date of issue	10.6%
After the second anniversary of the date of issue and 30 months after the date of issue	13.3%
After 30 months after the date of issue and up to the third anniversary of the date of issue	16.1%
After the third anniversary	18.9%

of the date of issue and up
to 42 months after the date
of issue

After 42 months after the 21.7%
date of issue and up the
fourth anniversary of the
date of issue

After the fourth anniversary 24.4%
of the date of issue and up
to 54 months after the date
of issue

After 54 months after the 27.2%
date of issue and up to the
fifth anniversary of the date
of issue

1(A)(ii) 4.7 In no circumstances may the number of Ordinary Shares into which the Relevant Shares convert exceed the number of the Relevant Shares. If the number of the Ordinary Shares into which the Relevant Shares convert would exceed the number of the Relevant Shares, then the Relevant Shares will convert into such number of Ordinary Shares as is equal to the number of the Relevant Shares. In no circumstances may the Relevant Shares convert into Ordinary Shares at a price which is less than the then nominal value of the Ordinary Shares.

1(A)(ii) 4.8 Conversion of Convertible Preference Shares shall be effected in such manner as may be authorised by law and as the Directors shall (including in accordance with the following provisions of this resolution) from time to time determine for effecting the exercise of the Conversion Rights attaching to the Relevant Shares and, without limitation, may be effected by converting all of the Relevant Shares into such number of Ordinary Shares as are to be issued in accordance with article 1(A)(ii) 4.6 above and converting the balance of Relevant Shares into

non-voting deferred shares (“Deferred Shares”) having a nominal value equal to the amount (if any) by which the aggregate nominal value of the Relevant Shares exceeds the aggregate nominal value of the Ordinary Shares.

Any Deferred Shares shall not be transferable and all of the Deferred Shares together shall not entitle the holders to any dividend or repayment of capital on a liquidation or return of assets in excess of 1 penny in aggregate, or to receive notice or attend or vote at any general meeting of the Company. The Company may purchase all of the Deferred Shares at any time at an aggregate price of 1 penny (to be paid to one holder of Deferred Shares who shall be selected for this purpose by lot) upon giving to the registered holders of the Deferred Shares written notice of its intention to do so fixing a time and place for such purchase. At the time and place fixed for purchase, each registered holder should be bound to surrender to the Company the certificates for his Deferred Shares in order for them to be cancelled. The Company may, if it so chooses, retain all certificates for Deferred Shares at the registered office and if it does so may cancel such certificates upon purchase without further authority from the holders thereof.

1(A)(ii) 4.9 Fractions of Ordinary Shares arising on a conversion will not be allotted to holders of Relevant Shares. Fractional entitlements to Ordinary Shares arising on a conversion will be rounded down to the nearest whole number of Ordinary Shares.

1(A)(ii) 4.10 Upon the occurrence of any of a reorganisation or reclassification of the share capital of the Company, capitalisation issue or offer by way of rights by the Company, or a sub-division, reduction or consolidation of the capital of the Company, or a merger or consolidation of the Company with or into another company or demerger,

or the modification of rights attaching to the Ordinary Shares or a dividend in kind (other than Ordinary Shares paid up out of distributable reserves and issued in lieu of a cash dividend) declared and or made by the Company (each an “Adjustment Event”) after the date on which any Convertible Preference Shares are granted, the Conversion Rights shall be adjusted in such manner as the Company’s auditors shall certify is appropriate. For the purposes of this article 1(A)(ii) 4.10, an adjustment to Conversion Rights shall be “appropriate” if, as a consequence of the adjustment, holders of Convertible Preference Shares enjoy the same economic effect on the exercise of their Conversion Rights as if the relevant Adjustment Event had not occurred or arisen.

1(A)(ii) 4.11 Allotments of Ordinary Shares arising from a conversion of Relevant Shares shall be effected within 42 days of the date of the relevant Conversion Notice. Within 21 days after the conversion of Relevant Shares the Company shall, in the case of Convertible Preference Shares held in certificated form, send by ordinary post to each holder of the Relevant Shares at his own risk, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares resulting from the conversion. In the case of Convertible Preference Shares held in uncertificated form, the Company shall, subject to admission of the Ordinary Shares to trading on AIM pursuant to article 1(A)(ii) 5.3 (“Admission”), procure that CRESTCo is instructed to credit to the stock account of the holder of the Relevant Shares entitlements to such Ordinary-Shares resulting from the conversion within 21 days of Admission. In the meantime transfers of Ordinary Shares shall be certified against the Register.

1(A)(ii) 4.12 The Ordinary Shares arising on such conversion shall rank *pari passu* with the Ordinary Shares then in issue and fully paid up save as regards any dividend or other rights

determined by reference to a record date prior to the date of allotment

1(A)(ii) 4.13

If at any time whilst the Conversion Rights remain capable of being exercised an offer (including by way of a scheme of arrangement) or invitation is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Shares and the Company becomes aware that as a result of such offer or invitation the right to cast a majority of votes which may ordinarily be cast at a general meeting of the Company may or has become vested in the offeror and/or such persons or companies as aforesaid, the Company shall use all reasonable endeavours to procure that a like offer or invitation is made or extended at the same time to each holder of Convertible Preference Shares as if the Convertible Preference Shares had been converted in full and as if the Ordinary Shares issued pursuant to such conversion had been issued immediately prior to the record date for such an offer or invitation.

1(A)(ii) 5

Other provisions

1(A)(ii) 5.1

For so long as any Convertible Preference Shares remain capable of being converted into Ordinary Shares, the Company shall not, save with the prior written consent of a majority of the holders of the Convertible Preference Shares:

- a. reduce its share capital or any uncalled liability thereon or the amount of the Company's share premium account or capital redemption reserve in any manner which either requires the consent of the Court or is in connection with any purchase by the Company of its own shares;
- b. purchase any of its own shares or other securities;

- c. pass any resolution pursuant to which the rights attaching to the Ordinary Shares are modified, varied or abrogated.

1(A)(ii) 5.2 The Company shall procure that at all times prior to the conversion of all of the Convertible Preference Shares there shall be sufficient unissued Ordinary Share capital available for the purposes of satisfying the requirements of any Conversion Notice as may be delivered pursuant to article 1(A)(ii) 4.3.

1(A)(ii) 5.3 The Company shall use all reasonable endeavours to procure that the Ordinary Shares arising on conversion are admitted to trading on AIM.

