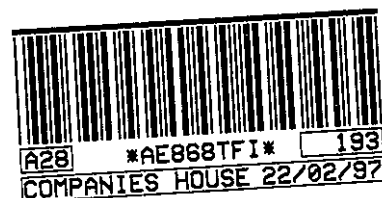


**Company Number: 3055360**

**THE COMPANIES ACT 1985**  
**(A COMPANY LIMITED BY SHARES)**

**SPECIAL RESOLUTION**  
**OF**  
**NETWORK TECHNOLOGY PLC**



**AT THE 1997 ANNUAL GENERAL MEETING** of the above named Company duly convened and held at The Brighton Thistle Hotel, Kings Road, Brighton, East Sussex, on Monday 3<sup>rd</sup> February 1997 at 12.00 noon the following Resolutions were duly passed:-

**ORDINARY RESOLUTION**

1. Directors be and are hereby generally authorised pursuant to and in accordance with section 80 of the Companies Act 1985 ("The Act") to exercise, until the 1998 Annual General Meeting, all the powers of the Company to allot and make offers or agreements to allot relevant securities, but limited so that the nominal value of the relevant securities allotted under this authority shall not exceed the sum of £155,435;
  - (i) the said authority and the said power shall allow and enable the Directors to make offers or agreements before the expiry of the said period which would or might require the making of allotments of relevant securities after the expiry of the said period; and
  - (ii) words and expressions defined in or for the purpose of Part IV of the Companies Act 1985 shall bear the same meaning in this paragraph.

**SPECIAL RESOLUTIONS**

2. That the Directors, pursuant to Section 95 of the Act are hereby given power to make allotments of equity securities pursuant to the authority granted by the Company as if sub-section 89(1) of the Act did not apply to any such allotment, provided that:
  - i) the power hereby granted shall be limited to the allotment of equity securities up to an aggregate nominal amount of £155,435;
  - ii) the power hereby granted shall expire on the date of the 1998 Annual General Meeting of the Company; and
  - (iii) the said power shall allow and enable the Directors to make an offer or agreement before the expiry of that power which would require equity securities to be allotted after such expiry;

- iv) this resolution shall revoke all previous powers granted pursuant to Section 95 of the Act; and
- v) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meaning in this paragraph.

3. That the Articles of Association of the Company be altered as follows:

- i) The present Article 100 is deleted and substituted by the following Article

*The Board of Directors may, from time to time, appoint one or more of its body to be the holder of any executive office, including the office of Managing or Joint Managing Director. Any such appointment shall be on such terms (including remuneration) and for such period as the Board or the Remuneration Committee of the Board may determine.*

- ii) The present Article 102.1 is deleted and substituted by the following Article:

*A Director holding any Executive office shall receive such remuneration, whether in addition to or in substitution, for his ordinary remuneration as a Director and whether by way of salary, commission, participation in profits or otherwise, as the Board or the Remuneration Committee of the Board may determine.*

- iii) Article 104.4 shall be added to the Articles which shall read as follows:

*The Remuneration Committee shall be appointed by the Board of Directors and it shall consist exclusively of Non-Executive Directors who shall have no financial interest other than being shareholders in the matters to be decided, no potential conflict of interest from cross-directorships and no day-to-day responsibility in running the business. The Remuneration Committee shall apply the rules (and any amendments thereof) required by the London Stock Exchange on Directors' remuneration.*

**Signed**

**M Pollins  
Director**

Company No. 3055360

**THE COMPANIES ACT 1985**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**NEW  
ARTICLES OF ASSOCIATION**

**- of -**

**NETWORK TECHNOLOGY PLC**

**(Amended by Special Resolution dated 3rd February 1997)**

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**COMPANIES ACT 1985**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**NEW  
ARTICLES OF ASSOCIATION**

- of -

**NETWORK TECHNOLOGY plc**

(As amended by Special Resolution passed on 3 February 1997)

**OTHER REGULATIONS EXCLUDED**

**1 Other regulations excluded**

The following regulations shall be the articles of association of the Company to the exclusion of any regulation or article prescribed by or pursuant to any statute concerning companies.

**INTERPRETATION**

**2 Interpretation**

**2.1 In these Articles the following words shall, unless the context otherwise requires, bear the following meanings:-**

"A' Preference Shares" means the 'A' cumulative redeemable preference shares of 50p each in the capital of the Company.

"Act" means the Companies Act 1985.

"Articles" means these articles of association as amended from time to time;

"Auditors" means the auditors from time to time of the Company;

"B' Preference Shares" means the 'B' cumulative redeemable preference shares of 50p each in the capital of the Company.

"Board" means the board of Directors or the Directors present at a duly convened meeting of Directors at which a quorum is present or a duly authorised committee of the Directors as the context requires;

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

"Company" means NETWORK TECHNOLOGY plc a company incorporated under the laws of England and Wales;

"Director" means a director of the Company from time to time;

"entitled by transmission" means, in relation to a share, entitled as a consequence of the death or bankruptcy of a Member or of another event giving rise to a transmission or entitlement by operation of law;

"General Meeting" or "Meeting" means a general meeting of the Members of the Company;

"Group" means the Company and any company which is for the time being a Subsidiary Undertaking of the Company;

"Holder" means, in respect of any share, the Member whose name is entered in the Register as the holder of that share;

"London Stock Exchange" means London Stock Exchange Limited;

"Member" means a member of the Company;

"Month" means calendar month;

"Office" means the registered office of the Company from time to time;

"Paid Up" means paid up and/or credited as paid up;

"person of unsound mind" means a person who is, or may be, suffering from mental disorder and either:

- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
- (b) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

"Prescribed Rate" means an annual rate of interest equal to three per cent above the base lending rate (or any equivalent or successor lending rate) published from time to time by Barclays Bank PLC in London being the base lending rate prevailing at the close of business in London on the day immediately preceding the day on which such rate falls to be determined;

"Recognised Person" means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange which is designated for the purposes of Section 185(4) of the Act;

"Register" means the register of Members of the Company kept pursuant to Section 352 of the Act;

"Seal" means the common seal of the Company and, as appropriate, any official or securities seal that the Company has or may be permitted to have under the Act;

"Secretary" means the secretary of the Company and (subject to the provisions of the Act) any joint, assistant or deputy secretary and any person appointed by the Directors to perform any of the duties of the secretary;

"Statutes" means the Act and the Companies Act 1989 and every other statute and/or statutory instrument, rules, orders or regulations from time to time in force concerning companies and affecting the Company;

"Sterling" means the lawful currency of the United Kingdom;

"Subsidiary Undertaking" means a subsidiary undertaking of the Company which is required by the Statutes to be included in consolidated Group accounts of the Company;

"United Kingdom" means Great Britain and Northern Ireland; and

"in writing" means written, printed, lithographed or photographed, or visibly expressed in all or any of these or any other modes of representing or reproducing words.

- 2.2 Words denoting the singular shall include the plural and vice versa.
- 2.3 Words denoting the one gender include any other gender.
- 2.4 References to persons include references to natural persons and to corporations.
- 2.5 The expressions "share" and "shareholder" shall include stock and stockholder. The expressions "debenture" and "debenture holder" shall include debenture stock and debenture stockholder.
- 2.6 Subject to the other provisions of this Article 2, any words or expressions defined in the Statutes shall (except where the subject or context otherwise requires) bear the same meaning in these Articles.
- 2.7 References in these Articles to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.
- 2.8 References in these Articles to "Sections" are references to sections of the Act.
- 2.9 The headings contained in these Articles are included for convenience only and shall not affect the construction or interpretation of these Articles.
- 2.10 A special or extraordinary resolution of the Company shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles and where for any purposes an extraordinary resolution is required a special resolution shall also be effective.

## SHARE CAPITAL

### 3 Authorised share capital

3.1 The Authorised share capital of the Company at the date these Articles came into force is the sum of £5,300,000 divided into 36,965,335 ordinary shares of 10p each, 2,631,933 'A' Preference Shares and 575,000 'B' Preference Shares ("the Shares")

3.2 The rights attaching to the various classes of shares are as follows:-

#### 3.2.1 Income

The profits of the Company available for distribution shall be applied as follows:-

- (a) First in paying to the holders of the 'A' Preference Shares a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as "the 'A' Preference Dividend") of 9 pence per annum on each 'A' Preference Share accruing from the date of subscription for the 'A' Preference Shares and payable half yearly on 1 July and 1 January in each year.
- (b) Second in paying to the holders of the 'B' Preference Shares a fixed cumulative preference net cash dividend (hereinafter in these articles referred to as "the 'B' Preference Dividend") of 9 pence per annum on each 'B' Preference Share accruing from the date of subscription for the 'B' Preference Shares and payable half yearly on 1 July and 1 January.
- (c) Third in paying to the holders of the ordinary shares a dividend on each ordinary share of an amount declared or paid in accordance with the provisions of these Articles; provided however no dividend shall be declared or paid to the holders of ordinary shares in respect of any financial year of the Company unless and until the 'A' Preference Dividend and the 'B' Preference Dividend have been paid in full in respect of that financial year and in respect of all previous financial years of the Company.

3.2.2 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any redemption monies due on the preference shares and the 'A' Preference Dividend and the 'B' Preference Dividend, the Fixed Dividend, the Participating Dividend and the Compensatory Dividend.

#### 3.2.3 Capital

On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- (a) First in paying to the holders of the 'A' Preference Shares £1 per share together with a sum equal to any arrears or accruals of the 'A' Preference Dividend calculated down to the date of the return of capital.

- (b) Second in paying to the holders of the 'B' Preference Shares £1 per share together with a sum equal to any arrears or accruals of the 'B' Preference Dividend calculated down to the date of the return of capital.
- (c) The balance of such assets shall be distributed amongst the holders of the ordinary shares in preparation to amounts paid up or credited as paid up on the ordinary shares.

#### 3.2.4 Redemption

- (a) Subject to the Act, the Company may at any time and without notice redeem the whole of the 'A' Preference Shares and the 'B' Preference Shares and will redeem all the 'A' Preference Shares and the 'B' Preference Shares at any time within 7 days of the equity share capital of the Company being admitted to the Official List of the London Stock Exchange or the equity share capital being admitted to trading on the Alternative Investment Market of the London Stock Exchange.
- (b) On the date of redemption the Company shall pay to each registered holder of 'A' Preference Shares and/or 'B' Preference Shares (as the case may be) the amount payable in respect of such redemption and upon receipt of that amount each such holder shall surrender to the Company the certificate for his shares which are to be redeemed in order that they may be cancelled. If there is more than one holder of 'A' Preference Shares or 'B' Preference Shares any redemption shall be made among such holders pro rata (as nearly as may be) to their respective holdings.
- (c) The Company shall pay on each of the 'A' Preference Shares and the 'B' Preference Shares so redeemed a sum equal to the subscription price of such shares (including any premium) and shall contemporaneously pay any arrears or accruals of the 'A' Preference Dividend and the 'B' Preference Dividend (as the case may be) calculated to the date of redemption and in the absence of any direction to the contrary by the holder of the relevant 'A' Preference Shares or 'B' Preference Shares any monies paid on redemption of such share shall relate first to the said arrears and accruals of 'A' Preference Dividend and the 'B' Preference Dividend (as the case may be) shall cease to accrue from the date of payment of the redemption monies.

