

THE COMPANIES ACTS 1985 to 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(adopted by Special Resolution passed on 24 May 2007)

of

JOHN MENZIES PLC

TABLE A

1. None of the regulations contained in:-
- (A) Table A as set out in Part 1 of the First Schedule to the Companies Act 1948; or
 - (B) Table A as set out in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended);

shall apply to the Company and they are hereby excluded.

INTERPRETATION

2. In these presents if not inconsistent with the subject or context:-

The words standing in the first column of the following Table shall bear the meanings set opposite them respectively in the second column thereof.

“Acts” means the 1985 Act and, to the extent for the time being in force, the 2006 Act;

“the Board” means the Board of Directors of the Company or the Directors present at a duly convened meeting of the Directors at which

a quorum is present;

“certificated”	means in relation to a share, one which is recorded in the Register as being held in certificated form;
“electronic communication”	means any notice, document or information sent or supplied by electronic means or by any other means in accordance with these Articles while in an electronic form;
“electronic means”	has the same meaning as in the 2006 Act and includes, without limitation, email, facsimile, transmission and publication on a website;
“electronic signature”	means anything in electronic form which the Board requires to be incorporated into or otherwise associated with an electronic communication for the purposes of establishing the authenticity or integrity of the communication;
“In Writing or in writing”	means (1) written, printed, typewritten, telexed, lithographed or produced by any other mode of reproducing words in legible and non-transitory form; and (2) produced by way of electronic communication where permitted by the Directors in their absolute discretion; or partly by one such means and partly by another;
“London Stock Exchange”	means The London Stock Exchange Limited;
“Month”	means calendar month;
“Office”	means the Registered Office of the Company;
“Operator”	means operator as defined in regulation 3(1) of the Regulations;
“Paid up”	means paid up or credited as paid up;
“participating issuer”	means participating issuer as defined in regulation 3(1) of the Regulations;
“participating security”	means a share or class of shares or a renounceable right of allotment of a share, title to which is permitted to be transferred by

	means of a relevant system in accordance with the Regulations;
“the Register”	means the Register of members of the Company;
“Regulations”	means the Uncertificated Securities Regulations 1995;
“relevant system”	means relevant system as defined in regulation 3(1) of the Regulations;
“Seal”	means the Common Seal of the Company;
“Securities Seal”	means the Official Seal of the Company permitted to be used by Section 40 of the 1985 Act;
“Transfer Office”	means the place where the Register is situate;
“uncertificated”	means in relation to a share, title to which is recorded in the Register as being held in uncertificated form and title to which by virtue of the Regulations may be transferred by means of a relevant system;
“United Kingdom”	means Great Britain and Northern Ireland;
“Year”	means calendar year;
“1985 Act”	means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
“2006 Act”	means the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force.

The words importing the singular number only shall include the plural number and vice versa;

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

Words importing individuals shall include corporations and companies;

The expression “address” shall include, in relation to an electronic communication, any number or address used for the purposes of such communication;

The expressions “debenture” and “debenture holder” shall include debenture stock and debenture stockholder;

The expression “the Secretary” shall include a temporary or assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

The expression “dividend” shall include bonus;

Reference to any provision of the Acts shall be construed as a reference to:

- (a) such provision as modified or re-enacted by any statute for the time being in force;
- (b) all statutory instruments or orders made pursuant thereto; and
- (c) any statutory provision of which such provision is a re-enactment or modification.

For the purposes of these Articles, references to a “relevant system” shall be deemed to relate to the relevant system on which the particular share or class of shares or renounceable right of allotment of a share in the capital of the Company is a participating security for the time being and all references in these Articles to the giving of an instruction by means of a relevant system shall be deemed to relate to a properly authenticated dematerialised instruction given in accordance with the Regulations and the giving of such instruction shall be subject to:-

- (a) the facilities and requirements of the relevant system;
- (b) the extent permitted by the Regulations; and
- (c) the extent permitted by or practicable under the rules, procedures and practices from time to time of the Operator of the relevant system.

References to a document being “signed” or to a “signature” include references to it being executed under hand or under seal or by any other method and, in the case of an electronic communication, are to its bearing an electronic signature. References to a document being “executed” include references to its being executed under hand or under seal or by any other method except by means of an electronic signature.

3. Subject to the last preceding Article, any words or expressions defined in the Acts shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

SHARE CAPITAL

4. The share capital of the Company at the date of adoption of these Articles is £40,000,000 divided into 1,735,938 9 per cent Cumulative Preference Shares of

£1 each, 20,000,000 8.58 per cent Cumulative Redeemable Preference Shares of £1 each and 73,056,248 Ordinary Shares of 25p each.