1(A)(ii) 5.4 Notwithstanding any other provision of these articles of association of the Company, no interest of any nature in any Convertible Preference Shares may be transferred without the prior written consent of the Company.

BORROWING POWERS

- (B) The board may exercise all the powers of the company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company and, subject to the Companies Acts, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the company or of any third party.

The board shall restrict the borrowings of the company and exercise all voting and other rights or powers of control exercisable by the company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of the rights or powers of control the board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the group (exclusive of borrowings owing by one member of the group to another member of the group) shall not at any time without the previous sanction of an

ordinary resolution of the company exceed an amount equal to the greater of twice the adjusted capital and reserves and £30m⁷.

For the purposes of this paragraph of this article:-

⁸(i) "the adjusted capital and reserves" means the aggregate from time to time of:-

- (a) the amount paid up on the issued share capital of the company and
- (b) the amount standing to the credit of the reserves including any share premium account, capital redemption reserve and credit balance on profit and loss account

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

- (c) deducting from the aggregate any debit balance on profit and loss account subsisting at the date of that audited balance sheet except to the extent that a deduction has already been made on that account
- (d) deducting from the aggregate any debit balance on any reserve account existing at the date of that audited balance sheet except to the extent that a deduction has already been made on that account
- (e) making such adjustments as may be appropriate to reflect any variation in the amount of the paid up share capital, share premium account or capital redemption reserve since the date of the audited balance sheet and
- (f) adding back sums, calculated in accordance with accounting principles generally accepted in the United Kingdom, equivalent to the balance of goodwill arising on acquisition of companies and businesses made after 1st January, 1986 and remaining part of the group which, at the date of the relevant calculation, has been written off against reserves in accordance with United Kingdom accounting practice; and

⁷ Article 1(B) amended by Special Resolution dated 6 August 2002.

⁸ Article 1(B)(i) amended by Special Resolution dated 17 May 1989.

(ii) ⁹"**borrowings**" shall be deemed to include the following except in so far as otherwise taken into account:-

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

but do not include:-

- (f) borrowings incurred by any member of the group for the purpose of repaying within six months of the borrowing the whole or any part of any borrowings of that or any other member of the group for the time being outstanding, pending their application for that purpose within that period, or
- (g) borrowings incurred by any member of the group for the purpose of financing any contract in respect of which any part of the price receivable under the contract by that or any other member of the group is guaranteed or insured by the Export Credits Guarantee Department or by any other governmental department or agency

⁹ Article 1(B) (ii) amended by Special Resolution dated 6 August 2002.

fulfilling a similar function, up to an amount equal to that part of the price receivable under the contract which is so guaranteed or insured;

- (iii) when the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowing then outstanding which is denominated or repayable in a currency other than sterling shall be notionally converted into sterling at the rate of exchange prevailing in London on the day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the day six months before that date and so that for these purposes the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank, selected by the board, as being the most appropriate rate for the purchase by the company of the currency in question for sterling on the day in question or, if that is not a business day, on the last business day before the day in question;
- (iv) where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of the borrowing in full if it fell to be repaid by reason of an event of default on the date as at which the calculation is being made is less than the amount that would otherwise be taken into account in respect of that borrowing, the amount of that borrowing to be taken into account shall be the smaller amount;
- (v) "audited balance sheet" means the audited balance sheet of the company prepared for the purposes of the Companies Acts or, if an audited consolidated balance sheet dealing with the state of affairs of the company and all its subsidiaries to be dealt with in group accounts has been prepared for those purposes for the same financial year, that audited consolidated balance sheet, in which event all references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and any amounts attributable to outside interests in subsidiaries shall be excluded;
- (vi) the company may from time to time change the accounting convention on which the audited balance sheet is based provided that any new convention adopted complies with the requirements of the Companies Acts: if the company should prepare its main audited balance sheet on the

basis of one convention, but a supplementary audited balance sheet on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet;

- (vii) **"the group"** means the company and its subsidiaries (if any); and
- (viii) a certificate or report by the auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by this paragraph of this article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of the amount or of that fact.

Notwithstanding the foregoing no lender or other person dealing with the company shall be concerned to see or inquire whether the limit imposed by this paragraph of this article is observed and no borrowing incurred or security given in excess of that limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the borrowing was incurred or security given that the limit had been or was thereby exceeded.

VOTES OF MEMBERS

- (C) Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held on a show of hands every member who is present in person at a general meeting of the company shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every five pence nominal amount of share capital of which he is the holder.

NUMBER OF DIRECTORS

- (D) Unless otherwise determined by ordinary resolution of the company the directors (disregarding alternate directors) shall be not less than two nor more than twenty in number.

DIRECTORS' FEES

- (E) Each of the directors shall be paid a fee at such rate as may from time to time be determined by the board provided that the aggregate of all fees so paid to directors (excluding amounts payable under any other provision of these articles)

shall not exceed ¹⁰£150,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the company.

AGE OF DIRECTORS

- (F) No person shall be disqualified from being appointed a director, and no director shall be required to vacate that office, by reason only of the fact that he has attained the age of seventy years or any other age nor shall it be necessary by reason of his age to give special notice under the Companies Acts of any resolution. where the board convenes any general meeting of the company at which (to the knowledge of the board) a director will be proposed for appointment or reappointment who at the date for which the meeting is convened will have attained the age of seventy years or more, the board shall give notice of his age in years in the notice convening the meeting in any document accompanying the notice, but the accidental omission to do so shall not invalidate any proceedings, or any appointment or reappointment of that director, at that meeting.

DIRECTOR'S SHAREHOLDING QUALIFICATION

- (G) No shareholding qualification for directors shall be required.

DISQUALIFICATION OF DIRECTORS

- (H) Without prejudice to any of the provisions for disqualification of directors or for retirement by rotation contained in these articles, the office of a director shall be vacated if, by notice in writing delivered to the office or tendered at a meeting of the board, his resignation is requested by all of the other directors and all of the other directors are not less than three in number.

PROVISION FOR EMPLOYEES

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

¹⁰ Amended by Ordinary Resolution dated 30 April 1998.

UNTRACED SHAREHOLDERS

- (J) The Company may sell any shares in the company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a member of The Stock Exchange to sell in accordance with the best practice then obtaining if:-
- (i) the shares have been in issue throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period,
 - (ii) no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relative cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares at any time during the relevant period,
 - (iii) so far as any director of the company at the end of the relevant period is then aware, the company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares,
 - (iv) the company has caused two advertisements to be published, one in a daily newspaper with a national circulation and the other in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the shares shown in the register, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates, and
 - (v) the company has given notice to the Quotations Department of The Stock Exchange of its intention to make the sale.