#### 3.2.5 Voting

The holders of the 'A' Preference Shares and the 'B' Preference Shares shall be entitled to receive notice of all general meetings but shall not by reason of such holding be entitled to attend or vote thereat unless in the case of 'A' Preference Shares only:-

- (a) any of the 'A' Preference Dividend has not been paid within 6 months of the relevant date set out in these Articles; or
- (b) the 'A' Preference Shares are liable to be redeemed by the Company and the Company has failed or is unable to redeem the same:

then the holders of the 'A' Preference Shares shall have one vote for each 'A' Preference Share held by them.



### 3.2.6 Conversion

Forthwith upon redemption of all the 'A' Preference Shares and of all the 'B' Preference Shares each 'A' Preference Share and 'B' Preference Share shall be sub-divided into 5 shares of 10p each and be converted into ordinary shares ranking pari passu with the existing ordinary shares of the Company and shall be available for re-issue by the Company accordingly.

## 4 Conditions of issue of unissued or new shares

Subject to the Statutes and without prejudice to any special rights attached to any class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached to it such special rights, conditions or restrictions as the Company may by ordinary resolution direct, or failing such direction (but in the case of unclassified shares only) as the Board may determine. Where the equity capital of the Company includes shares with different voting rights, the designation of each class of shares other than those with the most favourable voting rights will include the words "restricted voting" or "limited voting" or "non voting".

## SHARES

## 5 Authority of Board to allot shares

Subject to the Act and to any authority contained in the resolution of the Company in General Meeting creating or authorising the same, the Board has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued share of the Company or right to subscribe for or convert any security into shares to such persons, at such times and generally on such terms and conditions as the Board may determine.

## 6 Power to pay commissions

The Company may exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Subject to the Statutes and the rules of the London Stock Exchange, any such commission or brokerage may be satisfied in cash or by the allotment of fully paid shares in the Company or the grant of an option to call for an allotment of shares or any combination of such methods as the Board may decide.

## 7 Receipt of joint Holders

If two or more persons are registered as joint Holders of any share, any one of such persons may give effectual receipts for any dividend or other moneys payable in respect of such share.

## 8 Trusts not recognised

Save as ordered by a court of competent jurisdiction or as provided by these Articles or otherwise 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 to recognise any equitable, contingent, future or partial interest in any share or any right whatsoever in

respect of any share, other than an absolute right to the whole of the share in the registered Holder.

**9 Power to issue redeemable shares**

Subject to the Statutes, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or of the shareholder.

**10 Power to purchase its own shares**

**10.1** Subject to the Statutes, the Company may purchase its own shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be approved by any resolution authorising such purchase and as permitted by the Statutes provided that, where there are in issue any securities convertible into or carrying a right to subscribe for equity share capital in the Company, of the class proposed to be purchased, no such purchase will take place unless it has been sanctioned by an extraordinary resolution passed at a separate class meeting of the Holders of each affected class.

**10.2** 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 Article 10.

**SHARE CERTIFICATES**

**11 Issue of Certificates**

**11.1** Subject to the Statutes and the requirements of the London Stock Exchange, a person (except a Recognised Person in respect whom the Company is not required by law to complete and have ready for delivery a certificate) on becoming the Holder of a share is entitled to receive (unless the conditions of issue of the relevant shares shall otherwise provide) one certificate for all the shares of each class registered in his name. In the case of joint Holders the Company shall not be bound to issue more than one certificate to all the joint Holders and delivery of such a certificate to any one of them shall be sufficient delivery to all. Where part of the shares comprised in a certificate are transferred, the Member (other than a Recognised Person) transferring shall be entitled without payment to a certificate for his retained holding. Shares of different classes may not be included in the same certificate.

Every certificate shall be issued under the Seal or bearing an imprint or representation of the Seal or such other form of authentication as the Board may determine, and shall specify the number, class and distinctive numbers (if any) of the shares to which it relates and the amount paid up on the shares.

**12 Renewal of certificates**

If any such certificate is worn out, defaced, destroyed or lost, it may be replaced by a new certificate without payment (other than exceptional out-of-pocket expenses incurred by the Company in respect of any such issue) on such evidence being produced as the Board may require and, in the case of wearing out or defacement, on delivery up of the old certificate and, in the case of destruction or loss, on execution of such indemnity (if any), with or

without security, as the Board may require. The Company shall be entitled to destroy any old certificate which has been replaced.

**13 Replacement Certificates**

13.1 Where a Member holds two or more certificates for shares of one class, the Board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate.

13.2 At the request of a Member the Board may cancel a certificate and issue two or more in its place (representing shares in such proportions as the Member may specify) on surrender of the original certificate and a payment of such reasonable sum as the Board may determine. No Member shall be entitled to more than one certificate in respect of any one share held by him.

**CALLS ON SHARES**

**14 Making of calls**

14.1 The Board may, subject to the provisions of these Articles and to any conditions of issue, from time to time make such calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) as it thinks fit Provided that fourteen Clear Days' notice at least is given of each call, and each Member shall be liable to pay the amount of every call so made upon him to the persons and at the times and places appointed by the Board.

14.2 A call may be made payable by installments.

14.3 A call shall be deemed to have been made as soon as the resolution of the Board authorising such call shall have been passed and an entry in the minute book of a resolution of the Board making the call shall be conclusive evidence of the making of the call.

14.4 A call may be revoked or postponed, in whole or in part, as the Board may determine.

14.5 Joint Holders of a share shall be jointly and severally liable to pay all calls.

**15 Interest on unpaid calls**

If a call payable in respect of a share is not paid on, or before, the day appointed for payment, the person from whom the amount of the call is due shall pay interest on such amount at the Prescribed Rate from that day until the date of actual payment and all expenses that may have been incurred by reason of such non-payment, but the Board shall have power to waive payment of or remit such interest or any part thereof.

**16 Sums payable on allotment**

Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date whether on account of the nominal amount of the share or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment and, in case of non-payment, the provisions of these Articles as to payment of interest and expenses, forfeiture and the like and all other relevant provisions of

the Statutes or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.

**17 Power to differentiate**

On the issue of shares the Board may differentiate between the Holders of such shares either as to the amount of calls to be paid or the time of payment of such calls with respect to such shares or both.

**18 Payments in advance of calls**

The Board may receive from any Member willing to advance the same, all or any part of the moneys due upon his shares beyond the sums actually called up thereon and upon all or any of the moneys so advanced the Board may (until the same would, but for such advance, become presently payable) pay or allow such interest (not exceeding, without the consent of a General Meeting, the Prescribed Rate) as may be agreed between it and such Member, in addition to the dividend payable upon such part of the shares in respect of which such advance has been made as is actually called up. No sum paid up in advance of calls shall entitle the Holder of a share in respect thereof to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

**19 Calls to be paid before exercising Member's rights**

No Member shall be entitled to receive any dividend or to be present or vote at any Meeting or upon a poll or to exercise any right or privilege as a Member, until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses in respect of such calls.

**20 No certificates**

Nothing in these Articles shall require title to any shares or other securities of the Company to be evidenced or transferred by a written instrument if any rules or regulations made from time to time under the Statutes so permit. The Board shall have power to adopt and implement any arrangements as they may think fit for recording and transferring title to shares or other securities which accord with those rules and regulations. References in these Articles to certificates for shares and instruments of transfer shall be construed accordingly.

**FORFEITURE**

**21 Notice to pay calls**

If a Member or person entitled to a share by transmission upon the death or bankruptcy of a Member fails to pay in full any call or installment of a call on or before the day appointed for payment thereof, the Board may at any time thereafter serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest and expenses which may have accrued.

22        **Contents of such notice**

The notice shall name a further day (not being less than 14 Clear Days from the date of service 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 in accordance therewith the shares on which the call was made will be liable to be forfeited.

23        **Forfeiture or surrender on non-compliance with notice**

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof have been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Board may accept a surrender of any share liable to be forfeited hereunder in lieu of forfeiture and the provisions of these Articles shall apply to any share so surrendered as if it had been forfeited.

24        **Disposal of forfeited or surrendered share**

Subject to the provisions of the Statutes, a share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was its Holder before such forfeiture or surrender, or to any other person, upon such terms and in such manner as the Board shall think fit. At any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Board may think fit. The Board may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

25        **Liability in respect of forfeited or surrendered share**

A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of such shares, but shall, notwithstanding the forfeiture or surrender, remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at the Prescribed Rate.

26        **Notice of Forfeiture**

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the Holder of such share but no forfeiture shall be invalidated by any omission or neglect to give the notice. An entry of the fact and date of the forfeiture shall be made in the register.

## **LIEN**

### **27 Company's lien on Shares not fully paid**

The Company shall have a first and paramount lien upon every share (not being a share which is fully Paid Up) registered in the name of any Member, either alone or jointly with any other person, for his or his estate's debts, liabilities and engagements, whether solely or jointly with any other person, to or with the Company in respect of that share, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not. Such lien shall extend to all dividends from time to time declared or other moneys payable in respect of every such share but the Board may at any time declare any share to be exempt, wholly or partially, from the provisions of this Article. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

### **28 Enforcement of lien by sale**

For the purposes of enforcing such lien the Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, if the due date for payment of the relevant amounts has arrived and if payment is not made within 14 Clear Days after a notice in writing, demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the Holder of the share or the person entitled thereto by transmission and provided that payment of all sums in respect of which the lien exists has not been made.

### **29 Application of proceeds of sale**

The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debt or liability which supports the lien to the extent that it is presently payable. 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 a surrender to the Company for cancellation of the Certificate for the shares sold or the provision of an indemnity (with or without security) as to any lost or destroyed certificate required by the Board) be paid to the person entitled to the shares at the time of the sale. The Board may authorise any person to transfer the shares sold to give effect to such sale.

### **30 Evidence of title to shares forfeited, surrendered or sold by the Company**

A statutory declaration in writing that the declarant is the Secretary or a Director and that a share has been forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive as against all persons claiming to be entitled to the share and such declaration and the receipt of the Company for the consideration (if any) given for the share on its sale, re-allotment or disposal together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share. The person to whom the share is sold, re-allotted or disposed of shall be registered as the Holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **TRANSFER OF SHARES**

### **31 General requirements for transfer**

31.1 Subject to these Articles, any Member may transfer all or any of his shares by instrument of transfer but not more than one class of shares shall be transferred by one instrument of transfer.

31.2 Every transfer must be in writing in the usual common form or in such other form as the Board may approve, duly stamped, and must be lodged at the office of the registrars of the Company for the time being accompanied by the certificate of the shares to be transferred (save in the case of a transfer by a nominee of a recognised investment exchange to whom no certificate was issued) and such other evidence as the Board may reasonably require to prove the title of the intended transferor.