5. (A) The said 9 per cent Cumulative Preference Shares of £1 each (hereinafter in these Articles referred to as “the Preference Shares”) shall confer upon the holders thereof the rights and privileges and subject them to the restrictions and conditions following, namely:-
- (i) The right, in priority to any payment to holders of any other class of shares, to payment half-yearly on the first day of April and the first day of October in each year, in each case in respect of the period ending on the nineteenth day of the immediately preceding month, out of the profits of the Company available for dividend and resolved to be distributed a cumulative preferential dividend at the rate of 9 per cent per annum on the capital for the time being paid up or credited as paid up thereon and the Preference Shares shall confer no further rights to participate in profits of the Company.
 - (ii) In the event of a return of assets in a winding-up or otherwise a right to repayment, in priority to any payment to holders of any other class of shares, of the whole amount paid up or credited as paid up thereon together with a premium of 5p per share and a sum equal to any arrears or deficiency of said fixed dividend payable on the Preference Shares (whether earned or declared or not) calculated down to the date of repayment and in the event of a return of assets involving repayment of a part only of the amount paid up on the Preference Shares, a part only of said premium in respect thereof and of the arrears or deficiency of the said fixed dividend payable thereon proportionate to the amount of capital to be repaid on each such Preference Share, shall become payable and the Preference Shares shall confer no further rights to participate in the assets of the Company.
- (B) The said 8.58 per cent Cumulative Redeemable Preference Shares of £1 each (hereinafter in these Articles referred to as “the Redeemable Preference Shares”) shall confer upon the holders thereof the rights and privileges and subject them to the restrictions and conditions following namely:-
- (i) Subject always to the prior right of the holders of the Preference Shares from time to time in issue to the payment of the preferential dividend due thereon and any arrears or deficiency thereof the right in priority to any payment to holders of any other class of shares (other than the Preference Shares) to payment half-yearly in arrears on Twentieth June and Twentieth December in each year out of the profits of the Company available for dividend and resolved to be distributed of a fixed cumulative preferential dividend at the rate of 8.58 per cent per annum on the capital for the time being paid up or credited as paid up thereon (save that the first such payment shall be made on Twentieth December 1988 in respect of the period from the date of first allotment of Redeemable Preference Shares to Twentieth December 1988 both dates inclusive) and the Redeemable Preference Shares shall confer no further rights to participate in the profits of the Company.

- (ii) In the event of a return of assets in a winding-up or otherwise (except on redemption in accordance with sub-paragraph (iii) of this Article) but subject always to the prior rights of the holders of the Preference Shares from time to time in issue to repayment, in priority to any payment to the holders of any other class of shares (other than the Preference Shares) of the whole amount paid up or credited as paid up thereon together with a sum equal to any arrears or accruals of the fixed preferential dividend payable on the Redeemable Preference Shares (whether earned or declared or not) calculated down to the date of repayment, and the Redeemable Preference Shares shall confer no further rights to participate in the assets of the Company.
- (iii) The following provisions shall have effect as regards the redemption of the Redeemable Preference Shares:-
- (a) the Company shall, subject to the provisions of the Acts, redeem on Twentieth June 2003 (or as soon thereafter as the Company shall be able to comply with the provisions of the Acts) (hereinafter referred to as "the Redemption Date") all of the Redeemable Preference Shares (if any) then in issue. The Company shall give to the holders of the Redeemable Preference Shares not less than three calendar months notice in writing of the Redemption Date. Such notice shall specify the place for payment of the redemption monies and to which the certificates for the Redeemable Preference Shares are to be delivered;
- (b) on or before the Redemption Date each of the holders of the Redeemable Preference Shares shall be bound to deliver to the Company at the Transfer Office or at such other place within the United Kingdom as may be specified in such notice the certificate or certificates for his Redeemable Preference Shares in order that the same may be cancelled and upon such delivery (or of an indemnity in respect thereof satisfactory to the Company) and against the receipt of such holder for the redemption monies payable in respect of said Redeemable Preference Shares the Company shall pay to each holder the amount due in respect of such redemption and shall cancel the certificate or certificates so delivered;
- (c) if any holder of a Redeemable Preference Share shall fail or refuse to deliver the certificate therefor in terms of the said notice the Company may retain the redemption monies in respect of such Redeemable Preference Share until delivery of the certificate or of an indemnity aforesaid but shall within seven days after such delivery pay the redemption monies to such holder against the receipt of such holder for the redemption monies. Any interest earned on the redemption monies so retained shall be the property of the Company absolutely;

