

**Special Resolution**

**Company Number ZC189**

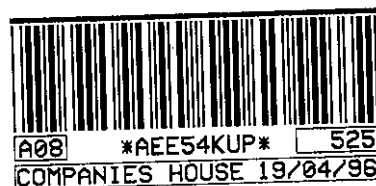
The Mersey Docks and Harbour Company.

THAT the amendments proposed to be made to the Articles of Association of the Company as set out in the document submitted at the Annual General Meeting and signed by the Chairman of such meeting for the purpose of identification be and are hereby approved.

I hereby certify that the above special resolution was approved at the Company's Annual General Meeting held on 11th April, 1996.



**W.J. Bowley,  
Director of Legal Services**



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**Articles of Association**  
**OF**  
**THE MERSEY DOCKS AND HARBOUR**  
**COMPANY**  
**PART 1**  
**SPECIAL PROVISIONS**  
**SHARE CAPITAL**

- 1 (A) The authorised share capital of the Company on the date on which the Special Resolution amending this article is passed will be £11,000,000 divided into 110,000,000 ordinary shares of 10p each (the "ordinary shares"). The number of the ordinary shares includes the 20,017,099 ordinary shares necessary to satisfy the obligations of the Company under clause 5 of a capital reconstruction scheme (in these articles called "the scheme") approved by the High Court of Justice, Chancery Division, in accordance with section 48(4) of the Mersey Docks and Harbour Act 1971.

(B) Any profits of the Company available for dividend and resolved to be distributed in respect of any financial year of the Company shall be applied in the payment of dividends to the holders of the ordinary shares.

(C) The surplus assets of the Company available for distribution among the members in a winding up on a reduction of capital involving repayment shall be applied in the payment to the holders of the ordinary shares (including any ordinary shares subsequently created) *pari passu* and rateably *inter se* of a sum equal to the capital respectively paid up thereon.

**BORROWING POWERS**

(D) (i) The Company shall not and shall procure that no subsidiary shall carry out any transaction if immediately thereafter the aggregate principal amount (including any fixed or minimum premium payable on final repayment) at any one time outstanding in respect of borrowed moneys of the group (but excluding moneys owing by one member of the group to another member of the group so long as the benefit of the debt is owned by a member or members of the group) would exceed £110,000,000 or an amount equal to two and one-half times the adjusted capital and reserves, whichever shall be the greater.

(ii) The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the revenue, undertaking, property and assets, including any uncalled share capital, for the time being of the Company and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party but 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 subsidiaries with a view to securing (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the directors can secure) that the limit mentioned in paragraph (D)(i) of this article is observed.

(iii) For the purpose of this paragraph of this article:-

- (a) no borrowed moneys shall be included in the same calculation more than once;
- (b) borrowed moneys of a partly owned subsidiary which would fall to be taken into account under paragraph (D)(i) of this article shall be deemed to be reduced by an amount equal to the minority proportion thereof;

- (c) borrowed moneys of the Company or a subsidiary and owing to a partly owned subsidiary which would fall to be excluded under paragraph (D)(i) of this article shall nevertheless be included to the extent of an amount equal to the minority proportion thereof;
- (d) the expression "minority proportion" means the proportion of the equity share capital of the partly owned subsidiary which is not attributable to the Company;
- (e) the expression "borrowed moneys" shall be deemed to include:-
  - (1) the nominal amount of any share capital, and the principal amount of any debentures or other borrowed moneys the beneficial interest wherein is not for the time being owned by the Company or a subsidiary, the payment or repayment whereof is guaranteed or is secured or is the subject of an indemnity given by the Company or any subsidiary;
  - (2) the principal amount raised by acceptances under any acceptance credit granted in favour of the Company or any subsidiary;
  - (3) the principal amount of any debenture (whether secured or not) issued by the Company or any subsidiary, the beneficial interest wherein is not for the time being owned by the Company or a subsidiary; and
  - (4) the nominal amount of any share capital (other than equity share capital) of any subsidiary the beneficial interest wherein is not for the time being owned by the Company or another subsidiary;

but shall be deemed not to include:-

- (5) any borrowed moneys of the Company or a subsidiary borrowed for the purpose of repaying or discharging within four months the whole or any part of borrowed moneys (including any fixed or minimum premium payable on final repayment) of the Company or any subsidiary which fall to be taken into account as borrowed moneys pending their application for such purpose within such period;
- (6) any borrowed moneys of the Company or subsidiary borrowed for the purpose of repaying or discharging within four months the whole or any part of such borrowed moneys pending their application for such purpose within such period;
- (7) any borrowed moneys of the Company or a subsidiary borrowed for any of the purposes referred to in (6) above upon their application for the relevant purpose;
- (f) borrowed moneys which fall to be repaid or discharged in a currency other than sterling shall be converted into sterling on the same basis as that adopted in the latest audited balance sheet of the company concerned or, in the case of any moneys borrowed since the date of such balance sheet, at the relevant rate of exchange ruling in London at the close of business on the day the same are borrowed, or in the case of any borrowed moneys of any company becoming a subsidiary and outstanding at the date on which it becomes a subsidiary on the same basis as that which would be adopted in the next audited balance sheet of that subsidiary on the assumption that in the meantime there had been no alteration of the relevant rates of exchange

ruling at the close of business on the day on which such company becomes a subsidiary;