31.3 Notwithstanding the preceding provisions of this Article 31 the Board may adopt procedures for recording, transferring and evidencing title to its shares without a written instrument Provided that such procedures shall be in accordance with the Statutes and regulations made pursuant thereto.

### **32 Execution of transfer**

The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of a share which is fully Paid Up) by or on behalf of the transferee but need not be under Seal. The transferor shall be deemed to remain the Holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof.

### **33 Board's power to refuse registration**

33.1 The Board may, in its absolute discretion and without assigning any reason, refuse to register a transfer of any share:-

33.1.1 (not being a share which is fully Paid Up) to a person of whom it does not approve;  
or

33.1.2 to more than four joint Holders; or

33.1.3 (not being a share which is fully Paid Up) on which the Company has a lien; or

33.1.4 if made in favour of an infant, or a person in respect of whom a receiving order or adjudication order in bankruptcy has been made which remains undischarged or a person of unsound mind.

33.2 The Board may, in its absolute discretion, refuse to register any transfer of shares in the circumstances permitted by Article 42 or under any other statutory provision or provision of these Articles for the time being in force enabling the Company by notice in writing to require any persons to give any information regarding those shares).

### **34 Notice of refusal to register**

If the Board refuses to register a transfer of any share it shall within two months after the

date on which the transfer was lodged with the Company send to the transferee notice of the refusal, as required by Section 183(5).

**35 Transfer and other registration fees**

No fee shall be charged for registration of a transfer, probate, letters of administration, certificate of marriage or death, stop notice, power of attorney or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

**36 Closing of register**

Subject to the provisions of Section 358 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may determine but the Register shall not be closed for more than thirty days in any year.

**37 Retention and destruction of transfers**

Subject to the following Article, all instruments of transfer which are registered may be retained by the Company but any instrument of transfer which the Board refuses to register shall (except in the case of fraud) be returned to the person depositing the same.

**38 Renunciations of allotment**

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

**TRANSMISSION OF SHARES**

**39 Transmission on death**

In case of the death of a Member the survivor or survivors (where the deceased was a joint Holder) and the executors or administrators of the deceased (where he was a sole or only surviving Holder) shall be the only persons recognised by the Company as having any title to his interest in the shares but nothing in these Articles shall release the estate of a deceased Holder (whether sole or joint) from any liability in respect of any share held by him.

**40 Election of person entitled on transmission**

Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to title being provided as the Board may require either be registered himself as Holder of the share (upon giving to the Company notice in writing to that effect) or have a person nominated by him registered as Holder. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.

The Board may give notice requiring a person to make the election referred to in this Article. If that notice is not complied with within 60 days the Board may withhold payment



of all dividends and other amounts payable in respect of the share until notice of election has been made.

**41 Rights of person entitled on transmission**

Save as otherwise provided by these Articles, a person becoming entitled to a share by transmission shall (upon supplying to the Company such evidence as the Board may reasonably require as to his title to the share) be entitled to receive, and may give a discharge for, all benefits arising or accruing on or in respect of the share and the same dividends and other advantages to which he would be entitled if he were the registered Holder of the share except that he shall not be entitled to exercise any right conferred by membership in relation to meetings until he shall have been registered as a Member in respect of the share Provided always that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if within 60 days the notice is not complied with such person shall be deemed to have elected to be registered as a Member in respect thereof and may be registered accordingly. Where a person becomes entitled to a share by transmission, the rights of the Holder in relation to that share cease.

**DISCLOSURE OF INTEREST IN SHARES**

**42 Disclosure of Interests in Shares**

42.1 Where notice is served by the Company under Section 212 of the Act ("Section 212 notice") on a Member, or another person appearing to be interested in shares held by that Member and the Member or other person has failed in relation to any shares (the "default shares", which expression includes any shares issued after the date of the Section 212 notice in right of those shares) to give the Company the information required within the prescribed period from the date of service of the Section 212 notice, the Board may at any time, by notice ("a direction notice") to the Member, direct that in respect of the default shares:

42.1.1 the Member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a General Meeting or at a separate Meeting of the Holders of a class of shares or on a poll or to exercise other rights conferred by membership in relation to the Meeting or poll; and

42.1.2 where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:

- (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which shall have no obligation to pay interest on it, and the Member is not entitled to elect, pursuant to Article 141, to receive shares instead of a dividend; and
- (b) no transfer of any of the default shares shall be registered unless (1) the transfer is an excepted transfer or (2) the Member is not himself in default in supplying the information required and (3) the Member proves to the satisfaction of the Board that no person in default in supplying the information required is interested in

any of the shares the subject of the transfer.

42.2 The sanctions under Article 42.1 shall cease to apply seven days after the earlier of receipt by the Company of :

42.2.1 notice of registration of an excepted transfer, but only in relation to the shares transferred; and

42.2.2 in relation to other shares all the information required by the Section 212 notice, in a form satisfactory to the Board.

42.3 Where, on the basis of information obtained from a Member in respect of any shares held by him, the Company issues a Section 212 notice to another person, it shall at the same time send a copy of the Section 212 notice to the Member, but the accidental omission to do so, or the non- receipt by the Member of the copy, does not invalidate or otherwise affect the application of Article 42.1.

42.4 The Company shall send a copy of the notice to each other person appearing to be interested in the shares the subject of a direction notice but the failure or omission to do so shall not invalidate the validity of the notice.

42.5 For the purposes of this Article 42:

42.5.1 a person, other than the Member holding a share, is treated as appearing to be interested in that share if the Member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained from the Member, or pursuant to a Section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;

42.5.2 "interested" is construed as it is for the purposes of section 212 of the Act;

42.5.3 reference to a person having failed to give the Company the information required by a Section 212 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;

42.5.4 "prescribed period" means 14 days;

42.5.5 "excepted transfer" means, in relation to shares held by a member (a) a transfer pursuant to acceptance of a takeover offer for the Company (within the meaning of Section 428(1) of the Act); or (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the Member and with any other person appearing to be interested in the shares.

- 42.6 Shares issued in respect of shares which are subject to restrictions pursuant to this Article 42 shall, on issue, become subject to the same restriction.
- 42.7 The Company is not, by virtue of anything done for the purposes of this Article, to be affected by notice of, or put on enquiry as to the rights of any person in relation to, any shares.
- 42.8 The provisions of this Article 42 shall be in addition and without prejudice to the provisions of the Statutes and nothing done by the Company pursuant to this Article shall prejudice the Company's rights under the Statutes.

## **ALTERATIONS TO CAPITAL**

### **43 Power to increase capital**

The Company may, from time to time, by ordinary resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully Paid Up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution directs.

### **44 Provisions applicable to new shares**

Except as otherwise provided by these Articles or by the conditions of issue, any new share capital shall be considered as part of the existing share capital and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as the existing share capital.

### **45 Consolidation, cancellation and sub-division of shares**

#### **45.1 The Company may, from time to time, by ordinary resolution:-**

- 45.1.1 consolidate all or any of its share capital into shares of a larger amount than its existing shares;
- 45.1.2 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 canceled;
- 45.1.3 sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of Section 121(3) and so that a resolution whereby any share is sub-divided may determine that, as between the Holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over or may have such deferred rights or be subject to any such restrictions, as compared with the others, as the Company has power to attach to unissued or new shares.

46      **Reduction of capital**

Subject to the Statutes and any confirmation or consent required by law, the Company may, from time to time, by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner.

47      **Provisions as to consolidation of shares - Fractions**

47.1      If, as the result of consolidation and division or sub-division of shares, Members become entitled to fractions of a share, the Board may on behalf of the Members deal with the fractions as it thinks fit. In particular, the Board may:

47.1.1      sell fractions of a share to a person (including, subject to the statutes to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sum as the Board may decide, the sum may be retained for the benefit of the Company). To give effect to a sale the Board may authorise a person to execute an instrument of transfer of shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the register as the Holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or

47.1.2      subject to the Statutes, issue to a Member credited as fully paid by way of capitalization the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the Board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the Board capitalising part of the reserves has the same effect as if the capitalization had been declared by ordinary resolution of the Company pursuant to Article 147. In relation to the capitalization the Board may exercise all the powers conferred on it by Article 147 without an ordinary resolution of the Company.

**MODIFICATION OF CLASS RIGHTS**

48      **Modification of Class Rights**

48.1      None of the rights, privileges or conditions for the time being attached or belonging to any class of shares forming part of the issued capital for the time being of the Company shall be modified, varied or abrogated in any manner except with the consent in writing of the Holders of three fourths in nominal value of the issued shares of the class or the sanction of an extraordinary resolution passed at a separate Meeting of the Members of that class and then only subject to the provisions of Section 127.

- 48.2 To any such separate Meeting all the provisions of these Articles as to General Meetings shall mutatis mutandis apply but so that the necessary quorum (other than at an adjourned Meeting) shall be not less than two persons personally present and holding or representing, either by proxy or as the duly appointed representative of a corporation which is a Member, at least one third of the capital Paid Up on the issued shares of the class and, at an adjourned Meeting, one Member holding shares of the class in question or his proxy, and so that any Holder of shares of the class in question present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him.
- 48.3 The rights conferred upon the Holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by these Articles or by the terms of issue of the shares of that class, be deemed to be modified, varied or abrogated by the creation or issue of further shares ranking *pari passu* therewith.

## **GENERAL MEETINGS**

### **49 Annual General Meeting**

An Annual General Meeting of the Company shall be held in each year (in addition to any other Meetings which may be held in that year) and such Meeting shall be specified as the Annual General Meeting in the notices calling it. Not more than fifteen months shall elapse between the date of one Annual General Meeting and the date of the next. Subject as aforesaid and to the provisions of this Article and of the Statutes, the Annual General Meeting shall be held at such time and place as the Board shall appoint.

### **50 Extraordinary General Meetings**

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

### **51 Convening of Extraordinary General Meetings**

51.1 The Board may convene an Extraordinary General Meeting whenever it thinks fit and, upon receipt of a requisition of Members pursuant to the Act, must forthwith proceed to do so for a date not later than eight weeks after deposit of the requisition at the Office.

51.2 If at any time there are not sufficient Directors capable of acting to form a quorum of the Board any Director or any two Members may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which Meetings may be convened by the Board.

### **52 Requisition to state business**

In the case of an Extraordinary General Meeting called in pursuance of a requisition, unless such Meeting shall have been called by the Board, no business other than that stated in the requisition or proposed by the Board shall be transacted.

## **NOTICE OF GENERAL MEETINGS**

### **53 Notice of General Meetings**

53.1 At least twenty-one Clear Days' notice of every Annual General Meeting and of every Extraordinary General Meeting at which it is proposed to pass a special resolution and at least fourteen Clear Days' notice of every other Extraordinary General Meeting shall be given in the manner set out below to such Members as are, under the provisions of these Articles, entitled to receive such notices from the Company and to the Auditors.