- (d) there shall be paid on the redemption of each Redeemable Preference Share the amount paid up or credited as paid up thereon together with an amount equal to any arrears or accruals of the fixed preferential dividend thereon calculated up to and including the Redemption Date and to be payable irrespective of whether the said dividend has been earned or declared or not;
 - (e) the fixed preferential dividend on each Redeemable Preference Share shall cease to accrue from the Redemption Date unless upon delivery of the certificate relating thereto or an indemnity as aforesaid the Company fails or refuses to make payment of the redemption monies in which event with regard to the Redeemable Preference Share in question the said fixed preferential dividend shall continue to accrue from the Redemption Date to the date of payment; and
 - (f) all Redeemable Preference Shares redeemed under the provisions hereof shall be cancelled and the authorised share capital of the Company diminished by the amount of the nominal value thereof.
6. Without prejudice to any special rights previously conferred on the holders of any such shares or class of shares (which special rights may be varied or abrogated only in the manner provided in Article 8 hereof), 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 by the resolution creating such shares may direct, or if no such direction be given, or, so far as the same shall not extend, as the Board may from time to time determine.
7. Subject to the provisions of the Acts, the Company may issue shares which are, or at the option of the Company are to be liable, to be redeemed and may in any manner permitted by and in accordance with the Acts purchase or enter into any contract under which it will or may purchase any of its own shares (including any redeemable shares). Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class. Subject only to Article 8(A), the rights attached to any class of shares shall be deemed not to be varied by anything done by the Company pursuant to this Article.

MODIFICATION OF RIGHTS

8. (A) Subject to the provisions of the Acts all or any of the special rights and privileges 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 in nominal amount 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, 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 shall be a quorum. The foregoing provisions of this Article shall apply to the variation or abrogation of the rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes.

Without prejudice to the generality of the foregoing the rights and privileges for the time being attached to the Preference Shares shall be deemed to be altered by the passing of a resolution for reducing the capital of or winding up the Company or for altering the Company's objects as stated in its Memorandum of Association or for the sale of the Company's undertaking or any substantial part thereof and the rights and privileges for the time being attached to the Redeemable Preference Shares shall be deemed to be altered by any alteration to, or the giving of any sanction by way of Ordinary Resolution of the Company under, Article 95, a reduction in the issued share capital of the Company or the repayment of any capital of the Company (other than in the redemption of redeemable shares) or the purchase by the Company, whether in the market, by tender or by private treaty of any shares in the capital of the Company if immediately after the completion of such purchase, the Company would be unable, without the sanction of the holders of the Redeemable Preference Shares pursuant to sub-paragraph (C)(ii) of this Article, to issue any further preference share capital (as defined for the purposes of paragraph (C) of this Article) ranking pari passu with the Redeemable Preference Shares.

- (B) The Company shall not, without the separate sanction of the holders of the Preference Shares for the time being issued given in the manner provided by this Article, issue any preference shares in the capital of the Company (which expression shall mean for the purposes of this paragraph any share capital of the Company which is not equity share capital as defined in Section 744 of the 1985 Act) ranking either as to dividend or as to capital in priority to or pari passu with all or any of the Preference Shares.
- (C) The Company shall not, without the separate sanction of the holders of the Redeemable Preference Shares for the time being issued given in the manner provided by this Article, issue any preference share capital of the Company (which expression shall mean for the purposes of this paragraph any share capital of the Company which is not equity share capital) ranking either as to dividend or as to capital in priority to the Redeemable Preference Shares nor shall the Company issue any preference share capital ranking either as to dividend or as to capital pari passu with the Redeemable Preference Shares (and any other further preference share capital of the Company so ranking) and carrying the same or a different rate of dividend or the same or a different premium (if any) on repayment and being redeemable or irredeemable and being convertible into Ordinary Shares or any other class of shares in the capital of the Company ranking as to dividend or as to capital pari passu with or after the Preference Shares or not so convertible except with the prior sanction (given in the manner provided by this Article) of the holders of the Redeemable Preference Shares and of any other preference share capital ranking as to dividend or as to capital pari passu with the Redeemable Preference Shares for the time being issued for which purposes all

such preference share capital, including the Redeemable Preference Shares, shall be treated as one class) if:

- (i) at the date of such issue the nominal value of the preference share capital so issued would, when aggregated with the nominal value of all of the other preference share capital of the Company ranking as to dividend or as to capital in priority to or *pari passu* with, and including, the Redeemable Preference Shares then in issue exceed an amount equal to two-thirds of the share capital and reserves of the Company which for these purposes shall mean the aggregate of the nominal amount of the issued share capital of the Company and the amount standing to the credit of the reserves of the Company and its subsidiaries which are not, in terms of the Acts, capable of distribution by way of dividend (including any share premium account and capital redemption reserve), all as shown in the latest published audited consolidated balance sheet of the Company and its subsidiaries but adjusted in such manner, if any, as the Auditors for the time being of the Company may consider appropriate to reflect any share capital of the Company which may have been issued or any other event having an effect on the consolidated reserves of the Company and its subsidiaries which may have occurred, since the date of the said balance sheet; or
- (ii) at the date of such issue the mean arithmetical average of the profits after taxation of the Company and its subsidiaries (calculated before debiting or crediting extraordinary items as such expression is defined in Financial Reporting Standard No. 3 as issued by The Accounting Standards Board at the date of adoption of this Article) in respect of the last three accounting reference periods of the Company in respect of which audited consolidated accounts of the Company have been published (adjusted where such periods aggregate less or more than thirty-six calendar months by reducing or increasing the profits as aforesaid in respect of any accounting reference period which is less or more than twelve calendar months (by six or more days) by the same percentage as the relevant accounting reference period is less than or exceeds twelve calendar months) is less than three times the aggregate annual amount of dividend payable in respect of the preference share capital of the Company then in issue (calculated net of associated tax credit) which ranks as to dividend or as to capital in priority to or *pari passu* with the Redeemable Preference Shares and for these purposes the Redeemable Preference Shares and such other preference share capital in issue at the relevant time and the preference share capital proposed to be in issue shall be taken into account; or
- (iii) the preference share capital to be issued is to be paid up in whole or in part by way of capitalisation of reserves pursuant to Article 133 and the preference share capital so issued is capable of redemption on or prior to Twentieth June 2003.
- (C) For the purpose of this Article share capital allotted shall be treated as issued notwithstanding that the issue thereof has not been completed by the registration of the allottees or their renounees.

9. Subject as hereinbefore provided in regard to the Preference Shares and the Redeemable Preference Shares, the special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

SHARES

10. (A) Subject to the provisions of these Articles and of the Acts, the unissued shares of the Company shall be at the disposal of the Board, which may allot (with or without conferring a right of renunciation), 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 Board may determine.
- (B) The shares of the Company shall not be allotted at a discount nor shall they be allotted except as paid up both in regard to nominal amount and premium to the minimum extent permitted by the Acts.
11. The Company may exercise powers of paying commissions conferred by the Acts, provided that the rate or amount of the commission paid or agreed to be paid and the number of shares which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by the Acts, and that such commission shall not exceed 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Subject to the Acts such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be permitted by the Acts.
12. The Company shall not be bound by or required to recognise any person as holding any share upon any trust or to recognise any equitable, contingent, future or partial interest in any shares or any rights whatsoever in respect of any shares other than an absolute right thereto in the registered holder, except as by these Articles otherwise expressly provided or as required by the Acts or pursuant to any order of Court.

SHARE CERTIFICATES AND UNCERTIFICATED SHARES

13. (A) (i) Notwithstanding anything to the contrary in these Articles, but always subject to the Regulations, the Directors may resolve that a class of shares is to become a participating security in terms of the Regulations and may at any time determine that a class of shares shall cease to be a participating security;
- (ii) Shares of a class shall not be treated as forming a separate class from other shares of that class merely because any such shares are from time to time held in uncertificated form;
- (iii) Any share of a class which is a participating security may be changed from an uncertificated share to a certificated share, and vice versa, in accordance with and subject to the Regulations;

- (iv) For so long as a class of shares remains a participating security, these Articles shall only apply to uncertificated shares of that class to the extent they are consistent with:-
 - (i) the holding of shares in that class in uncertificated form;
 - (ii) the transfer of title to shares in that class by means of a relevant system; and
 - (iii) the Regulations.

- (B) Where the Company is entitled under any provisions of the Acts or the rules, procedures or practices of any relevant system or under these Articles to dispose of, forfeit, enforce a lien over or sell or otherwise procure the sale of any shares which are held in uncertificated form, the Directors shall have the power (subject to the extent permitted by the Regulations and the rules, procedures and practices of the relevant system) to take such steps as may be required, by instruction by means of a relevant system or otherwise, to effect such disposal, forfeiture, enforcement or sale and such powers shall (subject as aforesaid) include the right to:-
 - (i) request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form;
 - (ii) alter such computer-based entries so as to divest the registered holder of such shares of the power to transfer such shares to a person other than the transferee, purchaser or his nominee identified by the Company for this purpose;
 - (iii) require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to convert his holding of such uncertificated shares into certificated form within such period as may be specified in the notice prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps as may be necessary to sell or transfer such shares; and/or
 - (iv) appoint any person to take such other steps in the name of the holder of such shares as may be required to effect transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned.