(g) the expression "adjusted capital and reserves" means the aggregate of:-

- (1) the amount paid up on the issued share capital of the Company; and
- (2) the amounts standing to the credit of the reserves (including any share premium account, capital redemption reserve fund, tax equalisation account and profit and loss account and any unappropriated balance of port modernisation, investment or other grants) of the Company and the subsidiaries

all as shown by a consolidation of the latest audited balance sheets of the Company and the subsidiaries (if any) but after:-

- (1) deducting therefrom any amounts attributable to intangible assets including goodwill and the amount of any debit balances on profit and loss account;
  - (2) excluding therefrom any amount set aside for taxation other than tax equalisation and amounts attributable to minority interests in subsidiaries;
  - (3) deducting therefrom any amount distributed or proposed to be distributed to persons other than members of the group out of profits accrued prior to the date of and not provided for in the said audited balance sheets; and
  - (4) making such adjustments as may be appropriate to reflect the provisions of the scheme and any variation in the amount of such paid up share capital or the amounts standing to the credit of such reserves other than profit and loss account since the date of the relevant balance sheets or which would result from any transaction for the purpose of which the adjusted capital and reserves is being computed or any transaction to be carried out contemporaneously therewith and so that for this purpose if any issue or proposed issue of shares for cash has been underwritten then such shares shall be deemed to have been issued and that part of the subscription moneys to which the underwriting commitment extends shall be deemed to have been paid up at the date on which the issue of such shares was underwritten;
- (h) the expression "subsidiary" means any company which is for the time being a subsidiary (as that expression is defined by section 736 of the Companies Act 1985) of the Company; and
- (i) the expression "the group" means the Company and all subsidiaries.

#### **VOTES OF MEMBERS**

(E) Subject to any special terms as to voting upon which any other class of shares may be issued or may for the time being be held, on a show of hands every member who is present in person (including any corporation represented by proxy or in accordance with the Companies Acts) at a general meeting of the Company shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 10p nominal amount of share capital of which he is the holder.

## NUMBER, APPOINTMENT AND REMOVAL OF DIRECTORS

(F) The directors in office on the day immediately preceding that on which the scheme comes into operation shall hold office until the close of the first general meeting of the Company after the day on which the scheme comes into operation when they shall retire from office but shall be eligible for appointment as directors. Thereafter the provisions of paragraphs (G) to (I) of this article regarding the number, appointment and removal of directors shall have effect.

(G) The directors shall be not more than twelve in number.

(H) (i) At every annual general meeting one-third of the directors for the time being or, if their number is not an exact multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A director retiring at a meeting shall retain office until the close of the meeting.

(ii) The directors to retire on each occasion shall be those who have been longest in office since their last election but as between persons who became or were re-elected directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(iii) A retiring director shall be eligible for re-election.

(iv) Subject to the provisions of these articles, the Company at the meeting at which a director retires in manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such director shall have been put to the meeting and lost.

(v) Subject as aforesaid, the Company may also by ordinary resolution elect any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed any maximum number fixed by these articles.

(vi) No person other than a director retiring at the meeting shall, unless recommended by the directors, be eligible for election to the office of director at any general meeting unless, not less than seven and not more than forty-two clear days before the day appointed for the meeting, there has been given to the secretary notice in writing by some member (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

(vii) Without prejudice to the power of the Company in general meeting in pursuance of any of the provisions of these articles to appoint any person to be a director, the directors shall have power at any time and from time to time to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors, but so that the total number of directors shall not at any time exceed any maximum number fixed by these articles. Any director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at such meeting.

(I) The Company may remove any director before the expiration of his period of office by ordinary resolution of which special notice has been given in accordance with the Companies Acts.

(J) The aggregate fees of the directors as such shall be such sum not exceeding £200,000 per annum (exclusive of value added tax, if any, chargeable on such fees) as the directors shall by resolution determine or such other sum as shall from time to time be determined by ordinary

resolution of the Company. Such fees shall be divided among the directors as the directors may by resolution determine or, failing such determination, equally, except that in such event any director not holding office for the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he has held office.

#### **DIRECTORS' SHAREHOLDING QUALIFICATION**

(K) No shareholding qualification for directors shall be required.