For the purpose of this paragraph of this article:

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

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

If, after the publication of either or both of the advertisements referred to in sub-paragraph (iv) above but before the company has become entitled to sell the shares pursuant to this paragraph of this article, the requirements of sub-paragraph (ii) or (iii) above cease to be satisfied, the company may nevertheless sell those shares after the requirements of sub-paragraphs (i) to (v) above have been satisfied afresh in relation to them.

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

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

- (K) The company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed but, subject to the provision of these articles, shall recommence sending cheques or warrants in respect of those shares if the holder or person entitled by

transmission claims the arrears of dividend and does not instruct the company to pay future dividends in some other way.

PURCHASE OF OWN SHARES

- (L) Subject to the provisions of the Companies Acts, the company may purchase all or any of its shares of any class, including any redeemable shares. Every contract for the purchase of, or under which the company may become entitled or obliged to purchase, shares in the company shall be authorised by such resolution of the company as may be required by the Companies Acts and by an extraordinary resolution passed at a separate general meeting of the holders of any shares which at the date on which the contract is authorised by the company in general meeting entitle them, either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the company. Neither the company nor the board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of share 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 pursuant to this paragraph of this article.

PART 2

GENERAL PROVISIONS

EXCLUSION OF TABLE A

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

INTERPRETATION

- 3 In these articles unless the context otherwise requires:-

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

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

"the board" means the board of directors of the company or the directors present at a meeting of the directors at which a quorum is present;

¹¹**"business day"** means any day (other than a Saturday, a Sunday or a bank or public holiday) during which clearing banks are open for business in the City of London.

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

"the Companies Acts" means every statute from time to time in force concerning companies in so far as the same applies to the company;

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

"member" means a member of the company;

"the office" means the registered office of the company;

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

¹¹ Article 3, new definition added by Special Resolution dated 6 August 2002.

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

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

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

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

"United Kingdom" means Great Britain and Northern Ireland;

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

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

words or expressions to which a particular meaning is given by the Companies Acts in force when these articles or any part of these articles are adopted bear the same meaning in these articles or that part (as the case may be) save that the word "company" shall include any body corporate; and

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

In the event of any conflict between part 1 and part 2 of these articles, part 1 shall prevail.

FORM OF RESOLUTION

- 4 (A) Where for any purpose an ordinary resolution of the company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective.
- (B) A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting

properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members.

SHARE RIGHTS

- 5 Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the board may decide.
- 6 Subject to the provisions of the Companies Acts and to any rights conferred on the holders of any other shares, any share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the company or the holder, on such terms and in such manner as may be provided by these articles.

VARIATION OF RIGHTS

- 7 Subject to the provisions of the Companies Acts, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the company is being wound up) be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these articles as to general meetings of the company shall mutatis mutandis apply to any such separate general meeting, but so that the necessary quorum shall be a person or persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every share of the class held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of the holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.
- 8 The rights conferred upon the holders of any shares shall not) unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

SHARES

- 9 Subject to the provisions of the Companies Acts and these articles, the unissued shares of the company (whether forming part of the original or any increased capital) shall be at the

disposal of the board which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms as the board may decide.

- 10 The company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts.
- 11 Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the company as holding any share upon any trust and the company shall not be bound by or required in any way to recognise (even when having notice of it) any interest in any share other than an absolute right to the whole of the share in the holder.

CERTIFICATES

- 12 Every person (except a stock exchange nominee in respect of whom the company is not by law required to complete and have ready for delivery a certificate) whose name is entered in the register as a holder of any shares shall be entitled, without payment, to receive within two months after allotment or lodgement of a transfer to him of the shares (or within such other period as the terms of issue shall provide) one certificate for all the shares of any one class or several certificates each for one or more of the shares of the class in question upon payment for every certificate after the first of such reasonable out-of-pocket expenses as the board may from time to time decide. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member (except such a nominee) who has transferred some of the shares comprised in his holding shall be entitled to a certificate for the balance without charge.
- 13 If a share certificate is defaced worn out lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of any exceptional out-of-pocket expenses of the company in investigating the evidence and preparing the indemnity as the board may decide and, where it is defaced or worn out, after delivery of the old certificate to the company.
- 14 Every share certificate shall be issued under a seal and shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares. The board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be

applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

LIEN

- 15 The company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the company (whether presently or not) in respect of that share. The company's lien on a share shall extend to all distributions and other amounts payable in respect of it. The board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this article.
- 16 The company may sell, in such manner as the board may decide, any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been served on the holder of the shares, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 17 The net proceeds, after payment of the costs, of the sale by the company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale and upon surrender, if required by the company, for cancellation of the certificate for the shares sold) be paid to the holder immediately before the sale. For giving effect to the sale the board may authorise some person to transfer the shares sold to or in accordance with the directions of the purchaser. The transferee shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

CALLS ON SHARES

- 18 The board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the company serving upon him at least fourteen clear days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the board may decide. A person upon whom a call is made shall

remain liable for the call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

- 19 A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.
- 20 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.
- 21 If a sum called in respect of a share shall not be paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment to the time of actual payment at such rate, not exceeding 15 per cent. per annum, as the board may decide, but the board shall be at liberty to waive payment of the interest wholly or in part.
- 22 Any sum which becomes payable on allotment or on any other date fixed by or in accordance with the terms of issue, whether on account of the nominal amount of the share or by way of premium, shall be deemed to be a call made, notified and payable on the date on which, by the terms of issue, it becomes payable and, in case of non-payment, all the relevant provisions of these articles as to payment of interest, forfeiture or otherwise shall apply as if the sum had become payable by virtue of a call properly made and notified.
- 23 The board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
- 24 The board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as the board may decide.

FORFEITURE OF SHARES

- 25 If any call or instalment of a call remains unpaid on any share after the day appointed for payment, the board may at any time serve a notice on the holder requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 26 The notice shall name a further day (not being less than fourteen clear days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The board may accept the surrender of any share liable to be forfeited and, in that event, references in these articles to forfeiture shall include surrender.
- 27 If the requirements of the notice are not complied with, any share in respect of which it was given may, at any time before payment of all calls or instalments and interest due in respect of it has been made, be forfeited by a resolution of the board to that effect and the forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
- 28 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be invalidated by any omission or neglect to give the notice.
- 29 Until cancelled in accordance with the requirements of the Companies Acts, a forfeited share shall be deemed to be the property of the company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder or to any other person upon such terms and in such manner as the board shall decide, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled by the board on such terms as the board may decide.
- 30 A person whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the forfeited shares but shall remain liable to pay to the company all moneys which at the date of the forfeiture were payable by him to the company in respect of those shares with interest thereon at the rate of 15 per cent. per annum (or such lower rate as the board may decide) from the date of forfeiture until payment, and the company may enforce payment without

being under any obligation to make any switch allowance for the value of the shares forfeited or for any consideration received on their disposal.