- (C) Subject as otherwise provided in these Articles, every person (other than a recognised clearing house or a nominee of a recognised clearing house or recognised investment exchange in respect of which the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a member in the Register in respect of certificated shares shall be entitled, without payment, to receive within two months of lodgement of transfer or of the date of allotment, or of the date of expiration of any right of renunciation or of the date on which a conversion of a share from uncertificated form into

certificated form (whichever is the later) or within such other period as the conditions of issue shall provide one certificate for all his shares of any one class. If any member shall surrender for cancellation a share certificate representing shares held by him and request the company to issue in lieu thereof two or more share certificates representing such shares in such proportion as he may specify the Board may, if they think fit, comply with such request. Where a member has sold part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge. Every certificate shall be issued under the Seal or the Securities Seal. Certificates issued under the Securities Seal shall not be signed or countersigned and certificates issued under the Seal shall only be signed or countersigned should the Board so determine. The method or system of affixing the Seal and the Securities Seal shall (if the Board so determines) be controlled by, or the certificates shall be approved for sealing by, the auditors, bankers or registrars of the Company.

- (D) The Directors may determine, either generally or in particular cases, that any signature on share certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed or that such certificates need not be signed by any person.
14. If a share certificate be defaced, lost or destroyed it may be replaced without charge but on such terms (if any) as to evidence and indemnity and to payment of exceptional out-of-pocket expenses of the Company of investigating such evidence as the Board may think fit and, in the case of defacement, on delivery of the old certificate to the Company.
15. The provisions of Articles 13 and 14 hereof shall apply to debentures and certificates of debenture stocks and any other securities comprised in the capital of the Company and that with all necessary modifications and adaptations and subject always to the Trust Deed or other instrument constituting such securities, if any.

JOINT HOLDERS OF SHARES

16. The Company shall not be bound to register more than four persons as the holders of any share and where two or more persons are registered as the holders of any share they shall be deemed to be joint holders, and the following provisions shall apply as well as any other provisions of these Articles:-
- (a) the joint holders of any share shall be liable jointly and severally in respect of all payments due to be made in respect of such share;
 - (b) on the death of any joint holder the survivors or survivor shall be the only persons or person recognised by the Company as having any title to or interest in such share but the Board may require such evidence of death as they may deem fit;
 - (c) any one joint holder may give an effectual receipt for any dividend or return of capital payable to such joint holders;

- (d) only the person whose name stands first in the Register as any of the joint holders of any share shall be entitled to delivery of the certificate relating to such share, or to any notices, documents or other information from the Company. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices or, if the Board in their absolute discretion permit, an address to which notices may be sent using electronic means, shall be disregarded. The joint holder to whom, in accordance with this Article, notice may be given such that the delivery of any notice is sufficient notice to all of the joint holders in their capacity as such shall be called the "First Named Holder";
- (e) in the case of joint holders of a share, the consent (generally or specifically) of the First Named Holder to receive any notice, document or information from the Company in electronic form and/or the specification by such First Named Holder of an address for the purposes of receipt of any electronic communication shall be effective consent and/or specification (as the case may be) of all joint holders of such share. The First Named Holder may also effectively revoke any such consent and/or specification of address; and
- (f) with respect to any share entitling the holder thereof to vote at a meeting any one of such joint holders may vote at any meeting either personally or by proxy in respect of such share as if he solely was entitled thereto and, except as after stated, if more than one of such joint holders be present at any meeting, either personally, or by proxy, that one of the said persons whose name stands first in the Register in respect of such shares shall alone be entitled to vote in respect thereof and his vote shall be accepted to the exclusion of the votes of the other joint holders in the absence of a proxy signed by more than one-half in number of them.

TRANSFER OF SHARES

- 17. (A) Subject to such of the restrictions of these Articles as may be applicable, any member may transfer all or any of his shares held in certificated form by transfer in writing in the usual common form, such form as may be approved under regulations made pursuant to section 207 of the Companies Act 1989 or in any other form which the Board may approve.
- (B) Except in the case of a fully paid share, the instrument of transfer of a share held in certificated form shall be executed by both the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer must relate to one class of share only and must be lodged at the Transfer Office accompanied by the certificate for the shares to be transferred and such other evidence as the Board may require to prove the title of the intending transferor or his right to transfer the shares. All instruments of transfer, when registered, shall be retained by the Company but the Company shall be entitled to destroy all instruments of transfer of shares of the Company which shall have been registered at any time after the expiration of six years from the date of registration hereof and all registered share certificates and dividend mandates which have been cancelled or ceased to have effect at any time after

the expiration of two years from the date of cancellation or cessation thereof and all notifications of change of name and address after the expiration of one year from the date of recording thereof and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every share warrant, coupon, talon or share certificate so destroyed was a valid and effective document 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 whom 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 document earlier than is aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

18. Any member may transfer all or any of his shares held in uncertificated form otherwise than by a written instrument in accordance with and subject to the Acts and in the manner provided in the rules, procedures and practices of the relevant system and the Board shall have the power to implement any arrangements they think fit for such transfers which accord with the Acts and such rules, procedures and practices and accordingly no provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate in respect of the share to be transferred.