53.2 Every notice of Meeting shall specify whether the Meeting is an Annual General Meeting or an Extraordinary General Meeting, the place, day and hour of the Meeting and, in the case of special business, the general nature of such business and shall also state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member. In the case of a Meeting convened for passing a special or extraordinary resolution the notice shall specify the intention to propose the resolution as a special or extraordinary resolution (as the case may be).

### **54 Short notice**

54.1 A Meeting shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called if it is agreed:-

54.2 in the case of a Meeting called as the Annual General Meeting, by all the Members entitled to attend and vote at the Meeting; and

54.3 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 a right to attend and vote at the Meeting.

### **55 Duty to inform Members on requisition**

It shall be the duty of the Company, subject to the provisions of the Statutes, on the requisition in writing of such number of Members as is specified in Section 376 and (unless the Company otherwise resolves) at the expense of the requisitionists: (i) to give to Members entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that Meeting and (ii) to circulate to Members entitled to have notice of any General Meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that Meeting.

### **56 Omission or non-receipt of notice**

The accidental omission to give notice of any Meeting or, in cases where it is sent out with the notice, an instrument of proxy, to, or the non-receipt of notice of any Meeting by, any person entitled to receive notice shall not invalidate any resolution passed or proceeding held at that Meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

### **57 Special business**

All business that is transacted at an Extraordinary General Meeting shall be deemed special and all business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of declaring a dividend, the consideration and adoption of the accounts and balance sheet and the reports of the Directors and the Auditors and any other documents accompanying or annexed to the balance sheet, the election of Directors and the Auditors and the fixing, or determination of the manner of the fixing, of the remuneration of the Directors and the Auditors.

### **58 Special notice**

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

### **59 Quorum**

No business shall be transacted at any General Meeting unless a quorum is present when the Meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation which is a Member, shall be a quorum.

### **60 Chairman**

The chairman of the Board or, in his absence, the deputy chairman, shall preside at every General Meeting but if there be no such chairman or he shall be unwilling or unable to preside or he shall not be present within fifteen minutes after the time appointed for holding the Meeting, the Directors present shall choose a Director or if no Director is present or if all the Directors present decline to take the chair, the Members present in person or by proxy shall choose one of their number to be chairman of the Meeting.

### **61 Dissolution or adjournment in absence of quorum**

If within fifteen minutes, or such longer period as the chairman in his absolute discretion shall decide from the time appointed for the holding of a General Meeting a quorum is not present, the Meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to such time and place as the chairman of the Meeting may decide.

### **62 Procedure for adjournment**

The chairman of the Meeting may, with the consent of the Meeting (and shall, if so directed by the Meeting), adjourn any Meeting from time to time and from place to place.

Whenever a Meeting is adjourned for thirty days or more, at least seven days' notice, specifying the place, the day and the time of the adjourned Meeting shall be given as in the case of an original Meeting. Save as aforesaid, no Member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned Meeting. No business shall be transacted at any adjourned Meeting other than the business which might have been transacted at the Meeting from which the adjournment took place.

**63 Accommodation of Members at Meeting**

It appears to the chairman that the meeting place specified in the notice convening the Meeting is inadequate to accommodate all Members entitled and wishing to attend, the Meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a Member who is unable to be accommodated is able to (i) participate in the business for which the Meeting has been convened and (ii) hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and (iii) be heard and seen by all other persons present in the same way.

**64 Security**

The Board may make any arrangement and impose any restriction it considers appropriate to ensure the security of a Meeting including, without limitation, the searching of a person attending the Meeting and the restriction of the items of personal property that may be taken into the meeting place. The Board is entitled to refuse entry to a Meeting to a person who refuses to comply with these arrangements or restrictions.

**65 Order at Meeting**

The Chairman shall take such action as he thinks fit to promote the orderly conduct of General Meetings. The decision of the Chairman on points of order, matters of procedure or arising incidentally out of the business of the Meeting shall be final and conclusive, as shall be his determination, in good faith, whether any point or matter is of such a nature.

**66 Method of Voting**

66.1 At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands (or on the withdrawal of any other demand for a poll) a poll be demanded:-

66.1.1 by the chairman of the Meeting; or

66.1.2 by not less than three Members present in person or by proxy and entitled to vote at the Meeting; or

66.1.3 by any Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting; or

66.1.4 by a Member or Members holding shares in the Company conferring a right to attend and vote at the Meeting being shares on which an aggregate sum has been



Paid Up equal to not less than one-tenth of the total sum Paid Up on all the shares conferring that right.

- 66.2 Unless a poll be so demanded and the demand is not withdrawn, a declaration by the chairman of the Meeting that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive of the votes recorded in favour of or against such resolution.

**67 Scrutineers**

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.

**68 Taking of poll**

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time (not being more than thirty days from the date of the Meeting or the adjourned Meeting at which such poll was demanded) and place and in such manner as the chairman of the Meeting shall direct and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. No notice need be given of a poll not taken immediately. The demand for a poll may be withdrawn.

**69 Voting on a poll**

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

**70 Chairman's casting vote**

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the Meeting shall be entitled to an additional or casting vote in addition to the votes to which he may be entitled as a Member.

**71 Chairman to rectify voting errors**

**71.1 If:-**

71.1.1 any objection is raised to the qualification of any voter; or

71.1.2 any votes have been counted which ought not to have been counted or which might have been rejected; or

71.1.3 any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the Meeting on any resolution unless the same is raised or pointed out at the Meeting or 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 is of sufficient magnitude to vitiate

the resolution or may otherwise have affected the decision of the Meeting. The decision of the chairman on such matters shall be final and conclusive.

**72 Continuance of Meeting after poll demanded**

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 a poll has been demanded and it may be withdrawn with the consent of the chairman at any time before the close of the Meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

**VOTES OF MEMBERS**

**73 Voting rights**

Subject to any special terms as to voting upon which any share may be issued, or may for the time being be held, and subject to the provisions of Articles 41 and 42, upon a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and in each case is entitled to vote shall have one vote and upon a poll every Member present in person or by proxy and entitled to vote shall have one vote for every share of which he is the Holder.

**74 Votes of incapacitated Members**

If any Member is a person of unsound mind or otherwise incapacitated he may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis, committee or other legal curator or other person authorised for that purpose and appointed by the court either personally or by proxy Provided that such evidence as the Board may reasonably require of the authority of the persons claiming to vote is deposited at the Office not less than forty eight hours before the time for holding the Meeting or adjourned Meeting at which such person claims to vote.

**75 Votes of joint Holders**

If two or more persons are jointly entitled to a share, then, in voting upon any question, 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 Holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the Register.

**76 Voting qualification**

No Member shall be entitled to be counted in the quorum or to vote (whether on a poll or a show of hands or by proxy) at any General Meeting unless he shall be the Holder of one or more shares giving the right to attend thereat upon which all calls or other moneys due and payable in respect of the same shall have been paid.

**77 Proxies**

Votes may be given either personally or by proxy. On a show of hands a Member (other than a corporation) present only by proxy shall have not be entitled to vote but a proxy for or representative of a corporation may vote on a show of hands. A proxy need not be a

Member and a Member may appoint one or more than one person to act as his proxy. On a poll a Member entitled to more than one vote need not, if he votes, use all of his votes or cast all the votes he uses in the same way.

**78 Voting where more than one proxy appointed**

If a Member appoints more than one person to act as his proxy the instrument appointing each such proxy shall specify the shares held by the Member in respect of which each such proxy is to vote and no Member may appoint more than one proxy (save in the alternate) to vote in respect of any one share held by that Member. When two or more valid but differing instruments of proxy are delivered for the same share for use at the same meeting, the one which is last validly delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others.

**79 Execution of proxy instrument**

The instrument appointing a proxy shall be in writing under the hand of the appointor, or his attorney duly authorised in writing, or if such appointor is a corporation, it shall be executed as a deed or under the hand of an officer or attorney duly authorised in that behalf. The Directors may, but shall not be bound to, require evidence of authority of such officer or attorney.

**80 Validity of proxy's vote**

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or transfer of the share in respect of which it is given, unless previous intimation in writing of the death, insanity, revocation or transfer shall have been received at the Office at least one hour before the time fixed for holding the Meeting.

**81 Demand of poll by proxy**

The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote at such poll.

**82 Deposit of proxy instruments**

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof, shall be deposited at such place as may be specified for that purpose in the notice convening the Meeting or in the instrument of proxy or if no place is so specified at the Office at least forty-eight hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in such instrument proposes to vote or, in the case of a poll, not less than forty-eight hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.

**83 Form of proxy instruments**

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

**85 Use of proxy at adjourned meetings**

An 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 expressly relates.

**86 Proxy valid for 12 months**

No instrument appointing a proxy shall be valid after 12 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.

**87 Representation of corporations at Meetings**

Any corporation which is a Member may by resolution of its directors or other governing body authorise any person to act as its representative at any Meeting of the Members or of any class of Members and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member.

**DIRECTORS**

**88 Number of Directors**

Until otherwise determined by an ordinary resolution of the Company, the number of Directors (disregarding alternate directors) shall not be less than two nor more than ten.

**89 Appointment of Directors by Board**

The Board may, from time to time and at any time, appoint any person to be a Director either to fill a casual vacancy or by way of addition to the Board. A Director so appointed shall hold office only until the Annual General Meeting following next after his appointment, when he shall retire, but shall then be eligible for re-election.

**90 No Director's share qualification**

A Director shall not require a share qualification, but shall nevertheless be entitled to attend and speak at any General Meeting of, or at any separate Meeting of the Holders of any class of shares in the Company.

**91 Director's Fees**

There shall be available to be paid out of the funds of the Company to the Directors as fees in each year such sum as the Board may determine Provided that the aggregate fees of the Directors shall not exceed £100,000 per annum or such greater sum as may from time to time be determined by the Company by ordinary resolution, to be divided among such Directors in such proportion and manner as the Board may determine Provided that any such Director holding the office of Director for part of a year shall, unless otherwise agreed, be entitled only to a proportionate part of such fee. The provisions of this Article shall not apply to any Managing Director or Director holding executive office whose remuneration shall be determined in accordance with the provisions of Article 102.

92      **Director's expenses**

A Director shall also be entitled to be repaid all travelling, hotel and other expenses properly incurred by him in and about the performance of his duties as a director, including their expenses of travelling to and from Board or committee or General Meetings.

93      **Special remuneration**

The Board may grant special remuneration to any member of the Board who, being called upon, shall render any special or extra services to the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration (if any) as a Director, and may be payable by way of a lump sum, participation in profits or otherwise as the Board shall determine.

**POWER TO APPOINT A PRESIDENT OF THE COMPANY**

94      **Power to appoint a president of the Company**

The Board shall have power to appoint any person deemed by the Board to be fit for such appointment to be the president of the Company and any person so appointed shall hold office for life or for such other lesser period as from time to time determined by the Board.