- 31 A statutory declaration that the declarant is a director of the company or the secretary and that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The company may receive the consideration (if any) given for the share on its sale, re-allotment or disposition and the board may authorise some person to transfer the share to the person to whom it is sold, re-allotted or disposed of and, if the share is in registered form, he shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, reallotment or disposal.

TRANSFER OF SHARES

- 32 Subject to such of the restrictions of these articles as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form which the board may approve.
- 33 The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it. All instruments of transfer, when registered, may be retained by the company.
- 34 The board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any share which is not a fully paid share.
- 35 The; board may also decline to register any transfer unless: -
- (a) the instrument of transfer is lodged with the company accompanied by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer,
 - (b) the instrument of transfer is in respect of only one class of share, and
 - (c) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.
- 36 If the board declines to register a transfer it shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of the refusal.

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

TRANSMISSION OF SHARES

- 38 If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his shares; but nothing contained in these articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.
- 39 Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the board, the board shall within two months after proof cause the entitlement of that person to be noted in the register.
- 40 Any person entitled by transmission to a share may, subject as provided elsewhere in these articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself, he shall give notice to the company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share in favour of that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer executed by the member.
- 41 where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share to attend or vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company. The board may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the board may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

ALTERATION OF SHARE CAPITAL

- 42 The company may from time to time by ordinary resolution: -
- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the provisions of the Companies Acts, sub-divide its shares or any of them into shares of smaller amount than is fixed by its memorandum of association and so that the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others; and
 - (d) 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.
- 43 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions to any person (including, subject to the provisions of the Companies Acts, the company) and distribute the net proceeds of sale in due proportion among those members and the board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings relating to the sale.
- 44 Subject to the provisions of the Companies Acts, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

GENERAL MEETINGS

- 45 Any general meeting of the company other than an annual general meeting shall be called an extraordinary general meeting.
- 46 The board shall convene and the company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts.

- 47 The board may convene an extraordinary general meeting whenever it thinks fit and, upon receipt of a requisition of members pursuant to the provisions of the Companies Acts, shall forthwith proceed to do so for a date not later than eight weeks after deposit of the requisition at the office.

NOTICE OF GENERAL MEETINGS

- 48 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by not less than twenty-one clear days' notice in writing. All other extraordinary general meetings shall be called by not less than fourteen clear days notice in writing. The notice shall specify the place, day and time of the meeting, and the general nature of that business. Notice of every general meeting shall be given to all members other than any who, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the company, and also to the auditors or, if more than one, each of them.

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

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; 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.
- 49 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send an instrument of proxy to, or the non-receipt of either or both by, any person entitled to receive the notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

- 50 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

- 51 If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the commencement of the meeting a quorum is not present, the meeting shall stand adjourned to such other day (not being less than fourteen nor more than twenty-eight days later) and at such other time or place as the chairman of the meeting may decide and at such adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum. The company shall give not less than seven clear days' notice in writing of any meeting adjourned through want of a quorum and the notice shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.
- 52 The chairman (if any) of the board or, in his absence, a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any deputy chairman is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.
- 53 Each director shall be entitled to attend and speak at any general meeting of the company and at any separate general meeting of the holders of any class of shares in the company.
- 54 The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. when a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- 55 Save as expressly provided by these articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

VOTING

- 56 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on

the withdrawal of any other demand for a poll) a poll is properly demanded. Subject to the Companies Acts, a poll may be demanded by: -

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

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

- 57 If a poll is properly demanded it shall be taken in such manner as the chairman shall direct and he may appoint scrutineers who need not be members. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 58 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or on such date (being not later than thirty days after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.
- 59 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll demanded, and it may be withdrawn with the consent the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.
- 60 On a poll votes may be given either personally or by proxy.

- 61 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional or casting vote.
- 62 In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- 63 A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised in such circumstances to do so on his behalf and that person may vote on a poll by proxy. Evidence to the satisfaction of the board of the authority of the person claiming to exercise the right to vote shall be delivered at the office (or at such other place as may be specified in accordance with these articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy could be so delivered in order to be valid.
- 64 No member shall, unless the board otherwise decides, be entitled to vote at any general meeting of the company or at any separate general meeting of the holders of any class of shares in the company unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
- 65 ¹²(A) For the purposes of this article, unless the context otherwise requires:
- (i) "**Certificated Form**" means those shares which are not Uncertificated shares;
 - (ii) "**Crest**" means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No.01/3755)) in respect of which CRESTCO is the "Operator" (as defined in such regulations);
 - (iii) "**CRESTCO**" means CRESTCO Limited;
 - (iv) "**Uncertificated shares**" means those shares which will be in uncertificated form pursuant to the Uncertificated Securities Regulations 2001 as defined in (A)(ii) above;

¹² Article 65A amended by Special Resolution dated 23 May 2002.

- (v) **"disclosure notice"** means a notice issued by the company requiring the disclosure of interests in shares pursuant to section 212 of the Companies Act 1985;
- (vi) **"restrictions"** means one or more, as the case may be, of the restrictions referred to in paragraph (C) of this article as determined by the board;
- (vii) **"specified shares"** means the shares specified in a disclosure notice; and
- (viii) a person shall be treated as appearing to be interested in shares if:
 - (a) such person has been named in response to a disclosure notice as being so interested; or
 - (b) in response to a disclosure notice, the member holding such shares or any other person appearing to be interested in shares has failed to establish the identities of all those who are interested in such shares and (after taking into account the response and any other relevant information) the company has reasonable cause to believe that such person is or may be interested in such shares.