## **PART 2**

### **GENERAL PROVISIONS**

#### **INTERPRETATION**

- 2** In these articles unless the context otherwise requires:-

"the Act" means the Mersey Docks and Harbour Act 1971;

"the Companies Acts" means the provisions of the Companies Acts 1948 to 1967 which apply to an unregistered company (other than Part VIII of the Companies Act 1948) or which apply to the Company by virtue of section 3(1) of the Act and the provisions of any other enactments replacing or extending any of the provisions of the Companies Acts 1948 to 1967 (other than as aforesaid) which apply to the Company either by virtue of any order made under section 3(3) of the Act or otherwise;

"the Regulations" means The Uncertificated Securities Regulations 1995 (SI 1995 No. 95/3272);

"these articles" means these articles of association in their present form or as from time to time altered;

"the seal" means the common seal of the Company;

"executive director" means a director appointed to be the holder of an executive office (including but not limited to managing director, joint managing director or assistant managing director) or other managerial position with the Company or whose terms of service provide that he is to be an executive director of the Company;

"dividend" includes bonus;

"the London Stock Exchange" means London Stock Exchange Limited;

references to writing include typewriting, printing, lithography, photography and other modes of representing or reproducing words in legible form;

any words or expressions defined in the Act, or in the Companies Acts 1948 to 1967, or in the Regulations shall bear the same meaning in these articles and, in case of conflict between the Act and the Companies Acts 1948 to 1967, the Act shall prevail.

#### **SHARE RIGHTS**

- 3** Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the directors may determine.
- 4** Subject to the Companies Acts, any preference shares may, with the sanction of a special resolution, be issued on terms that they are, or at the option of the Company are liable, to be redeemed. The terms and manner of redemption shall be provided for by these articles.

#### **MODIFICATION OF RIGHTS**

- 5** All or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate

general meeting of the holders of such shares. To any such separate general meeting all the provisions of these articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, that any holder of shares of the class present in person or by proxy may demand a poll and that, if at any adjourned meeting of such holders a quorum as above defined is not present, those of such holders who are present in person or by proxy shall be a quorum.

- 6 The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

### SHARES

- 7 Subject to the provisions of these articles, any unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the directors may determine.
- 8 The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Companies Acts.
- 8A Subject to the provisions of Part V of the Companies Act 1985 the Company may pursuant to section 162 of that Act purchase its own shares.

### CERTIFICATES

- 9 Save as otherwise provided in these articles every person whose name is entered as a member in the record in respect of shares held in certificated form shall be entitled, without payment, to receive within two months after allotment or lodgment of transfer (or within such other period as the terms of issue shall provide) one certificate for all his shares held in certificated form of any one class or several certificates each for one or more of his shares of such class upon payment for every certificate after the first of such sum (if any) not exceeding 10p as the directors may from time to time determine. In the case of a share held jointly by several persons in certificated form, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who has transferred some of the shares comprised in his certificated holding shall be entitled to a certificate for the balance without charge, to the extent that the balance is to be held in certificated form.
- 10 If a share certificate in respect of shares held in certificated form is defaced, lost or destroyed it may be replaced on such terms (if any) as to evidence and indemnity and to payment of the exceptional out-of-pocket expenses of the Company of investigating such evidence and preparing such indemnity as the directors may think fit and, in case of defacement, on delivery of the old certificate to the Company.
- 11 All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) held in certificated form shall except to the extent that the terms and conditions for the time being relating thereto otherwise require be issued under the seal and (subject as hereinafter provided) shall bear the autographic signatures of at least one director and of the secretary or some other person appointed by the directors for the purpose, provided always that the directors may by resolution determine, either generally or in any particular case or cases, that any of such signatures as aforesaid need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any person.

## **LIEN**

- 12** The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing recorded in the name of a member, whether singly or jointly with any other person or persons, for all the debts and liabilities of such member or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such member, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien on a share shall extend to all dividends payable thereon. The directors may at any time either generally or in any particular case waive any lien that has arisen, or declare any share to be wholly or in part exempt from the provisions of this article.
- 13** The Company may sell, in such manner as the directors may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share.
- 14** The net proceeds of the sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the holder of the share immediately before such sale. For giving effect to any such sale the directors may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be recorded as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.

## **CALLS ON SHARES**

- 15** The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each member shall (subject to the Company serving upon him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the directors may determine.
- 16** A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
- 17** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 18** If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 12 per cent. per annum, as the directors may determine, but the directors shall be at liberty to waive payment of such interest wholly or in part.
- 19** Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of

the share or by way of premium, shall for all the purposes of these articles be deemed to be a sum duly called and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

- 20** The directors may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
- 21** The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 12 per cent. per annum as may be agreed upon between the directors and the member paying such sum in advance.