19. The Board may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares (other than fully paid shares) to a person of whom they shall not approve provided that this does not prevent dealings in the shares from taking place on an open and proper basis. The Board may also decline to register any transfer of shares on which the Company has a lien.

No share shall be transferred to any person under the age of 18 or to a person who is insolvent or of unsound mind, but the Company shall not incur any responsibility or liability in the event of any such transfer being inadvertently accepted and the name of the transferee being entered in the Register.

20. If the Board refuse to register a transfer they shall, within two months after the date on which the transfer was lodged, send to the transferee a notice of the refusal.

21. No fee will be charged by the Company in respect of the registration of any instrument of transfer or any other document relating to or affecting the title to any share or making any entry in the Register affecting the title to any share.

22. The Register may be closed during such time as the Board may think fit, not exceeding in the whole thirty days in any calendar year save that the Company shall not close the Register relating to a participating security without the consent of the Operator.
23. Subject to Section 80 of the 1985 Act, nothing in these Articles shall preclude the Directors from allowing the allotment of any share to be renounced by the allottee in favour of some other person. For all purposes of these Articles relating to the registration of transfers of shares, this renunciation shall be deemed to be a transfer and the Board shall have the same power to give effect to it as if the renunciation were a transfer.

TRANSMISSION OF SHARES

24. 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 or only surviving 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 holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
25. Any person becoming entitled to a share in consequence of the death or bankruptcy of any member, or in any other way than by transfer, shall, upon such evidence being produced as may from time to time be required by the Board, have the right either to be himself registered as a member in respect of the share or to make such transfer as the person through whom he is entitled to the share could have made; but the Board shall in either case have the same right to refuse or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
26. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive and may give a discharge for any dividends or other monies 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 registered as the holder thereof.

CALL ON SHARES

27. The Board may from time to time make calls upon the members in respect of any monies 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 fixed times and each member shall (subject to the Company giving to 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 Board may determine.
28. A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

29. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Board may determine. He shall also pay all costs, charges and expenses which the Company has incurred or become liable for in order to procure payment of or in consequence of the non-payment of the call or instalment. The Board shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part.
30. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in the 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.
31. The Board may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
32. The Board may, if they think fit, receive from any member willing to advance the same all or any part of the monies (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the monies so received (until and to the extent that the same would but for such advance become payable). The Company may pay interest at such rate (not exceeding 10 per cent per annum) as the member paying such monies and the Board agree upon. The member shall not be entitled to participate in respect of the advance in a dividend subsequently declared. The Board may repay the amount advanced upon giving to the member one month's notice in writing.

FORFEITURE AND LIEN

33. If a member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such 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 and any expenses incurred by the Company by reason of such non-payment.
34. 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 at or before the time 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 Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references herein to forfeiture shall include surrender.
35. If the requirements of any such notice as aforesaid be 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, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

36. When any share has been forfeited, notice of the forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death or bankruptcy of the holder (as the case may be); but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
37. A forfeited share shall be deemed to be the property of the Company and subject to the provisions of these Articles and of the Acts may be held, sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture or surrender, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit and, in the case of re-allotment, with or without any money paid thereof by the former holder being credited as paid up; and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.
38. A member whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with costs and interest thereon at such rate, if any, as the Board may determine, not exceeding 15 per cent per annum from the date of forfeiture until payment but such liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
39. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies, whether presently payable or not, called or payable at a fixed time in respect of such share, and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid shares) standing registered in the name of a member for all the debts and liabilities of such member or his estate to the Company, and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member, and whether the time for 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. But the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.
40. The Company may sell, in such manner as the Board 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 shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy or otherwise by operation of law to the share.

41. The net proceeds of such sale after payment of the costs thereof shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof 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 person entitled to the shares at the time of the sale.
42. 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 or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive 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 may execute a transfer of the share if the same be required in favour of the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share. The remedy, if any, of the former holder of such share, and of any person claiming through or under him, shall be against the Company and in damages only.