(B) Notwithstanding anything in these articles to the contrary, if:-

- (i) a disclosure notice has been served on a member or a person appearing to be interested in shares; and
- (ii) the company has not received the information required therein in respect of the specified shares not later than 14 days (subject as provided in paragraph (G) of this article) after the service of such disclosure notice,

then the board may determine that the member holding the specified shares shall be subject to restrictions (and such member shall thereupon be so subject). The company shall, as soon as practicable after such determination, give notice thereof to the relevant member stating, or substantially to the effect, that (until such time as the board determines otherwise pursuant to paragraph (D) of this article) the specified shares shall be subject to the restrictions stated therein.

(C) Subject to paragraphs (G) and (I) of this article, the restrictions which the board may determine shall apply to specified shares shall be one or more, as determined by the board, of the following:-

- (i) that the member holding the specified shares shall not be entitled, in respect of the specified shares, to be present or to vote either personally or by proxy or otherwise at any general meeting or at any separate general meeting of the holders of any class of shares or upon any poll or to exercise any other right in relation to any general meeting or any separate general meeting of the holders of any class of shares;
 - (ii) that no transfer of the specified shares by the member holding the specified shares shall be effective or shall be recognised by the company;
 - (iii) that no dividend or other moneys which would otherwise be payable on or in respect of the specified shares shall be made to the member holding the specified shares and that, in circumstances where an offer of the right to elect to receive ordinary shares instead of cash in respect of any dividend is or has been made, any election made thereunder by such member in respect of the specified shares shall not be effective.
- (D) The board may determine that one or more restrictions imposed on specified shares shall cease to apply (whereupon they shall cease to so apply) at any time. If the company receives the information required in the relevant disclosure notice in respect of the specified shares the board shall immediately determine that all restrictions imposed on specified shares shall cease to apply (whereupon they shall cease to apply). In addition, the board shall determine forthwith that all restrictions imposed on specified shares shall cease to apply (whereupon they shall cease to apply) if:
- (i) the company receives an executed instrument of transfer in respect of the specified shares, which would otherwise be given effect to pursuant to:
 - (a) a sale of the specified shares on a recognised investment exchange as defined in the Financial Services Act 1986 (as from time to time re-enacted, consolidated or amended) or on any stock exchange on which the company's shares are normally dealt in; or
 - (b) a takeover offer for the company (as defined in section 14 of the Company Securities (Insider Dealing) Act 1985 in relation to shares of the class of which the specified shares form part; or

- (ii) the company receives any other executed instrument of transfer in respect of the specified shares, which would otherwise be given effect to, and the board has not determined, within 10 days after such receipt, not to give effect thereto on the grounds that they have reasonable cause to believe that the change in the member holding the specified shares would not be as a result of an arm's-length sale resulting in a material change in beneficial interests in the specified shares.
- (E) Where dividends or other moneys payable on specified shares are not paid as a result of restrictions having been imposed, such dividends or other moneys shall accrue and shall be payable (without interest) upon the relevant restriction ceasing to apply.
- (F) where the board makes a determination under paragraph (D) of this article it shall notify the purported transferee as soon as practicable thereafter and any person may make representations in writing to the board concerning any such determination. Neither the company nor the board shall in any event be liable to any person as a result of the board having imposed restrictions or failed to determine that restrictions shall cease to apply if the board has acted in good faith.
- (G) where the specified shares represent less than 0.25% (in nominal value) of the shares of the same class as the specified shares in issue at the date of issue of the relevant disclosure notice then:
 - (i) the period of 14 days referred to in paragraph (B)(ii) of this article shall be deemed to be a reference to a period of 28 days; and
 - (ii) any determination made by the board in respect of the specified shares pursuant to paragraph (B) of this article may only impose the restriction referred to in paragraph (C)(i) of this article.
- (H) Shares issued in right of specified shares which are for the time being subject to particular restrictions shall on issue become subject to the same restrictions whilst held by the member holding the specified shares as the specified shares in right of which they are issued. For this purpose, shares which the company procures to be offered to shareholders *pro rata* (or *pro rata ignoring fractional entitlements* and shares not offered to certain members by reason of legal or practical problems associated with offering shares outside the United Kingdom) shall be treated as shares issued in right of specified shares.

(I) The board may at any time, at its discretion, suspend, in whole or in part, the imposition of any restrictions either permanently or for any given period and may pay to a trustee any dividend or other monies payable in respect of any shares subject to the restriction referred to in paragraph (C)(iii) of this article. Notice of any suspension, specifying the restrictions suspended and the period of suspension, shall be given by the company to the relevant holder as soon as practicable thereafter.

¹³(J) Where the board has:-

- (i) issued a disclosure notice in line with the provisions of this article and the member or person has failed to respond; and
- (ii) imposed one or more of the restrictions set out in (C) and the member or person has continued to fail to provide the information required in the disclosure notice as set out in (B) of this article

if the specified shares are held in Crest the Company may notify CRESTCo in writing that a conversion event (as specified in regulation 32(2)(c) of the Uncertified Securities Regulations 2001) has occurred and requiring the conversion into Certificated Form of Uncertificated shares held by the member or person. The Company may take all steps deemed necessary to procure such conversion. This notification shall contain a statement that the conversion is required to enable the Company to deal with the shares in question in accordance with the provisions of these articles and shall contain evidence of the issue to the member or person of a disclosure notice, evidence of the imposition of one or more of the restrictions set out in (C) together with confirmation of the shares in question being held in Crest.

(K) Nothing contained in this article shall limit or in any way restrict the powers of the company or the board under the Companies Acts.

66 If:

- (a) any objection shall be raised to the qualification of any voter or

¹³ New Article 65(J) inserted by Special Resolution dated 23 May 2002.

- (b) any votes have been counted which ought not to have been counted or which might have been rejected or
- (c) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

PROXIES

- 67 An instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign it.
- 68 The instrument appointing a proxy and (if required by the board) any authority under which it is executed or a copy of the authority, certified notarially or in some other manner approved by the board, may be delivered to the office (or to such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and an instrument of proxy which is not so delivered shall be invalid. When two or more valid but differing instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share: if the company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share.
- 69 No instrument appointing a proxy shall be valid after twelve months have elapsed from the date named in it as the date of its execution. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

- 70 Instruments of proxy shall be in any usual form or in such other form as the board may approve and the board may, if it thinks fit, but subject to the provisions of the Companies Acts, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 71 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of the determination was received by the company at the office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) one hour at least before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