If the president is appointed otherwise than from among the Directors then, while he shall not be counted in the quorum at any meeting of the Board and shall not be entitled to vote on any matter decided at any such meeting or otherwise in any way to exercise any of the rights, privileges and powers of a Director, he shall be entitled to attend meetings of the Board although failure to give notice to the president of any such meeting shall not invalidate such meeting or any business transacted thereat.

**INTERESTS OF DIRECTORS**

95      **Holding of other offices by Directors**

A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director and, subject to Section 319, on such terms as to remuneration and otherwise as the Board shall arrange. Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director Provided that nothing herein contained shall authorise a Director or his firm to act as Auditor or Auditors of the Company.

96      **Director's interests in Contracts with Company**

Subject to the provisions of the Statutes, no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor, subject to the interest of the Director concerned being duly declared as required by Article 98, shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby

established.

**97 Director's interests in other companies**

A Director may hold office as a Director or other officer of or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and, unless otherwise agreed, shall not be liable to account to the Company for any remuneration or other benefits receivable by him as a director or officer of, or by virtue of his interest in, such 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.

**98 Declaration of Director's interests**

98.1 Without prejudice to the requirements of the Statutes, a Director, including an alternate Director, who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Board. In the case of a proposed contract the declaration shall be made at the meeting of the Board at which the question of entering into the contract is first taken into consideration or, if the Director was not at the date of that meeting interested in the proposed contract, at the next meeting of the Board held after he became so interested. In a case where the Director becomes interested in a contract after it is made the declaration shall be made at the first meeting of the Board held after the Director becomes so interested. In a case where the Director is interested in a contract which has been made before he was appointed a Director the declaration shall be made at the first meeting of the Board held after he is so appointed.

98.2 For the purposes of this Article 98, a general notice given to the Board by a Director to the effect that he is a member of any 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 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 (within the meaning of Section 346) shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

98.3 In this Article 98 the expression "contract" shall be construed as including any transaction or arrangement, whether or not constituting a contract.

**99 Limitations on voting of interested Directors**

99.1 Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he or any person connected with him (within the meaning of Section 346) has any interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company or in respect of which he has any duty which conflicts with his duty to the Company. A Director shall not

be counted in the quorum at a meeting in relation to any resolution in respect of which he is debarred from voting.

99.2 A Director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:-

99.2.1 the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its Subsidiary Undertakings;

99.2.2 the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its Subsidiary Undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

99.2.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its Subsidiary Undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;

99.2.4 any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever Provided that he (together with any person connected with him within the meaning of Section 346) is not the holder of or beneficially interested in one per cent. Or more of either class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

99.2.5 any arrangement for the benefit of employees of the Group under which the Director benefits in a similar manner as the employees or which does not award to any Director as such any privilege or benefit not generally awarded to the employees to which such arrangements relates; and

99.2.6 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

99.3 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under the proviso to Article 99.2.4) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

99.4 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be determined by a

majority of votes of the remaining Directors present at the meeting and, in the case of an equality of votes, the chairman (unless he be the Director the materiality of whose interest or the entitlement of whom to vote shall be in issue) shall have a second or casting vote and their ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed and, pending such ruling, Article 99.1 shall apply to the Director in question.

## **MANAGING AND OTHER EXECUTIVE DIRECTORS**

### **100 Appointment of executive Directors**

The Board of Directors may, from time to time, appoint one or more of its body to be the holder of any executive office, including the office of Managing or Joint Managing Director. Any such appointments shall be on such terms (including remuneration) and for such period as the Board or the Remuneration Committee of the Board may determine.<sup>1</sup>

### **101 Termination of executive office**

The appointment of any Director to any Executive office shall be capable of being terminated by the Board if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise; but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company.

### **102 Remuneration and powers of executive Directors**

102.1 A Director holding any Executive office shall receive such remuneration, whether in addition to or in substitution for his ordinary remuneration as a Director and whether by way of salary, commission, participation in profits or otherwise, as the Board or the Remuneration Committee of the Board may determine<sup>2</sup>.

102.2 The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board 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 and may from time to time revoke, withdraw, alter or vary all or any of such powers.

102.3 The Company shall not (and the Board shall exercise all voting and other rights and power of control exercisable by the Company in respect of its Subsidiary Undertakings so as to secure that none of its Subsidiary Undertakings shall) grant any contract of service to any such Managing Director or such other officer as is referred to in Article 102.1 or any proposed Managing Director or such other officer as aforesaid which does not expire or is not determinable within five years of the date of grant thereof without payment of compensation (other than statutory compensation) except with the previous sanction of the Company in General Meeting given in accordance with Section 319.

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<sup>1</sup> Amended by Special Resolution dated 3 February 1997.

<sup>2</sup> Amended by Special Resolution dated 3 February 1997.



## **POWERS OF DIRECTORS**

### **103 Powers of the Board**

Subject to the Statutes, the memorandum of association of the Company and to the Articles and to directions given by the Company in General Meeting, the business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercisable and done by the Company and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, provided that they do not act in a manner which is inconsistent with any regulations as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

### **104 Delegation to Committees**

104.1 The Board may delegate any of the powers, authorities and discretions vested in the Board for such time and on such terms and conditions as the Board may think fit to a Committee consisting of one or more Directors and (if thought fit) one or more other persons, but only if a majority of the members of the Committee are Directors or alternate directors.

104.2 The Board may revoke or alter the terms and conditions of the delegation or discharge the Committee in whole or in part and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the Committee.

104.3 Where a provision of the Articles refers to the exercise of a power, authority or discretion as being delegated by the Board to a Committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the Committee.

104.4 The Remuneration Committee shall be appointed by the Board of Directors and it shall consist exclusively of Non-Executive Directors who shall have no financial interest other than being a shareholder in the matters to be decided, no potential conflict of interest from cross directorships and day to day responsibility in running the business. The Remuneration Committee shall apply the rules (and any amendments thereof) required by the London Stock Exchange on Directors' remuneration<sup>3</sup>.

### **105 Local management**

105.1 The Board may establish local boards or committees or agencies for managing any of the affairs of the Company and may appoint any persons to be members of such local boards or committees or any managers or agents and may fix their remuneration and may delegate to any local board, committee, manager or agent any of the powers, authorities and discretions vested in the Board (with power to sub-delegate) and may authorise the members of any local board or committee, or any of them, to fill any vacancies therein and

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<sup>3</sup> Adopted by Special Resolution dated 3 February 1997.

to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation Provided that in those cases where the powers of the Board are delegated to a committee which includes co-opted members who are not Directors, the number of such co-opted persons shall be less than one-half of the total number comprising the committee and no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors; but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby and no person so appointed shall for any purpose be deemed to be a Director.

106      **Attorneys**

The Board may from time to time and at any time by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit and any such powers of attorney may contain such provisions to sub-delegate all or any of the powers, authorities and discretions vested in him.

107      **Powers to be conferred on a Director**

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.

108      **Foreign Seal**

The Company or the Board on behalf of the Company may exercise all the powers of the Company under Section 39, relating to official seals for use abroad, and any such seal shall be affixed by the authority and in the presence of, and the instrument sealed therewith shall be signed by, such persons as the Board shall from time to time by writing appoint.

109      **Pensions, employees' schemes etc**

109.1      The Board may establish, maintain, participate in or contribute to or procure the establishment, maintenance of, participation in or contribution to any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company or any of its predecessors in business or of any member of the Group or who may be or have been Directors or officers of the Company or of any such other company as aforesaid and who hold or have held executive positions or agreements for service with the Company or any such other company, and the wives, widows, families and dependants of any such persons. The Board may also establish, subsidise and subscribe to any institutions, associations, societies, clubs or funds calculated to be for the benefit of or to advance the interests and well-being

of the Company or of any such other company, or of any such person and make payments for or towards the insurance of any such persons and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object and do any of the matters aforesaid either alone or in conjunction with any such other company. Any Director who holds or has held any such executive position or agreement for service shall be entitled to participate in and retain for his own benefit any such donations, gratuities, pensions, allowances, benefits or emoluments.

109.2 Subject to such approval by Members as shall be required by the Statutes, the Board may establish and maintain any employees' share scheme, share option or share incentive scheme whereby selected employees (including Directors and officers) of the Company or of any Subsidiary Undertaking of the Company are given the opportunity of acquiring shares in the capital of the Company on the terms and subject to the conditions set out in such scheme and establish and (if any such scheme so provides) contribute to any scheme for the purchase by or transfer, allotment or issue to trustees of shares in the Company or its holding company to be held for the benefit of or for distribution to employees (including Directors and officers) of the Company and subject to the Statutes lend money (on such terms as the Board may determine) to such trustees or employees to enable them to purchase such shares.

109.3 The Board may exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its Subsidiary Undertakings 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 Undertaking.

#### 110 Execution of negotiable instruments

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

### POWERS OF BORROWING AND MORTGAGING

#### 111 Power to borrow money

111.1 Subject as hereinafter provided the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future, including uncalled capital, and subject to the provisions of the Act 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.

111.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiary Undertakings so as to secure (as regards Subsidiary Undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) for the time being remaining undischarged of all moneys borrowed by the Group shall not at any time without the previous sanction of an ordinary resolution exceed a sum equal to [two (2)] times the adjusted total of the share capital and consolidated reserves (as defined in Article 111.3);

111.3 "The adjusted total of the share capital and consolidated reserves" means the aggregate of (a) the amount Paid Up on the issued share capital of the Company and (b) the amounts standing to the credit of the consolidated capital and revenue reserves of the Group (including any share premium account and capital redemption reserve) plus or minus the credit or debit balance, as the case may be, of the consolidated profit and loss account all as shown in the then latest audited consolidated balance sheet of the Group but:-

111.3.1 adjusted as may be appropriate to reflect any variation since the date of that balance sheet in the amount of such Paid Up share capital or consolidated capital and revenue reserves, including (a) any alteration thereto resulting from any company becoming or ceasing to be a Subsidiary Undertaking since the date of the latest audited consolidated balance sheet of the Company and its Subsidiary Undertakings and (b) any alteration thereto which would result from any transaction contemplated at the time when the adjusted total of the share capital and consolidated reserves is being computed or from any transaction carried out contemporaneously therewith;

111.3.2 after deducting therefrom any amounts attributable to goodwill (other than goodwill arising on consolidation);

111.3.3 after excluding therefrom any sums set aside for taxation and amounts attributable to minority interests in Subsidiary Undertakings;

111.3.4 after excluding therefrom the amount of all dividends declared since the date of such audited consolidated balance sheet and remaining unpaid (but disregarding fixed rate dividends payable on any class of share capital); and

111.3.5 after making such other adjustments (if any) as the Auditors consider appropriate

111.4 For the purpose of Article 111.2 the following (if not otherwise taken into account) shall be deemed to be moneys borrowed:

111.4.1 the principal amount outstanding in respect of any debentures of any member of the Group which are not beneficially owned within the Group;

111.4.2 the principal amount outstanding under any acceptance credit (not being an acceptance in relation to the purchase or sale of goods or services in the ordinary course of trading) opened by any bank or accepting house on behalf of or in favour of any member of the Group;

111.4.3 the nominal amount of any share capital and the principal amount of any debentures or other borrowed moneys of any person outside the Group the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by any member of the Group and the beneficial interest in which redemption or repayment is not owned by a member of the Group; and

111.4.4 any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account.