### **FORFEITURE OF SHARES**

- 22** If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the directors may during such times as any part of the call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
- 23** The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The directors may accept the surrender of any share liable under these articles to be forfeited and, in such case, references in these articles to forfeiture shall include surrender.
- 24** 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 or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the directors to that effect and the forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 25** When any share has been forfeited, notice of forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
- 26** A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the directors may think fit.
- 27** A person whose shares have been forfeited shall thereupon cease to be a member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate not exceeding 12 per cent. per annum as the directors may determine, from the date of forfeiture until payment.
- 28** A statutory declaration in writing that the declarant is a director or the secretary of the Company and that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given for the share on the sale, re-allotment or

disposition thereof and the directors may authorise some person to transfer the share to the person to whom the same is sold, re-allotted or disposed, and he shall thereupon be recorded as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

## **TRANSFER OF SHARES**

**29** Subject to such of the restrictions of these articles as may be applicable:-

- (a) any member may transfer all or any of his shares which are held in certificated form by an instrument of transfer in the usual common form or in any other form which the directors may approve; and
- (b) any member may transfer all or any of his shares which are held in uncertificated form by means of a relevant system.

**30** In respect of a transfer of shares held in certificated form, the instrument of transfer of a share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the record in respect thereof. All instruments of transfer, when recorded, may be retained by the Company.

**31** The directors may in their absolute discretion and without assigning any reason therefor, decline to record any transfer of any share held in certificated form which is not a fully paid share. The directors may not exercise their discretion in such a way as to prevent dealings in the shares from taking place on an open and proper basis.

**32** The directors may also decline to record any transfer unless:-

- (a) in the case of shares held in certificated form, the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
- (b) in the case of shares held in certificated form, the instrument of transfer is in respect of only one class of share; and
- (c) in the case of a transfer to joint holders (whether of shares held in certificated or uncertificated form), the number of joint holders to whom the share is to be transferred does not exceed four.

**33** If the directors decline to record a transfer they shall, within two months after the date on which:-

- (a) the instrument of transfer was lodged (in the case of shares held in certificated form); or
- (b) the Operator-instruction was received by the Company (in the case of shares held in uncertificated form),

send to the transferee notice of the refusal.

**34** No fee shall be charged by the Company for recording any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, distringas or stop notice, order of court or other instrument relating to or affecting the title to any share, or otherwise making any entry in the record relating to any share.

## **TRANSMISSION OF SHARES**

- 35** In the 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 holder, shall be the only persons recognised by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share held by him jointly with other persons.
- 36** Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law may, subject as hereinafter provided and upon such evidence being produced as may from time to time be required by the directors as to his entitlement, either be recorded himself as the holder of the share or elect to have some person nominated by him recorded as the transferee thereof. If the person so becoming entitled elects to be recorded himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee recorded and such share is held in certificated form, he shall signify his election by signing an instrument of transfer of such share in favour of his nominee. If he shall elect to have his nominee recorded and such share is held in uncertificated form, he shall transfer such share to his nominee by way of a relevant system. All the limitations, restrictions and provisions of these articles relating to the right to transfer and the recording of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or transfer was made by such member.
- 37** A person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall (upon such evidence being produced as may from time to time be required by the directors as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a member until he shall have become recorded as the holder thereof. Provided always that the directors may at any time give notice requiring any such person to elect either to be recorded himself or to transfer the share and, if the notice is not complied with within sixty days, the directors may thereafter withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

## **UNTRACED SHAREHOLDERS**

- 38** (a) The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that:-
- (i) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares have become payable and no dividend in respect of those shares has been claimed; and
  - (ii) the Company shall on expiry of such period of 12 years have inserted advertisements in both a national daily newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected under these Articles is located giving notice of its intention to sell the said shares; and
  - (iii) notice shall have been given to the London Stock Exchange of its intention to make such sale.

(b) To give effect to any such sale the Company may appoint any person:-

- (i) to execute as transferor an instrument of transfer of the said shares if the said shares are held in certificated form; or
- (ii) to transfer the said shares by means of a relevant system if the said shares are held in uncertificated form,

and such instrument of transfer or such transfer, as the case may be, shall be as effective as if it had been executed or effected, as the case may be, 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 which shall be a permanent debt of the Company. 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.

#### **INCREASE OF CAPITAL**

- 39** The Company may from time to time by special resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
- 40** The Company may, by the resolution increasing its capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Acts) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to the issue of the new shares.
- 41** The new shares shall be subject to all the provisions of these articles with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise.

#### **ALTERATIONS OF CAPITAL**

- 42** The Company may from time to time by ordinary resolution:-

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares or any of them into shares of smaller amount than is fixed pursuant to the Act or by any resolution increasing its share capital (subject nevertheless to the Act) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such qualified or deferred rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;
- (c) cancel any shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

and may also by special resolution:-

- (d) subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve fund or any share premium account in any manner.