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

- 75 Subject to the provisions of the Companies Acts and of these articles, the directors to retire by rotation on each occasion shall be those who have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the board at the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after the date of the notice but before the close of the meeting.
- 76 Subject to the provisions of these articles, the company at the meeting at which a director retires by rotation may fill the vacated office and in default the retiring director shall, if willing to continue to act, be deemed to have been reappointed, unless at such meeting it is expressly resolved not to fill the vacated office or unless a resolution for the reappointment of that director has been put to the meeting and lost.
- 77 In addition to any power of removal conferred by the Companies Acts, the company may by special resolution remove any director before the expiration of his period of office and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a director in his place. Any person so appointed shall be treated, for the purpose of determining the time at which he or any other director is to retire, as if he had become a director on the day on which the person in whose place he is appointed was last appointed or reappointed a director.
- 78 No person other than a director retiring at the meeting (whether by rotation or otherwise) shall be appointed or reappointed a director at any general meeting unless:
- (a) he is recommended by the board or
 - (b) not less than six nor more than thirty-five clear days before the day appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been given to the secretary of the intention to propose that person for appointment or reappointment together with notice executed by that person of his willingness to be appointed or reappointed.
- 79 A director who retires (whether by rotation or otherwise) at an annual general meeting may, if willing to continue to act, be reappointed. If he is not reappointed or deemed to be reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

DISQUALIFICATION OF DIRECTORS

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

- (a) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board, or
- (b) he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the board resolves that his office is vacated, or
- (c) he is absent without the permission of the board from meetings of the board (whether or not an alternate director appointed by him attends) for twelve consecutive months and the board resolves that his office is vacated, or
- (d) he becomes bankrupt or compounds with his creditors generally, or
- (e) he is prohibited by law from being a director, or
- (f) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

ALTERNATE DIRECTORS

- 81 (A) Each director shall have the power to appoint any person to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a director, the appointment, unless previously approved by the board, shall have effect only upon and subject to its being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointor and delivered to the office or tendered at a meeting of the board, or in any other manner approved by the board. If his appointor so requests, an alternate director shall be entitled to receive notice of all meetings of the board or of committees of the board of which his appointor is a member. He shall also be entitled to attend and vote as a director at any such meeting at which the Director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of these articles shall apply as if he were a director.
- (B) Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions

of these articles relating to directors and shall alone be responsible to the company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the company to the same extent mutatis mutandis as if he were a director but shall not be entitled to receive from the company any fee in his capacity as an alternate director.

- (C) Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director. Execution by an alternate director of any resolution in writing of the board or a committee of the board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.
- (D) An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director except that, if at any meeting any director retires by rotation or otherwise but is reappointed or deemed to be reappointed at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired.

EXECUTIVE DIRECTORS

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

ADDITIONAL REMUNERATION AND EXPENSES

- 83 Any director who, by request, goes or resides abroad for any purposes of the company or who performs services which in the opinion of the board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission,

participation in profits or otherwise) as the board may determine in addition to any remuneration provided for by or pursuant to any other article.

- 84 Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the board or committees of the board or general meetings of the company or any other meeting which as a director he is entitled to attend and shall be paid all expenses properly and reasonably incurred by him in the conduct of the company's business or in the discharge of his duties as a director.

DIRECTORS - INTERESTS

- 85 (A) Subject to the provisions of the Companies Acts and of paragraph (J) of this article, no director or proposed or intending director shall be disqualified by his office from contracting with the company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any director is in any way interested be liable to be avoided, nor shall any director who is so interested be liable to account to the company or the members for any remuneration, profit or other benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship thereby established.
- (B) A director may hold any other office or place of profit with the company (except that of auditor) in conjunction with his office of director for such period (subject to the provisions of the Companies Acts) and upon such other terms as the board may decide, and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the board may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other article.
- (C) A director of the company may be or become a director or other officer of, or otherwise interested in, any company promoted by the company or in which the company may be interested or as regards which it has any power of appointment, and shall not be liable to account to the company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in the other company. The board may also cause any voting power conferred by the shares in any other company held or owned by the company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as

directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company.

- (D) A director may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director.
- (E) A director shall not vote on or be counted in the quorum in relation to any resolution of the board concerning his own appointment, or the settlement or variation of the terms of the termination of his own appointment, as the holder of any office or place of profit with the company or any other company in which the company is interested but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more directors to offices or places of profit with the company or any other company in which the company is interested, a separate resolution may be put in relation to each director and in that case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to an office or place of profit with a company in which the company is interested and the director seeking to vote or be counted in the quorum owns more than one per cent. of it.
- (F) Save as otherwise provided by these articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the board in respect of any contract in which he is to his knowledge materially interested and, if he shall do so, his vote shall not be counted, but this prohibition shall not apply to any resolution concerning any of the following matters: -
 - (i) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him for the benefit of the company or any of its subsidiaries,
 - (ii) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security,

- (iii) the subscription or purchase by him of shares, debentures or other securities of the company pursuant to an offer or invitation to members or debenture holders of the company, or any class of them, or to the public or any section of the public,
 - (iv) the underwriting by him of any shares, debentures or other securities of the company or any of its subsidiaries,
 - (v) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the company or by reason of any other interest in or through the company,
 - (vi) any contract concerning any other company (not being a company in which the director owns one per cent. or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever,
 - (vii) any contract concerning the adoption, modification or operation of a pension fund or retirement death or disability benefits scheme which relates both to directors and employees of the company or of any of its subsidiaries and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates,
 - (viii) any contract for the benefit of employees of the company or of any of its subsidiaries under which he benefits in a similar manner as the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom the contract relates, and
 - (ix) any contract for the purchase and/or maintenance for any director or directors of insurance against any liability.
- (G) A company shall be deemed to be one in which a director owns one per cent. or more if and so long as (but only if and so long as) he is (either directly or indirectly) the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of that company or of the voting rights available to members of that company. For the purpose of this paragraph of this article there shall be disregarded any shares held by the director as bare or custodian

trustee and in which he has no beneficial interest, any shares comprised in a trust in which his interest is in reversion or remainder if and so long as some other person is entitled to receive the income of the trust and any shares comprised in an authorised unit trust scheme in which he is interested only as a unit holder.

- (H) Where a company in which a director holds one per cent. or more is materially interested in a contract, he also shall be deemed materially interested in that contract.
- (I) If any question shall arise at any meeting of the board as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director (other than The chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be conclusive except in a case where the nature or extent of his interest (so far as it is known to him) has not been fairly disclosed to the board. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the board (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman (so far as it is known to him) has not been fairly disclosed to the board.
- (J) A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract with the company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the board after he knows that he is or has become so interested. For the purposes of this article, a general notice to the board by a director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this article in relation to any such contract; provided that no such notice shall be effective unless either it is given at a meeting of the board or the

director takes reasonable steps to secure that it is brought up and read at the next board meeting after it is given.