STOCK

43. The Company may from time to time by ordinary resolution convert any paid up shares into stock and may re-convert any stock into paid up shares of any denomination.
44. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances admit. The Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of such minimum, but the minimum shall not exceed the nominal amount of the share from which the stock arose.
45. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at general meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and in assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage.
46. All such of the provisions of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" herein shall include "stock" and "stockholder".

INCREASE OF CAPITAL

47. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall

prescribe.

48. All 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

49. (A) 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 by the Memorandum of Association (subject, nevertheless, to the provisions of the Acts), 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 passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled (subject to the provisions of the Acts);
- and may also by special resolution:-
- (d) reduce its share capital and any capital redemption reserve fund or capital redemption reserve or any share premium account in any matter with and subject to any incident authorised and consent required by law.
- (B) Where as a result of any rights issue, capitalisation issue, consolidation or sub-division of shares or otherwise any members would become entitled to fractions of a share the Board may settle the same as they think expedient and in particular may issue 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 Board 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

50. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one annual general meeting of the

Company and that of the next.

51. All general meetings other than annual general meetings shall be called extraordinary general meetings.
52. The Board may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by Section 368 of the 1985 Act or otherwise in the Acts. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which the meetings may be convened by the Board.
53. (A) The holders of the Preference Shares shall have no right as such to receive notice of or attend or vote at any general meeting of the Company unless either:-
- (i) at the date of the notice convening the meeting the dividend payable on such shares or a part thereof is six months or more in arrears;
 - (ii) the business of the meeting includes the consideration of a resolution for reducing the capital of or winding up the Company or for altering the objects of the Company as stated in its Memorandum of Association or for the sale of the undertaking of the Company or any substantial part thereof or any resolution altering or abrogating any of the special rights or privileges attached to the Preference Shares.

In which circumstances the holders of the Preference Shares shall have the right to vote on any such resolution.

- (B) The Redeemable Preference Shares shall confer on the holders thereof the right to receive notice of and to attend all general meetings of the Company but shall not confer the right to speak or vote at any general meeting of the Company unless either:-
- (i) at the date of the notice convening the meeting the fixed preferential dividend on such shares or any part thereof is six months or more in arrears or the Company shall have failed to redeem the Redeemable Preference Shares on Twentieth June, 2003; or
 - (ii) the business of the meeting includes the consideration of a resolution for reducing the capital of or winding up the Company.

In which circumstances the holders of the Redeemable Preference Shares shall have the right to vote on any such resolution.

NOTICE OF GENERAL MEETING

54. An annual general meeting and a meeting called at which it is proposed to consider a special resolution shall be called by twenty-one days' notice in writing

at least and a meeting other than an annual general meeting or a meeting at which it is proposed to consider a special resolution shall be called by fourteen days' notice in writing at least. The notice period shall be exclusive of the day on which it is served or deemed to be served and of the day of the meeting for which it is given, and shall specify the place, the day and the hour of the 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 consider a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be and shall set out the resolution or resolutions. Notice of every general meeting shall be given in manner hereinafter mentioned to such persons as are, in accordance with the provisions of these Articles, entitled to receive such notices from the Company and also to the Auditors of the Company for the time being.

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

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

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

55. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notices) 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 notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

56. 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 of the accounts and balance sheet and the reports of the Directors and Auditors, the election of Directors and Auditors and other officers in place of those retiring by rotation or otherwise, the fixing of the remuneration of the Auditors and the voting of remuneration or extra remuneration of the Directors.
57. No business shall be transacted at any general meeting unless a quorum be present when the meeting proceeds to business. Save as otherwise provided by these Articles, two members present in person or by proxy and entitled to vote

shall be a quorum for all purposes.

58. If within half an hour from 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 it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time or place as the Chairman of the Meeting may determine, and the provisions of Article 60 shall apply. If at such adjourned meeting a quorum as above defined is not present within fifteen minutes from the time appointed for holding the meeting the members present whether in person or by proxy (if more than one) shall be a quorum.
59. The Chairman (if any) of the Board or, in his absence, the deputy-Chairman (if any) shall preside as Chairman at every general meeting of the Company. If there is no such Chairman or deputy-Chairman, or if at any meeting neither the Chairman nor the deputy-Chairman is present within fifteen 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 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 members present shall choose one of their number to be Chairman.
60. 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 or sine die 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. Where a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for thirty days or more or sine die 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.
61. 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) a poll be demanded by the Chairman or by at least five members present in person or by proxy and entitled to vote or by any member or members present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all members having the right to vote at the meeting or holding shares conferring a right to vote at the meeting on which there have been paid up sums in aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right. Unless a poll is demanded (and the demand is not withdrawn), a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such a resolution.
62. If any votes shall be counted which ought not to have been counted or might have been rejected the error shall not vitiate the resolution unless it be pointed out at the same meeting or any adjournment thereof and not in that case unless it shall, in the opinion of the Chairman of the meeting, be of sufficient magnitude to vitiate

the resolution.