Where any difficulty arises in regard to any consolidation and division under paragraph (a) of this article, the directors may settle the same as they think expedient and in particular may issue, in respect of shares held in certificated form, fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the members who would have been entitled to the fractions, and for this purpose the directors may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

### **GENERAL MEETINGS**

- 43** The directors shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Companies Acts at such times and places as the directors shall appoint. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.
- 44** The directors may, whenever they think fit, convene an extraordinary general meeting.

### **NOTICE OF GENERAL MEETINGS**

- 45** An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice in writing and a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice in writing. Each such period shall be exclusive of the day on which the notice is served or deemed to be served and of the day for which it is given, and such notice shall specify the place, day and time of meeting and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Notice of every general meeting shall be given in manner hereinafter mentioned to all members other than such as, under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors provided that the Company may determine that only those persons entered on the record at the close of business on a day determined by the Company, such day being not more than 21 days before that notice of meeting is sent, shall be entitled to receive such a notice. For the purposes of determining which persons are entitled to attend or vote at a meeting, and how many votes such persons may cast, the Company may specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the record in order to have the right to attend or vote at the meeting.

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

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



- 46** The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 47** All business shall be deemed special that is transacted at an extraordinary general meeting and also all business that is transacted at an annual general meeting with the exception of the declaration and sanctioning of dividends, the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the accounts, the election of directors in place of those retiring by rotation or otherwise, the appointment of the auditors and the fixing, or the determination of the method of the fixing, of the remuneration of the directors and of the auditors.
- 48** No business, other than the appointment of a chairman, shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as otherwise provided by these articles, at least three members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a member shall be deemed for the purpose of these articles to be personally present if represented by proxy or in accordance with the provisions of the Companies Acts.
- 49** If within fifteen minutes after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time or place as the chairman of the meeting may determine. If at such adjourned meeting a quorum as above defined is not present within fifteen minutes after the time appointed for holding the meeting, the member or members present in person or by proxy whatever the number shall be a quorum.
- 50** Each director shall be entitled to attend and speak at any general meeting of the Company.
- 51** The chairman (if any) of the directors or, in his absence, the deputy-chairman (if any) shall preside as chairman at every general meeting. If there is no such chairman or deputy-chairman, or if at any meeting neither the chairman nor the deputy-chairman is present within five minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the directors present shall choose one of their number so to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if all the directors present decline to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.
- 52** The chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING**

- 53** At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:-
- (a) the chairman of the meeting; or

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

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

- 54** If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 55** 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 in such manner and either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll which is not taken forthwith.
- 56** The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
- 57** On a poll votes may be given either personally or by proxy.
- 58** A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.
- 59** In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote.
- 60** In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the record in respect of the joint holding.
- 61** A member of unsound mind or who is a patient for the purposes of any statute relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a committee or curator bonis appointed by such Court, and such receiver, committee, curator bonis or other person may vote on a poll by proxy.
- 62** No member shall, unless the directors otherwise determine, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 63** (a) If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Companies Act 1985 and is in default

for a period of 21 days in supplying to the Company the information thereby required, then (unless the directors otherwise determine) in respect of:-

- (i) the shares comprising the shareholding account in the record which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares", which expression shall include any further shares which are issued in respect of such shares); and
- (ii) any other shares held by the member;

the member shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred other than pursuant to an approved transfer or pursuant to paragraph (b)(ii) below be entitled to attend or vote either personally or by proxy at a shareholders' meeting or to exercise any other right conferred by membership in relation to shareholders' meetings.

(b) Where the default shares represent 0.25 per cent. or more of the issued shares of the class in question, the directors may in their absolute discretion by notice (a "direction notice") to such member direct that:-

- (i) any dividend or part thereof or other money which would otherwise be payable in respect of the default shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member; and/or
- (ii) no transfer of any of the shares held by such member shall be registered unless the transfer is an approved transfer or:-
  - (a) the member is not himself in default as regards supplying the information required; and
  - (b) the transfer is of part only of the member's holding and, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the directors to the effect that after due and careful enquiry the member is satisfied that none of the shares the subject of the transfer are default shares,

provided that in the case of uncertificated securities the directors may only exercise their discretion not to register a transfer if permitted to do so by regulation 23 of the Regulations.

Upon the giving of a direction notice its terms shall apply accordingly.

(c) The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

(d) (i) Save as herein provided any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice was issued continues and shall cease to have effect thereafter upon the directors so determining (such determination to be made within a period of one week of the default being duly remedied with written notice thereof being given forthwith to the member).

(ii) Any direction notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with paragraph (b)(ii) above.

(e) For the purposes of this article:-

- (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has been served with a notice under the said Section 212 and either (a) the member has named such person as being so interested or (b) (after taking into account the response of the member to the said notice and any other relevant information) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; and
- (ii) a transfer of shares is an approved transfer if:-
  - (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a takeover offer (as defined in Section 428 of the Companies Act 1985); or
  - (b) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with any person appearing to be interested in such shares including any such sale made through the London Stock Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded. For the purposes of this subparagraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.