- (K) References in this article to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.
- (L) The company may by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any contract not properly authorised by reason of a contravention of this article.

POWERS AND DUTIES OF THE BOARD

- 86 Subject to the provisions of the Companies Acts, the memorandum of association of the company and these articles and to any directions given by the company in general meeting by special resolution, the business of the company shall be managed by the board which may exercise all the powers of the company whether relating to the management of the business of the company or not. The alteration of the memorandum of association or these articles or the passing of a special resolution shall not invalidate any prior act of the board which would have been valid if that alteration had not been made or that resolution had not been passed. The powers given by this article shall not be limited by any special power given to the board by any other article.
- 87 The board may establish local 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 the local or divisional boards, or any managers or agents, and may fix their remuneration. The board may delegate to any local or divisional board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the board, with power to sub-delegate, and may authorise the members of any local or divisional board, or any of them, to fill any vacancies and to act notwithstanding vacancies. *Any appointment or delegation made pursuant to this article may be made upon such terms and subject to such conditions as the board may decide and the board may remove any person so appointed and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.*
- 88 The board may, by power of attorney or otherwise, appoint any person to be the agent of the company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of the powers, authorities and discretions vested in or exercisable by the board, including power to sub-delegate. The board may

remove any person appointed under this article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

- 89 The board may entrust to and confer upon any director any of the powers, authorities and discretions vested in or exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but *no person dealing in good faith and without notice of the revocation or variation* shall be affected by it.
- 90 The company may exercise all the powers conferred by the Companies Acts with regard to having official seals, and those powers shall be vested in the board.
- 91 Subject to the provisions of the Companies Acts, the company may keep an overseas or local or other register in any place, and the board may make and vary such regulations as it may think fit respecting the keeping of the register.
- 92 The board shall cause minutes or records to be made in books provided for the purposes:-
- (a) of the names of the directors present at each meeting of the board or committee of the board, and
 - (b) of all resolutions and proceedings at all meetings of the company and of the holders of any class of shares in the company and of the board and of any committee of the board.
- 93 The board may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director provided that no benefits (except such as may be provided for by any other article) may be granted to or in respect of a director or former director who has not been employed by, or held an executive or other office or place of profit under, the company or any body corporate which is or has been its subsidiary or any predecessor in business of the company or any such body corporate without the approval of an ordinary resolution of the company. No director or former director shall be accountable to the company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company.

PROCEEDINGS OF THE BOARD

- 94 The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary on the requisition of a director at any time shall, summon a board meeting.
- ¹⁴95 Any director or member of a committee of the directors may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 96 Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the company for this purpose. A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during his absence be sent in writing to him at an address given by him to the company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and if no request is made to the board it shall not be necessary to give notice of board meeting to any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.
- 97 The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, shall be two. Subject to the provisions of these articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.
- 98 The continuing directors or a sole continuing director may act notwithstanding any vacancy in their number but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these articles, the continuing directors or director, notwithstanding that the number of directors is below the number fixed by or in accordance with these articles as the quorum or that there is only one

¹⁴ New article 95 inserted by Special Resolution dated 23 May 2002.

continuing director, may act for the purpose of filling vacancies or of summoning general meetings of the company but not for any other purpose.

- 99 The board may appoint a chairman and deputy chairman or deputy chairmen of its meetings and fix the period for which they are respectively to hold office. If no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting.
- 100 A meeting of the board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the board.
- 101 Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have an additional or casting vote.
- 102 The board may delegate any of its powers, authorities and discretions to any committee, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit, provided that the majority of the members of the committee are directors of the company and that no meeting of the committee shall be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are directors of the company. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the board.
- 103 The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these articles for regulating the meetings and proceedings of the board so far as the same are applicable and are not superseded by any regulations imposed by the board under the last preceding article.
- 104 A resolution in writing executed by all the directors for the time being entitled to receive notice of a meeting of the board (if that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the board or, as the case may be, of the committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned.

- 105 All acts done by the board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the board or committee or person so acting or that they or any of them were disqualified or had vacated office, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee.

SEALS

- 106 The board shall provide for the custody of every seal. A seal shall only be used by the authority of the board or of a committee of the board authorised by the board in that behalf. Subject as otherwise provided in these articles, any instrument to which the common seal is applied shall be signed by at least one director and the secretary or by at least two directors, and any instrument to which an official seal is applied need not, unless the board for the time being otherwise decides or the law otherwise requires, be signed by any person.

DIVIDENDS AND OTHER PAYMENTS

- 107 Subject to the provisions of the Companies Acts, the company may by ordinary resolution from time to time declare dividend to be paid to the members according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the board.
- 108 Subject to the provisions of the Companies Acts, the board may pay such interim dividends as appear to the board to be justified by the financial position of the company and may also pay any dividend payable at a fixed rate at intervals settled by the board whenever the financial position of the company, in the opinion of the board, justifies its payment. If the board acts in good faith, it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer in consequence of the payment of an interim dividend on any shares having non-preferred or deferred rights.
- 109 Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:-
- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share, and

- (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 110 The board may deduct from any dividend or other moneys payable to a member by the company on or in respect of any shares all sums of money (if any) presently payable by him to the company on account of calls or otherwise in respect of shares of the company.
- 111 No dividend or other moneys payable by the company on or in respect of any share shall bear interest against the company.
- 112 Any dividend or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the register in respect of the shares at his address as appearing in the register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of the shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by them.
- 113 Any dividend unclaimed after a period of twelve years from the date of declaration of the dividend shall be forfeited and shall revert to the company and the payment by the board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the company a trustee in respect of it.
- 114 Any general meeting declaring a dividend may, upon the recommendation of the board, by ordinary resolution direct payment or satisfaction of the dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, and the board shall give effect to the direction, and where any difficulty arises in regard to the distribution the board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any specific assets to be distributed and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to secure

equality of distribution and may vest any specific assets to be distributed in trustees as may seem expedient to the board.