111.5 For the purpose of Article 111.2 the following (if not otherwise taken into account) shall

not and shall be deemed not to be moneys borrowed:-

111.5.1 all intra Group borrowings;

111.5.2 amounts borrowed for the purpose of re-paying within six (6) months (with or without any premium) any moneys borrowed then outstanding, pending the application thereof for such purpose within such period;

111.5.3 the proportion of the excess outside borrowings of a partly owned Subsidiary Undertaking which corresponds to the proportion of its equity share capital owned otherwise than by members of the Group (and for the purpose of this Article, the expression "excess outside borrowings" shall mean so much of the borrowings of such partly owned Subsidiary Undertaking otherwise than from members of the Group which exceeds the amount (if any) borrowed from it by other members of the Group);

111.5.4 amounts borrowed for the purpose of financing any contract in respect of which any part of the price receivable by any member of the Group is guaranteed or insured by any governmental department, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;

111.5.5 temporary debit balances with the bankers of any member of the Group or shown in a member's own books of account arising by virtue of delay in clearing funds not exceeding ten (10) days;

111.5.6 for a period of twelve (12) months after the date on which a company becomes a member of the Group, monies borrowed equal to the amount of borrowings outstanding of such a company at the date when it becomes a member;

111.5.7 moneys advanced or paid to any member of the Group (or its agents or nominees) by customers of any member of the Group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Group in relation thereto; and

111.5.8 moneys held by any member of the Group whether on deposit or current account or otherwise in connection with any scheme for the benefit of employees or their dependants.

111.6 No lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed. No debt incurred or security given in excess of such 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 debt was incurred or security given that the limit hereby imposed had been or would thereby be exceeded.

111.7 Borrowed moneys of the Company or any one or more of its Subsidiary Undertakings expressed in or calculated by reference to a currency other than Sterling shall be translated into Sterling by reference either to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group or, if no such conversion was required or has yet taken place, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve.

**112 Power to mortgage and grant other securities**

The Board may mortgage or charge all or any part of the Company's undertaking, property and assets (both present and future), including uncalled capital, and subject to Section 80 may issue or sell any bonds, loan notes, debentures or other securities whatsoever (whether outright or as collateral security for any debt, liability or obligation of the Company or any third party) for such purposes and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as it may think proper including a right for the holders of bonds, loan notes, debentures or other securities to exchange the same for shares in the Company of any class authorised to be issued.

**RETIREMENT AND REMOVAL OF DIRECTORS**

**113 Vacation of office by Directors**

**113.1** Without prejudice to the provisions contained in these Articles, the office of a Director shall be vacated if:

113.1.1 he ceases to be a Director by virtue of any provision of the Statutes, is removed from office pursuant to any provision of the Articles or he becomes prohibited by law from being a Director; or

113.1.2 he becomes bankrupt, has an interim receiving order made against him or makes any arrangement or composition with his creditors generally or applies to the Court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or

113.1.3 he is, or may be a person of unsound mind;

113.1.4 he becomes physically or mentally incapable of performing the functions of a Director and the Board resolves that he be disqualified; or

113.1.5 he resigns his office by notice in writing to the Company; or

113.1.6 he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board shall resolve that his office be vacated; or

113.1.7 he shall be removed from office by notice in writing served on him in accordance with the provisions of Article 118 signed by all his co-Directors.

**114 Directors aged Seventy**

Subject to the provisions of Section 293, every Director shall retire at the first Annual General Meeting after the date of his seventieth birthday; but shall then be eligible for re-election for the period from that Annual General Meeting until the end of the next following Annual General Meeting when again he shall retire. Any such Director shall be eligible for re-election for a subsequent term or terms, but on each occasion only until the end of the next following Annual General Meeting after the date of his re-election.

115      **No annual retirement by rotation**

The Directors shall not be required to retire by rotation.

116      **Eligibility for election as Director**

No person not being a Director retiring at the Meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any General Meeting unless, not less than six nor more than forty-five Clear Days before the day appointed for the Meeting, there shall have been given to the Secretary notice in writing by some Member duly qualified to be present and vote at the Meeting for which such notice is given of his intention to propose such person for election, and also notice in writing, signed by the person to be proposed, of his willingness to be elected.

117      **Increase in number of Directors**

Subject to the provisions of these Articles, the Company by ordinary resolution may in General Meeting appoint new Directors and increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office.

118      **Removal of Directors**

Without prejudice to the power of the Company under Section 303 to remove a Director before the expiration of his period of office by ordinary resolution or to any of the provisions for disqualification of Directors contained in the Articles, any Director may be removed from office before the expiration of his period of office 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. Provided that so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company. A person appointed in place of a Director so removed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

119      **Resolutions appointing Directors**

Every resolution of a General Meeting for the appointment or election of a Director shall relate to one named person and a single resolution for the appointment or election of two or more persons as Directors shall be void, unless a resolution that it shall be so moved has first been agreed to by the Meeting without any vote being given against it.

## **PROCEEDINGS OF THE BOARD**

### **120 Board meetings**

The Board or any committee of the Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit, and determine the quorum necessary for the transaction of business. Meetings of the Board or of any committee of the Board may take place in any part of the world and may take place via telephonic or similar means of communication notwithstanding that the Directors or committee members present may not all be meeting in one particular place if all persons participating in the Meeting are able to hear and speak to each other throughout the Meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the Meeting then is. Unless otherwise determined, four Directors of whom two shall be executive Directors and two shall be Directors not having day to day executive functions shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum but so that not less than two persons (one of whom shall be an executive Director and one shall be a Director not having day to day executive functions) shall constitute the quorum.

### **121 Notice of Board Meetings**

A Director may, and on the request of a Director the Secretary shall, at any time summon a meeting of the Board. It shall be necessary to give notice (which need not be in writing and notice is deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him at his last known address or another address given by him to the Company for that purpose. It shall not be necessary to give notice of a Meeting of the Board to any Director absent from the United Kingdom save in any case where such absent Director leaves an address or facsimile number (either inside or outside the United Kingdom) in which case a telegram sent to that address or a message sent to that facsimile number shall be deemed to constitute notice to the Director at the time when it is dispatched or sent) of a meeting of the Board to all the Directors. Neither the accidental failure to give notice of a meeting of the Board to any Director nor the non-receipt in any case of such notice if given shall invalidate such meeting or any resolution passed or business transacted thereat.

### **122 Votes at Board Meetings**

Questions arising at any meeting of the Board or any committee of the Board shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall have a second or casting vote.

### **123 Chairman**

The Board or any committee of the Board may from time to time elect a Chairman or Deputy-Chairman, who shall preside at its meetings, but if no such Chairman or Deputy-Chairman be elected, or if at any meeting the Chairman or Deputy-Chairman is not present within five minutes after the time appointed for holding the same, the Board or committee shall choose one of its number to be Chairman of such meeting.



124        **Committees**

124.1        The Board may delegate any of its powers, including authority to affix the Seal to any document, to committees consisting of such member or members of its body 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 so delegated conform to any regulations that may from time to time be imposed upon it by the Board. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of Directors.

124.2        Any committee shall have power, unless the Board directs otherwise, to co-opt as a member or members of the committee for a specific purpose any person or persons not being members of the Board or of the Company Provided that no person shall be co-opted pursuant to this Article if as a result of his appointment the number of persons so co-opted would be equal to or greater than the number of members of such committee who are Directors and no resolution passed at a meeting of such committee shall be effective unless a majority of the members of such committee present at the meeting are Directors.

125        **Validity of Director's acts notwithstanding formal defects**

All bona fide acts by any meeting of the Board or of a committee of the Board or by any person acting as a Director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any Director or person acting as aforesaid or that they or any of them were disqualified or had ceased to be Directors or a Director, be as valid as if every such person had been duly appointed and was qualified to be and had continued to be a Director.

126        **Minutes**

The Board shall cause proper minutes to be made of all General Meetings and also of all appointments of officers and of the proceedings of all meetings of the Board and committees of the Board and of the attendances thereat and all business transacted at such meetings and any such minutes of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting of the Company or of the Board or committee, shall be conclusive evidence without any further proof of the facts therein stated.

127        **Resolutions in writing**

A resolution in Writing signed 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 effective for all purposes as a resolution passed at a meeting of the Board or, as the case may be, of the committee duly convened and held and may consist of several documents in the like form each signed by one or more of the Directors and so that any such resolution or document signed by an alternate Director shall be deemed to have been signed by the Director who appointed such alternate Director.

128      **Powers of Directors when inquorate**

The continuing Directors or a sole continuing Director may act notwithstanding any vacancy in their body but if and so long as the number of Directors is reduced below the number fixed by or pursuant to these Articles as the quorum of Directors, the continuing Directors or Director may act for the purpose of filling up vacancies in their body or of summoning General Meetings, but not for any other purpose.

**ALTERNATE DIRECTORS**

129      **Alternate Directors**

129.1      A Director may from time to time in writing appoint another Director or any other person including a person appointed as alternate for any other Director to be his alternate but no such appointment of any person not being a Director shall be operative unless and until approved by the Board.

129.2      Every such alternate shall (subject to his giving to the Company an address at which notice may be served upon him) be entitled to notice of meetings of the Board and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to have and exercise all the powers, rights, duties and authorities of the Director appointing him. Every such alternate shall also be entitled in the absence of the Director appointing him to sign on his behalf a resolution in writing of the Directors.

129.3      The remuneration of an alternate shall be payable out of the remuneration payable to the Director appointing him and shall consist of such portion (if any) as shall be agreed between such alternate and the Director appointing him.

129.4      A Director may by writing deposited at the Office at any time revoke the appointment of an alternate appointed by him.

129.5      If a Director dies or ceases to hold the office of Director the appointment of his alternate shall thereupon cease and determine Provided that if any Director retires at any Meeting (whether by rotation or otherwise) but is re-appointed by the Meeting at which such retirement took effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-appointment as if he had not so retired.

129.6      An alternate Director shall not be deemed to be the agent of his appointor but shall be deemed to be an officer of the Company. Notwithstanding the foregoing, unless he is already an officer of the Company in his own right, an alternate Director shall not, as such, have any rights or powers other than those mentioned in this Article.

**ASSOCIATE DIRECTORS**

130      **Associate Directors**

130.1      The Board may from time to time appoint any person to be an Associate Director of the Company.

- 130.2 The appointment of a person to be an Associate Director shall not, save as otherwise agreed between him and the Company and the Subsidiary Undertaking (if any) in whose service he may be, affect the terms and conditions of his employment by the Company or by any such subsidiary, whether as regards duties remuneration, pension or otherwise.
- 130.3 The appointment, removal and the powers, duties and remuneration of an Associate Director shall be determined by the Board and the Board shall have the right to enter into any contract on behalf of the Company or transact any business of any description without the knowledge or approval of Associate Directors, except that no act shall be done that would impose any personal liability on any or all of the Associate Directors except with his or their knowledge and consent.
- 130.4 An Associate Director shall not be nor have power to act as a Director nor be entitled to receive notice of or attend or vote at meetings of the Directors nor shall he be deemed to be a Director for any of the purposes of these Articles.