(f) The provisions of this Article are in addition and without prejudice to the provisions of the Companies Act 1985.

- 64** If (i) any objection shall be raised to the qualification of any voter or (ii) any votes have been counted which ought not to have been counted or which might have been rejected or (iii) 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 may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

#### PROXIES

- 65** The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer, attorney or other person authorised to sign the same.
- 66** A proxy need not be a member.
- 67** The instrument appointing a proxy and (if required by the directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the head office of the Company (or at such other place in the United Kingdom as may be specified in the notice convening the meeting or in any document sent therewith) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution.

- 68** Instruments of proxy shall be in any common form or in such other form as the directors may approve and the directors may, if they think fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 69** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the head office of the Company (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

#### **DISQUALIFICATION OF DIRECTORS**

- 70** Without prejudice to the provisions for retirement by rotation contained in these articles, the office of a director shall be vacated in any of the events following, namely:-
- (a) if he resigns his office by notice in writing delivered to the secretary of the Company or tendered at a meeting of the directors;
  - (b) if he becomes of unsound mind or a patient for the purposes of any statute relating to mental health and the directors resolve that his office is vacated;
  - (c) if, without leave, he is absent from meetings of the directors (whether or not any alternate director appointed by him attends) for six consecutive months, and the directors resolve that his office is vacated;
  - (d) if he becomes bankrupt or compounds with his creditors;
  - (e) if he is prohibited by law from being a director;
  - (f) if he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

#### **EXECUTIVE DIRECTORS**

- 71** The directors may from time to time appoint one or more of their body to be executive directors for such period and upon such terms as the directors may determine and may revoke any of such appointments. The appointment of any director as an executive director shall be automatically terminated if he ceases from any cause to be a director unless the contract or resolution under which he holds office expressly provides to the contrary. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such director may have against the Company or the Company may have against such director for any breach of any contract of service between him and the Company which may be involved in such revocation or termination.
- 72** An executive director shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the directors may determine, and either in addition to or in lieu of his remuneration as a director.

## **ALTERNATE AND ASSOCIATE DIRECTORS**

**73** (a) Each director shall have power to appoint any person to be his alternate director and may at his discretion remove such alternate director. If such alternate director is not another director, such appointment, unless previously approved by the directors, shall have effect only upon and subject to it being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing by the appointor and delivered to the secretary of the Company or tendered at a meeting of the directors. An alternate director shall, if his appointor so requests, be entitled to receive notices of meetings of the directors or of a committee of the directors to the same extent as, but in lieu of, the director appointing him and shall be entitled 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 exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at such meeting the provisions of these articles shall apply as if he were a director.

(b) Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these articles relating to directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be repaid expenses and shall be entitled to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a director but shall not be entitled to receive from the Company any fee in his capacity as an alternate director.

(c) Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate (in addition to his own vote if he is also a director). If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability or is otherwise unavailable, the signature of an alternate director to any resolution in writing of the directors or a committee of the directors shall be as effective as the signature of his appointor.

(d) An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director provided that, if at any meeting any director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this article which was in force immediately before his retirement shall remain in force as though he had not retired.

(e) The directors may from time to time appoint any person to be an associate director of the Company upon such terms as they shall think fit and may at any time remove any such person from his appointment. A person so appointed as an associate director shall not, by virtue of such appointment become a director of the Company or be entitled to exercise any of the functions of a director and accordingly:-

- (a) he shall not be entitled to remuneration under paragraph (J) of article 1 hereof;
- (b) he shall not be entitled to receive notice of or to attend any meeting of the directors, unless specially invited to do so and then only in a consultative capacity, and he shall not be included in calculating the number required to form a quorum at any such meeting or be entitled to vote thereat.

## **ADDITIONAL REMUNERATION AND EXPENSES**

**74** The Directors may be paid their reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the directors or committees of the directors or general meetings or otherwise incurred while engaged on the business of the Company.

**75** Any director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the directors go beyond the ordinary duties of a director

may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the directors may determine, and such remuneration shall be in addition to any remuneration provided for by or pursuant to any other article.

#### **DIRECTORS' INTERESTS**

**76** (a) A director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms as the directors may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the directors may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other article.

(b) A director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if were not a director.

(c) A director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefits received by him as a director or officer of or from his interest in such other company. The directors may also exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution appointing the directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(d) A director shall not vote or be counted in the quorum on any resolution of the directors concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

(e) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each director, and in such case each of the directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company where the director owns 1 per cent. or more.

(f) Subject to the next paragraph of this article, no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any director is in any way interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship thereby established.