CAPITALISATION OF PROFITS

- 115 The company may, upon the recommendation of the board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that the amount to be capitalised be set free for distribution among the members or any class of members who would be entitled to it if it were distributed by way of dividend and in the same proportions, on the footing that it is applied either in or towards paying up the amounts for the time being unpaid on any shares in the company held by those members respectively or in paying up in full unissued shares debentures or other obligations of the company to be allotted and distributed credited as fully paid up among those members, or partly in one way and partly in the other, but so that, for the purposes of this article, a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the company.
- 116 Where any difficulty arises in regard to any distribution under the last preceding article the board may settle the matter as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the board. The board may authorise any person to enter into an agreement with the company on behalf of the persons entitled to participate in the distribution providing for the allotment to them respectively of any shares, debentures or other obligations of the company to which they are entitled on the capitalisation and the agreement shall be binding on those persons.

RECORD DATES

- 117 Notwithstanding any other provision of these articles the company or the board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTING RECORDS

- 118 The board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the company's affairs and to show and explain its transactions, in accordance with the Companies Acts.
- 119 The accounting records shall be kept at the office or, subject to the provisions of the Companies Acts, at such other place or places as the board may think fit and shall always be open to inspection by the officers of the company. No member in his capacity as such shall have any right of inspecting any accounting record or book or document of the company except as conferred by law or authorised by the board or by ordinary resolution of the company.

SERVICE OF NOTICES AND OTHER DOCUMENTS

- 120 ¹⁵(A) Any notice or other document (including a share certificate) may be served on or delivered to any member by the company either personally or by sending it through the post addressed to the member at his registered address or by leaving it at that address addressed to the member. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- ¹⁶(B) Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- (C) The company may also, subject to the provisions of the Companies Acts, give or send to any members any notice or other document (excluding a share certificate) by electronic communication where:-
- (i) the company and that member have agreed to the use of electronic communication for sending copies of documents to the member and:-
 - (a) the documents are documents to which the agreement applies; and

¹⁵ Article 120(A) amended by Special Resolution dated 6 August 2002.

¹⁶ New articles 120(B) to (F) inclusive inserted by Special Resolution dated 6 August 2002.

- (b) copies of the documents are sent using electronic communication to such address (or to one of such addresses if more than one) as may for the time being be notified by the member to the company for that purpose; or
- (ii) the company and that member have agreed to the member having access to documents on a website (instead of the documents being sent to him) and:-
 - (a) the documents are documents to which the agreement applies; and
 - (b) the member is notified in a manner for the time being agreed for the purpose between the member and the company of:-
 - (i) the publication of the documents on a website;
 - (ii) the address of that website;
 - (iii) the place on that website where the documents may be accessed and how they may be accessed; and
 - (c) where the notice in question is a notice of a meeting, the notice continues to be published on that website throughout the period beginning with the giving of that notification and ending with the conclusion of the meeting provided that, if the notice is published on that website for a part but not all of such period, the notice will be treated as published throughout that period if the failure to publish those documents throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the company to prevent or avoid.
- (D) Any amendment or revocation of a notification given to the company under paragraph (C) of this article shall only take effect if in writing, signed by the member and on actual receipt by the company thereof.
- (E) An electronic communication shall not be treated as received by the company if it is rejected by computer virus protection arrangements.
- (F) Where a notice or other document is given or sent by electronic communication, it shall (subject to the provisions of these articles) be deemed to have been received on the day following that on which it was transmitted to an address supplied by the member or, in the case of the publication of a notice on a website, on the day following that on which the member is entitled to see the publication. Proof that a

notice or other document sent by electronic communication was sent in accordance with current guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice or document was sent or given.

- 121 Any member whose registered address is not within the United Kingdom and who gives to the company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at that address but, unless he does so, shall not be entitled to receive any notice from the company.
- 122 Any notice or other document, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document not sent by post but left at a registered address shall be deemed to have been served or delivered on the day it was so left.
- 123 Where a person is entitled by transmission to a share, any notice or other document shall be served upon or delivered to him, and any dividend or other sum payable in cash in respect of the share may be paid to him, as if he was the holder of that share and his address noted in the register was his registered address. Except where there is a person entitled by transmission to a share, any notice or other document served on or delivered to any member pursuant to these articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the company has notice of the death, bankruptcy or other event, be deemed to have been properly served or delivered in respect of any share registered in the name of that member as sole or joint holder unless, before the day of posting (or, if it is not sent by post, before the day of service or delivery) of the notice or document, his name has been removed from the register as the holder of the share and service or delivery in the foregoing manner shall be deemed for all purposes a sufficient service or delivery of the notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- 124 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by a notice advertised in at least two daily newspapers with a national circulation and in that event the notice shall be deemed to have been served on all members and persons entitled by transmission, who

are entitled to have notice of the meeting served upon them, on the day when the advertisement appears. If at least six clear days prior to the meeting the posting of notices to addresses throughout the United Kingdom has again become practicable, the company shall send confirmatory copies of the notice by post to the persons entitled to receive them.

DESTRUCTION OF DOCUMENTS

125 If the company destroys:

- (a) any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation or
- (b) any instruction concerning the payment of dividends or other moneys in respect of any share or any notification of change of name or address at any time after a period of two years has elapsed from the date the instruction or notification was recorded by the company or
- (c) any instrument of transfer of shares which has been registered at any time after a period of six years has elapsed from the date of registration or
- (d) any other document on the basis of which any entry is made in the register at any time after a period of six years has elapsed from the date the entry was first made in the register in respect of it

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

WINDING UP

126 If the company commences liquidation, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Companies Acts,

- (a) divide among the members in kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members and
- (b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit

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

INDEMNITY

¹⁷127

- (1) Subject to the provisions of the Companies Acts, the Company may purchase and maintain for any director, secretary or other officer, insurance against any liability. Subject to the provisions of and so far as may be consistent with the Companies Acts, every director, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office providing that any such indemnity in relation to a director shall only be valid to the extent it constitutes a qualifying third party indemnity provision as defined in section 309B of the Companies Act 1985.
- (2) For the purpose of this Article 127 a director shall be entitled to vote and to be counted in the quorum at any meeting of the board or a committee of the board at which any indemnity, arrangement or proposal falling within this Article 127 is to be considered and, for the purpose of Article 85, any interest which any director may have in such indemnity, arrangement or proposal shall not be a material

¹⁷ Article 127 amended by Special Resolution dated 19 July 2005

interest unless the terms of such indemnity, arrangement or proposal confer upon such director a privilege or benefit not available to, or awarded to, any other director in whose favour such indemnity, arrangement or proposal is given. The decision of the chairman of the meeting as to whether the indemnity, arrangement or proposal to be considered at the meeting falls within this Article 127 or as to the materiality of any director's interest therein for the purposes of this Article and Article 85 shall be final and conclusive.