#### **THE SEAL**

##### **131 Affixing of the seal**

- 131.1 The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board and, except as hereinafter provided, every instrument to which the Seal shall be so affixed shall be autographically signed by a Director and countersigned by a second Director or the Secretary or an Assistant Secretary or some other person appointed by the Board for such purpose and, in favour of any purchaser or person bona fide dealing with the Company, such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.
- 131.2 As regards certificates for shares or debentures, the Board may by resolution authorise the same to be sealed by a securities seal kept by virtue of Section 40 and may determine that in connection with the sealing thereof the presence of such persons as are referred to in Article 131.1 and the signatures thereof or of either of them shall be dispensed with and/or that such signatures shall be affixed by some method or system of mechanical signature.
- 131.3 Subject to compliance with the requirements of the Act, the Board may authorise the adoption for use in any territory, district or place elsewhere than in the United Kingdom as an official seal being a facsimile of the Seal and may subject to compliance with the requirements of the Act give direction for the fixing of such official seal to deeds or instruments on behalf of the Company. Any deeds or instruments to which such a facsimile of the Seal is affixed in accordance with Article 131.1 shall bind the Company for all purposes as if the Seal had been affixed thereto.
- 131.4 Subject to the Statutes, the Company may dispense with the need for the Seal and, whether it does or does not dispense with the Seal, a document signed by a Director and the Secretary or by any two Directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal and a document executed by the Company which makes it clear on its face that it is intended to be a deed shall have effect upon delivery as a deed.

## **SECRETARY**

### **132 Secretary**

- 132.1 The Board shall from time to time appoint and may remove a Secretary or Joint Secretaries who shall be qualified in accordance with the provisions of the Statutes and may appoint and remove one or more Assistant Secretaries.

### **133 Powers of other officers to act**

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

## **AUTHENTICATION OF DOCUMENTS**

### **134 Authentication of Documents**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board or any committee of the Board and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a Meeting of the Company or of the Board or any committee of the Board which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes are, or extract is, a true and accurate record of proceedings at a duly constituted General Meeting or meeting of the Board or any committee of the Board.

## **REGISTERS**

### **135 Registers**

- 135.1 The register of Directors' interests shall be kept in accordance with the Statutes and shall be open to the inspection of any Member or of any other person between the hours of 10 a.m. and noon on each day during which the same is bound to be open for inspection pursuant to the Statutes. The said register shall be produced at the commencement of each Annual General Meeting and shall remain open and accessible during the continuance of the Meeting to any person attending such Meeting.
- 135.2 The register of Directors and Secretaries, the register of charges, the Register, the register of interests in shares, any overseas branch register and all other associated registers and indices shall be kept in accordance with the Statutes and shall be open to the inspection of any Member or of any other person without charge between the hours of 10 a.m.

and noon on each day during which the same is bound to be open for inspection pursuant to the Statutes.

## **DIVIDENDS**

### **136 Payment of dividends**

Subject to any preferential or other special rights for the time being attached to any special class of shares, the profits of the Company available for dividend in accordance with the Statutes which it shall from time to time determine to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company to the Members at the date of record in accordance with their respective rights and priorities.

### **137 Apportionment of dividends**

All dividends shall be apportioned and paid proportionately to the amounts Paid Up on the shares otherwise than amounts Paid Up in advance of calls during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### **138 Declaration of dividends and interim dividends**

138.1 The Company in General Meeting may from time to time declare dividends but no such dividends shall (except as by the Statutes expressly authorised) be payable otherwise than out of the profits of the Company available for the purpose in accordance with the Statutes. No higher dividend shall be paid than is recommended by the Board and the declaration of the Board as to the amount of the profits at any time available for dividend shall be conclusive.

138.2 Subject to the provisions of the Statutes, the Board may if it thinks fit from time to time pay to the Members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the Holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the Holders thereof preferential rights with regard to dividend and the Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if it is of the opinion that the profits justify the payment Provided the Directors act bona fide they shall not incur any responsibility to the Holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights.

### **139 Record date**

Notwithstanding any other provision of these Articles, the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within six months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

140      **Payment of dividends in specie**

With the sanction of a General Meeting, dividends may be paid wholly or in part in specie and may be satisfied in whole or in part by the distribution amongst Members in accordance with the rights of fully Paid Up shares, debentures or other securities of the Company or of any other company, or of any other property suitable for distribution as aforesaid Provided that no distribution shall be made which would amount to a reduction of capital except in the manner approved by law. The Board shall have full liberty to make all such valuations, adjustments and arrangements and to issue all such certificates or documents of title as may in its opinion be necessary or expedient with a view to facilitating the equitable distribution amongst the Members of any dividends or portions of dividends to be satisfied as aforesaid or to giving them the benefit of their proper shares and interests in the property and no valuation, adjustment or arrangement so made shall be questioned by any Member.

141      **Scrip Dividend**

141.1      Without prejudice to the generality of Article 140, the Directors may subject as herein provided and subject to the provisions of the Statutes with the prior sanction of an ordinary resolution of the Company implement and maintain in accordance with the terms and conditions of such resolution but otherwise as the Directors may determine from time to time a share dividend or distribution reinvestment plan for the benefit of the Holders of shares whereby such Holders may be given one or more of the following options namely:-

141.1.1 instead of taking the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any Shares held by them to elect either to invest such cash in subscribing for unissued Shares in the capital of the Company payable in full or by installments or in paying up in full or by installments any unpaid or partly paid Shares held by them on the terms of any such plan; or

141.1.2 instead of taking the net cash amount due to them in respect of any dividend (or part thereof) declared or payable on all or any Shares held by them to elect to receive new Shares in the capital of the Company credited as fully paid on the terms and conditions of any such plan: or

141.1.3 to forego their right to participate in such dividend (or such part thereof as the Directors may determine) and to elect to receive instead an allotment of additional Shares credited as fully paid to the extent and within the limits and on the terms and conditions of any such plan; or

141.1.3 any other option in respect of the whole or any part of any dividend on all or any Shares held by them as the Directors shall determine.

141.2      The Directors may in their discretion vary, modify, suspend or terminate any such plan which is in operation.

141.3      If the Directors decide as aforesaid, each Holder may (by notice in writing to the Company given in such form and within such period as the Directors may from time to time determine) elect to forego (save to the extent provided in Article 141.4) the dividend which otherwise would have been paid on all or so many of his Shares as he shall specify in the

notice of election (the "Elected Shares") and to receive in lieu thereof such number of additional Shares (the "Additional Shares") to be allotted to him credited as fully paid as is equal to the whole number of Shares (ignoring any fraction of an additional share) obtained by dividing the amount of the dividend which otherwise would have been paid in respect of one Share (without the associated tax credit and expressed in terms of pence and fractions of a penny) by whichever is the greater of:

141.3.1 the average of the middle market quotations of the Shares;

141.3.2 and the nominal value of a Share; and

141.3.3 multiplying the resulting figure by the number of Shares in respect of which the election is made:

Provided always that the Directors shall have the power to adjust at their discretion the figure resulting from the division made pursuant to Article 141.3 hereof so as to achieve a simple numeric ratio governing the number of shares to be allotted.

For the purpose of this Article 141.3 "middle market quotations" are those derived from the Daily Official List of the London Stock Exchange taken at such intervals and commencing and ending at such times as the Directors shall determine either on five consecutive business days commencing with the first day on which such quotations are listed "ex-dividend" following the day on which the Director's decision to recommend or pay the relevant dividend is announced or on such other days as the Directors may from time to time determine (subject to such adjustments, if any, as the auditors may consider appropriate).

- 141.4 Where the Shares constitute authorised investments for the purposes of the Trustee Investments Act 1961, the Directors shall not in any event (unless otherwise decided by the Company in general meeting) enable shareholders to forego under the provisions of this Article a nominal amount (being such amount as the Directors may decide) of a dividend to be payable in cash on each Share in any calendar year and such amount shall be taken into account for the purposes of Article 141.3.
- 141.5 For the purposes of any such plan the Directors may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account and share premium account) or which is otherwise available for distribution as the Directors may determine, such sums as shall be required to pay up in full at par the number of additional shares required to be allotted to the Holders of the Elected Shares and shall apply them in paying up in full the additional shares for allotment and distribution to the Holders of the Elected Shares.
- 141.6 The Additional Shares so allotted credited as fully paid shall not be entitled to participate in the dividend then being declared or paid (or share election in lieu) but shall in all other respects rank pari passu with the existing Shares.
- 141.7 The Directors shall not make any such decision as aforesaid unless the Company has sufficient unissued shares and undistributed profits or reserves to give effect to any elections which could be made as a consequence of such decision.
- 141.8 The Directors shall not make any such decision as aforesaid unless the Company shall be

ordinary resolution approve the exercise by the Directors of their power so to do in respect of the dividend in question or in respect of any dividends declared or paid in respect of a specified financial year or period of the Company which dividends include the dividend in question but such period may not end later than the conclusion of the Annual General Meeting next following the date of the meeting at which such resolution is passed.

141.9 The Directors may on any occasion determine that rights of election hereunder shall not be made available to shareholders resident in territories where, in the opinion of the Directors, compliance with local laws and/or regulations would be unduly onerous.

141.10 The Directors may do all acts and things considered necessary or expedient to give effect to the issue of any additional shares in accordance with the provisions of this Article, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, the benefit or fractional entitlements accrues to the Company rather than to the members concerned or generally that the cash amount representing any fractional entitlement be paid in cash to the shareholder or that it be carried forward and either aggregated with any future entitlement of that shareholder to be allotted shares pursuant to any share dividend or distribution reinvestment plan of the Company on the basis described in this Article 141.10 or added to the amount of the next dividend payable to that shareholder. Any such amount carried forward for the benefit of a person who shall cease to be a member of the Company before receiving or becoming entitled to a dividend including such amount, may at the discretion of the Directors, be retained for the benefit of the Company instead of being paid.

#### 142 Method of payment of dividends

142.1 Any dividend, installment of dividend or interest or other moneys payable in cash in respect of any share may be paid by cheque or warrant payable to the order of the Member entitled thereto or (in the case of joint Holders) of that Member whose name stands first on the Register in respect of the joint holding. Every such cheque or warrant shall (unless otherwise directed) be sent by post to the last registered address of the Member entitled thereto and payment of the cheque or warrant shall be a good discharge to the Company for the same. If cheques or warrants in respect of dividends are returned undelivered or are left uncashed on two consecutive occasions or, having been returned undelivered or left uncashed on one occasion and the Board, on making reasonable enquiries, has failed to establish any new address of the Member or person concerned then the Board may determine that the Company shall cease sending such cheques or warrants by post to the Member or person concerned. The Company may, if so directed, pay any dividend, installment of dividend or interest or other moneys as aforesaid by credit transfer to a bank account nominated by the Member entitled to such payment which transfer shall be a good discharge to the Company for the same. Every such cheque or warrant shall be sent and every credit transfer made at the risk of the person entitled to the money represented thereby. No unpaid dividend or interest shall bear interest as against the Company.