(g) A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the directors at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in

any other case at the first meeting of the directors after he knows he is or has become so interested. A general notice to the directors given by a director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this article in relation to any contract or arrangement so made. Provided that no such notice shall be effective unless either it is given at a meeting of the directors or the director giving the same takes reasonable steps to secure that it is brought up and read at the next meeting of directors after it is given.

(h) Save as otherwise provided by these articles, a director shall not vote (or be counted in the quorum) on any resolution of the directors in respect of any contract or arrangement in which he (together with any person connected with him) is to his knowledge materially interested (otherwise than by virtue of interests in shares or debentures of, or otherwise in or through, the Company), and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters namely:-

(i) the giving of any security, guarantee or indemnity in respect of (a) 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 or (b) a debt or other 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;

(ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(iii) any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him within the meaning of Section 346 of the Companies Act 1985) does not have an interest (as that term is used in Sections 198 to 211 of the Companies Act 1985) in one per cent or more of the issued equity share capital of any class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this article to be a material interest in all circumstances);

(iv) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and

(v) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons who include directors.

(i) A company shall be deemed a company in which a director owns 1 per cent. or more if and so long as (but only if and so long as) the director is the holder of or beneficially interested in, either directly or through another company, 1 per cent. or more of any class of its equity share capital 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 cases). For the purpose of this paragraph there shall be disregarded any shares held by a director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in a recognised unit trust scheme in which the director is interested only as a unit holder.



(j) Where a company in which a director holds 1 per cent. or more is materially interested in a transaction, then that director shall also be deemed materially interested in such transaction.

(k) If any question shall arise at any meeting of the directors as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director other than such chairman to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to any other director shall be final and conclusive except in a case where the nature or extent of the interest of the director concerned as known to such director has not been fairly disclosed to the directors. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the directors (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the directors.

(l) The Company may by ordinary resolution suspend or relax the provisions of this article to any extent or ratify any transaction not duly authorised by reason of a contravention of this article.

#### **POWERS AND DUTIES OF THE BOARD**

- 77** The business of the Company shall be managed by the directors who may exercise all such powers of the Company as are not by the Act, the Companies Acts or these articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act, the Companies Acts and these articles and to such regulations, being not inconsistent with such provisions, as may be prescribed by the Company in general meeting, but no regulations made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if such regulations 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.
- 78** The directors may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 79** The directors may entrust to and confer upon any director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit, and either collaterally with, or to the exclusion of, their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.
- 80** All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.
- 81** The directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the directors;
  - (b) of the names of the directors present at each meeting of the directors or of any committee of the directors; and

- (c) of all resolutions and proceedings at all meetings of the Company and of the directors and of any committee of the directors.

**82** The directors on behalf of the Company may exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any director or former director or the relations or dependants of any director or former director provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other article) shall be granted to a director or former director who has not been an executive director or held any other office or place of profit under the Company or any of its subsidiaries (or to a person who has no claim on the Company except as a relation or dependant of such a director or former director) without the approval of an ordinary resolution of the Company. A director or former director shall not be accountable to the Company or the members for any benefit of any kind properly conferred under or pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

### **PROCEEDINGS OF THE DIRECTORS**

- 83** The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of directors.
- 84** Notice of a meeting of directors shall be deemed to be duly given to a director if the same is given to him personally or by word of mouth or sent to him at his last known address or any other address given by him to the Company for this purpose, provided that it shall not be necessary to give notice of a meeting of directors to any director who is for the time being absent from the United Kingdom.
- 85** The quorum necessary for the transaction of the business of the directors may be fixed by the directors and, unless so fixed at any other number, shall be two. Any director who ceases to be a director at a meeting of directors may continue to be present and to act as a director and be counted in the quorum until the termination of the meeting if no other director objects and if otherwise a quorum of directors would not be present.
- 86** 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 minimum number fixed by these articles, the continuing directors or director, notwithstanding that the number of directors is below the number fixed by or in accordance with these articles as the quorum or that there is only one continuing director, may act for the purpose of filling up such vacancies as they are under these articles entitled to fill or of summoning general meetings of the Company but not for any other purpose.
- 87** The directors may elect a chairman and deputy-chairman of their meetings and determine the period for which they are respectively to hold office. If no such chairman or deputy-chairman is elected, or if at any meeting neither the chairman nor the deputy-chairman is present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
- 88** A meeting of the directors at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the directors.
- 89** The directors may delegate any of their powers, authorities and discretions to committees, consisting of such person or persons (whether a member or members of their body or not) as they

think fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the directors.

- 90** The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these articles for regulating the meetings and proceedings of the directors so far as the same are applicable and are not superseded by any regulations imposed by the directors under the last preceding article.
- 91** A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the directors or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the directors or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the directors or members of the committee concerned.
- 92** All acts done by the directors, or by any committee or by any person acting as a director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any of the directors or members of such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or member of such committee.

#### **SECRETARY**

- 93** The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by the directors.
- 94** A provision of the Act, the Companies Acts or 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 place of, the secretary.

#### **THE SEAL**

- 95** The directors shall provide for the safe custody of the seal which shall only be used by the authority of the directors or of a committee of the directors authorised by the directors in that behalf and every instrument to which the seal shall be affixed shall (subject as otherwise provided in these articles) be signed by one or more directors and the secretary or by two or more directors.

#### **DIVIDENDS AND OTHER PAYMENTS**

- 96** Subject to such of the restrictions of these articles as may be applicable, the Company in general meeting may from time to time declare dividends to be paid to the members according to their rights and interests in the profits, but no dividend shall be declared in excess of the amount recommended by the directors.
- 97** Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide:-
- (a) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this article as paid up on the share, and
  - (b) all dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

- 98** Subject to such of the restrictions of these articles as may be applicable, the directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the position of the Company and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such position, in the opinion of the directors, justifies that course.
- 99** The directors may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.
- 100** No dividend or other moneys payable on or in respect of any share shall bear interest against the Company.
- 101** Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his address appearing in the record or, in the case of joint holders, addressed to the holder whose name stands first in the record in respect of the shares at his address appearing therein or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to or to the order of the holder or, in the case of joint holders, to or to the order of the holder whose name stands first on the record in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or properly distributable in respect of the shares held by such joint holders.
- 102** Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company and the payment by the directors of any unclaimed dividend, interest or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

#### **RESERVES**

- 103** The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as reserves which shall, at the discretion of the directors, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward any profits which they may think it prudent not to distribute.

#### **CAPITALISATION OF PROFITS**

- 104** Subject to such of the restrictions of these articles as may be applicable, the Company may, upon the recommendation of the directors, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund and accordingly that such amount be set free for distribution among the members or any class of members who would be entitled thereto if distributable and distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid among such members, or partly in one way and partly in the other, and the directors shall give effect to such resolution, provided that, for the purposes of this article, a share premium account and a capital redemption reserve

fund may only be applied in the paying up of unissued shares to be issued to such members credited as fully paid.

- 105** Where any difficulty arises in regard to any distribution under the last preceding article the directors may settle the same as they think expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may determine that cash payments shall be made to any members in order to adjust the rights of all parties, as may seem expedient to the directors. The directors may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the members.

#### **RECORD DATES**

- 106** Notwithstanding any other provision of these articles, the directors 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.

#### **ACCOUNTS**

- 107** The directors shall cause true accounts to be kept:-
- (a) of the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place;
  - (b) of all sales and purchases of goods by the Company; and
  - (c) of the assets and liabilities of the Company.
- 108** The books of account shall be kept at the head office of the Company or, subject to the Companies Acts, at such other place or places as the directors may think fit and shall always be open to inspection by each director. No member (other than a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the directors.
- 109** A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts, and copies shall also be sent in appropriate numbers to the London Stock Exchange in accordance with the terms of any listing agreement for the time being binding on the Company.

#### **AUDITORS**

- 110** Auditors shall be appointed and their duties regulated in accordance with the Companies Acts.

#### **SERVICE OF NOTICES AND OTHER DOCUMENTS**

- 111** Any notice or other document (including a share certificate in respect of shares held in certificated form) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid letter addressed to such member at his address appearing in the record or by delivering it to or leaving it at such address addressed as aforesaid. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. All notices or other documents served on or delivered to joint holders shall,

unless such holders otherwise in writing direct, be served on or delivered to that one of the joint holders whose name stands first in the record in respect of the joint holding.

- 112** Any member described in the record by an address not within the United Kingdom who shall, from time to time, give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no member other than a member described in the record by an address within the United Kingdom shall be entitled to receive any notice from the Company.
- 113** Any such notice or other document, if sent by post, shall be deemed to have been served or delivered on the day after the day when the same was put in the post, and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post.
- 114** Any notice or other document delivered or sent by post to or left at the address appearing in the record of any member in pursuance of these articles shall, notwithstanding that such member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share recorded in the name of such member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the record as the holder of the share, and such service or delivery shall for all purposes be deemed to be a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

#### **WINDING-UP**

- 115** If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Acts but subject always to the performance by the Company of its statutory duties, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction but subject to the performance of such duties, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator shall think fit, but so that no member shall be compelled to accept any shares or other assets upon which there is any liability.

#### **DESTRUCTION OF DOCUMENTS**

- 116** The Company shall be entitled to destroy all instruments of transfer or other documents which have been registered or on the basis of which registration was made at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the record purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:-

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this article;
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### **INDEMNITY**

- 117** Every director, executive director, manager, officer and auditor of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such director, executive director, manager, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the Court.