#### 143 Deductions from dividends

The Board may deduct from any dividend or other moneys payable in respect of any shares held by a Member, either alone or jointly with any other Member, all such sums of money (if any) as may be due and payable by him either alone or jointly with any other person to the Company on account of calls or otherwise in respect of shares of the Company.



144      **Unclaimed dividends**

All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the payment of any such dividend into a separate account or the investment of such dividend shall not constitute the Company a trustee in respect thereof. No unclaimed dividend shall bear interest as against the Company. Any dividend which has remained unclaimed for a period of twelve years from the date of declaration thereof shall at the expiration of that period be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

145      **Withholding of dividends**

Subject to Article 42, the Board may, in its absolute discretion, withhold the payments of any dividend to a Member in respect of any share held by him in relation to which he or any other person has been duly served with a notice under Section 212 (or under any other statutory provision or provision of these Articles for the time being in force enabling the Company by notice in writing to require any person to give any information regarding that share).

**RESERVES**

146      **Reserves**

The Board may before recommending any dividend set aside out of the profits of the Company (including any premiums received upon the issue of debentures or other securities or rights of the Company) such sums as it thinks proper as a reserve fund or reserve funds which shall at the discretion of the Board be applicable for any purpose for which the profits of the Company may lawfully be applied and pending such application the Board may employ the sums from time to time set apart as aforesaid in the business of the Company or invest the same in such securities (other than the shares of the Company or its holding company) as it may select. The Board may also from time to time carry forward such sums as it may deem expedient in the interests of the Company not to distribute.

**CAPITALISATION OF PROFITS AND RESERVES**

147      **Power to capitalise profits**

147.1      The Company may by ordinary resolution on the recommendation of the Board resolve that it is desirable to capitalise:-

147.1.1 any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and not required for paying the fixed dividends on any shares entitled to fixed preferential dividends with or without further participation in profits and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully Paid Up to and amongst such Members in the proportions aforesaid or partly in one way and partly in the other Provided that a sum standing to the credit of a share premium account or a capital redemption reserve may, for the purposes of this Article, only be applied in the paying up of unissued shares to be allotted to Members as fully paid capitalisation shares;

147.1.2 Any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account which is not available for distribution by applying such sum in paying up in full, unissued shares to be allotted as fully paid capitalisation shares to those Members who would have been entitled to that sum if it were distributed by way of dividend (and in the same proportions) and the Directors shall give effect to any such resolution.

#### 148 Procedure on capitalisation of reserves

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

### ACCOUNTS

#### 149 Keeping of accounts

The Board shall cause proper accounts and accounting records to be kept and the provisions of the Statutes in this regard shall be complied with. The books of account and accounting records shall be kept at the Office or subject to Section 222(1) and (2) at such other place or places as the Board thinks fit and shall always be open to the inspection of any Director.

#### 150 Inspection of accounts

The Board shall from time to time determine whether in any particular case or class of

cases or generally and to what extent and at what times and places and under what conditions or regulations (subject to the provisions of the Statutes) the accounts and books of the Company or any of them, shall be open to the inspection of Members, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by Statute or authorised by the Board or by a resolution of the Company in General Meeting.

**151 Statutory obligations as to accounts**

The Board shall from time to time in accordance with the provisions of the Statutes cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, Group accounts (if any) and reports as are referred to in the Statutes.

**152 Circulation of accounts**

**152.1 Subject to the Statutes, either:**

152.1.1 a printed copy of every Directors' report and Auditor's report accompanied by the balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be attached or annexed thereto) (together "the Accounts"); or

152.1.2 a summary of financial statements prepared in accordance with Section 251 of the Act

shall not less than twenty-one days before the date of the Meeting be delivered or sent to every shareholder and to every holder of debentures of the Company and to every other person who is entitled to receive notices of Meetings from the Company under the provisions of the Statutes or of these Articles Provided that this Article shall not require a copy of such documents to be sent to any person to whom by virtue of Section 238(2) the Company is not required to send the same nor to any person of whose address the Company is not aware nor to more than one of the joint Holders of any shares or debentures; but any Member or debenture holder to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

152.2 Whenever all or any of the shares in or debentures of the Company are listed or dealt in on any Stock Exchange in the United Kingdom there shall at the same time be forwarded to the appropriate officer of such Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

152.3 The accidental omission to deliver or send a copy of any document required to be delivered or sent to any person pursuant to this Article 152 or the non-receipt by any person entitled to receive the same shall not invalidate any such document or any resolution passed or proceeding held at any General Meeting or Annual General Meeting.

**153 Accuracy of accounts**

Every account of the Company, when audited and approved by an Annual General Meeting, shall be conclusive.

## **AUDIT**

### **154 Annual Audit**

- 154.1 In accordance with the requirements of the Statutes the Accounts of the Company shall be examined and the truth and fairness of the balance sheet, profit and loss account and Group accounts (if any) reported on by an Auditor or Auditors.

### **155 Auditors**

Auditors shall be appointed and their duties, powers, rights and remuneration regulated in accordance with the provisions of the Statutes. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

### **156 Auditors' report**

The Auditors' report shall be read before the Company in General Meeting and shall be open to inspection as required by the Statutes. The Auditor or Auditors shall be entitled to attend any General Meeting and to receive notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns him or them as Auditor or Auditors.

## **UNTRACED SHAREHOLDERS**

### **157 Sale of shares of untraced shareholders**

- 157.1 The Company shall be entitled to sell at the best price reasonably obtainable the shares of a Member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:-

157.1.1 during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 157.1.2 below (or, if published on different dates, the earlier thereof) at least three dividends in respect of the shares in question have become payable and all warrants and cheques in respect of the shares in question sent in the manner authorised by these Articles have been returned undelivered or remained uncashed; and

157.1.2 the Company, on expiry of the said period of 12 years, shall have inserted advertisements in a national daily newspaper and in a newspaper circulating in the area of the registered address of such Member or other person who may be affected in accordance with these Articles, as appearing in the Register, giving notice of its intention to sell the said shares; and

157.1.3 during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall not have received any communication from such member or person; and

157.1.4 notice shall have been given to the London Stock Exchange of its intention to make such sale.

157.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

157.3 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 provided that:

157.3.1 In respect of at least two consecutive occasions dividends payable on those shares the cheques or warrants have been returned undelivered or have remained uncashed; and

157.1.2 following at least one such occasion, reasonable enquiries by or on behalf of the Company have failed to establish any new address of the Member

but, subject to the provisions of these Articles, shall recommence sending cheques or warrants in respect of those shares if the Member or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

## NOTICES

### 158 Service of notices on Members

A notice or other document may be served by the Company upon any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register.

### 159 Notice to joint Holders

All notices directed to be given to the Members shall with respect to any share to which persons are jointly entitled be given to whichever of such persons is named first in the Register, and notice given shall be sufficient notice to all the Holders of such share.

### 160 Address for service of notices

Any Member described in the Register by an address not within the United Kingdom who shall from time to time give the Company an address within the United Kingdom at which

notices may be served upon him shall be entitled to have notices served upon him at such address, but otherwise no such Member shall be entitled to receive any notice from the Company.

**161 Service of notices on Company**

Any summons, notice, order or other document required to be sent to or served upon the Company or upon any officer of the Company may be sent or served by leaving the same or sending it through the post in a prepaid registered letter addressed to the Company or to such officer, at the Office.

**162 Date of service**

Any notice or other document if served by first class post (or by airmail post if to an address outside the United Kingdom) shall be deemed to have been served on the day following and, if served by second class post, shall be deemed to have been served on the second day following that on which the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and posted as a prepaid letter or prepaid registered letter as the case may be.

**163 Notices to dead or bankrupt members**

Any notice or document delivered or sent by post to or left at the registered address of any Member in pursuance of these Articles shall, notwithstanding that such Member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder, unless his name shall, at the time of the service of the notice or document, have been removed from the Register as the holder of the share and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

**164 Publication of notices newspapers**

Any notice required to be given by the Company to the Members or any of them, and not provided for by or pursuant to these Articles, shall be sufficiently given by advertisement which shall be inserted once in at least one United Kingdom national daily newspaper. Any notice given by advertisement shall be deemed to have been served at noon on the day on which the advertisement appears.

**165 Postal strikes**

If at any time by reason of the suspension or any curtailment of postal services in the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post and the Board has resolved that it is necessary to do so in the interests of the Company, a General Meeting may be convened by a notice advertised on the same date in at least two leading United Kingdom national daily newspapers and such notice shall be deemed to have been duly served on all Members entitled thereto at noon on the day when the advertisements appear or if the same appear on different days, at noon on the last of the days when the advertisement appears. In any such case the Company shall

send confirmatory copies of the notice by post if at least five days prior to the Meeting the posting of notices again becomes practicable.

## **DESTRUCTION OF DOCUMENTS**

### **166 Destruction of Documents**

#### **166.1 If the Company destroys:-**

166.1.1 any share certificate which has been cancelled at any time after a period of one year has elapsed from the date of cancellation;

166.1.2 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;

166.1.3 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

166.1.4 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 irrefutably 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.

166.2 Nothing contained in this Article 166 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**

### **167 Winding up**

- 167.1 If the Company shall be wound up (whether the liquidation is altogether voluntary, under supervision or by the Court) the Liquidator may, with the authority of an extraordinary resolution and subject to any provision sanctioned in accordance with Section 719 (without prejudice to Section 187 of the Insolvency Act 1986), divide among the Members in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members but no Member shall be compelled to accept any shares or other assets upon which there is any liability.
- 167.2 The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator, with the like authority, shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no Member shall be compelled to accept any shares in respect of which there is a liability. Without prejudice to Section 187 of the Insolvency Act 1986, the Liquidator may make any provision referred to in and sanctioned in accordance with Section 719.

## **CONFIDENTIAL INFORMATION**

### **168 Confidential information**

- 168.1 No Member or General Meeting or other Meeting of Members shall be entitled to require discovery of or any information respecting any detail in the Company's trading, or any matter which is or may be in the nature of a trade secret or secret process, or which may relate to the conduct of the business of the Company which in the opinion of the Board it would be inexpedient in the interests of the Company to communicate to the public.

## **INDEMNITY AND INSURANCE**

### **169 Indemnification of Directors and other officers**

Subject to the provisions of, and so far as may be permitted by, the Statutes, 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 discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour, or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part, or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted by the Court.

### **170 Directors' and officers' insurance**

Subject to the provisions of and so far as may be permitted by the Statutes, the Company shall be entitled to purchase and maintain for any such Director, Secretary or other officer,



insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to the Company.