63. If a poll be duly demanded (and the demand is not withdrawn) the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
64. In 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.
65. A poll demanded on the election of a Chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place and in such manner as the Chairman directs.
66. 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 next business is proceeded with.

VOTES OF MEMBERS

67. Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every member who is present in person shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder and, if the holders of the Preference Shares or of the Redeemable Preference Shares have the right to vote on any resolution, one vote for every Preference Share or Redeemable Preference Share as appropriate of which he is the holder.
68. Joint holders of a share entitling the holder of it to vote at a meeting shall be entitled to vote as provided in Article 16(e).
69. In accordance with Section 375 of the 1985 Act or otherwise with the Acts a corporation being a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or of any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company who was present in person.
70. Without prejudice to Article 19, a member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction for the protection of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his committee, curator bonis or other person in the nature of a committee or curator bonis appointed by such Court, and such committee, curator bonis or other person may vote on a poll by proxy provided that such evidence as the Board require of authority has been deposited at the Office not less than 48 hours before the time for holding the meeting.

71. No member shall, unless the Directors otherwise determine, be entitled to be present or to vote on any question, either in person or by proxy, at any general meeting, or upon any poll, or to be reckoned in a quorum, or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him in respect of shares in the Company remains unpaid.
72. (A) If a member, or any person appearing to be interested in shares held by a member, has been duly served with a notice under Section 212 of the 1985 Act and he or any such person is in default in supplying to the Company the information thereby requested within the time specified (being not less than fourteen days) in such notice for compliance therewith, the Board may at any time, by notice ("a Direction Notice") to the member, direct that in respect of the shares in relation to which the default occurred (the "Default Shares") the member is not entitled to vote, either personally or by proxy, at a general meeting or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to general meetings of the holders of any class of shares of the Company.
- (B) Where the Default Shares represent at least 0.25 per cent in nominal value of the issued shares of a class, a Direction Notice may additionally direct:
- (i) that any dividend or other money which would otherwise be payable in respect of each of the Default Shares shall (in whole or part) be retained by the Company without liability to pay interest when the dividend or money is paid to the member and the member shall not be entitled under Article 130 to elect to receive shares instead of that dividend; and/or
 - (ii) that no transfer of the Default Shares held in certificated form shall be registered unless:
 - (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 is a Default Share.
- (C) the Directors may give notice in writing to any member holding Default Shares in uncertificated form requiring the member to convert his holding of uncertificated Default Shares to certificated form within any period specified in the notice and requiring the member to continue to hold such Default Shares in certificated form for so long as the default subsists (and, for this purpose, the Directors may appoint any person to take such steps, by instruction by means of the relevant system or otherwise, in the name of the holder of such Default Shares, to effect the conversion of such shares to certificated form and such steps shall be as effective as if they had been taken by the holder of the uncertificated Default Shares.)

- (D) The Company shall send a copy of the notice to each other person appearing to be interested in the shares the subject of a Direction Notice but the failure or omission by the Company to do so shall not invalidate the notice.
- (E) A Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which it was issued continues and (unless the Direction Notice otherwise determines) for a further period of one week but shall cease to have effect in relation to any Default Shares which are transferred by the member by means of an approved transfer.
- (F) For the purpose of this Article:
 - (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 212 which either:
 - (a) names that person as being interested; or
 - (b) fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
 - (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 an acceptance of a take-over offer for a company (as defined in Section 428 of the 1985 Act); or
 - (b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in the shares; or
 - (c) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.
- (G) Nothing contained in this Article shall limit the power of the Board under Section 216 of the 1985 Act.

73. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

74. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

PROXIES

75. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney so authorised.
76. A proxy need not be a member of the Company.
77. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the Transfer Office (or at such other place in the United Kingdom as may be specified in the notice convening the meeting) 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. If the Board decide to accept proxy forms by means of electronic communication, notice of the appointment must be received as the Board specify. 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.
78. An instrument appointing a proxy may be in common form or such other form as the Board shall prescribe or accept, and shall be deemed to include the right to demand or join in demanding a poll. An instrument appointing a proxy, whether in common form or not, 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, and need not be witnessed. The Board may, if they think fit, send out with the notice of any meeting forms of instrument of proxy for use at the meeting and may afford members the opportunity of instructing their proxies to vote for or against the resolutions to be submitted to the meeting. For the avoidance of doubt, the Board may (but not be obliged to) accept proxy forms which are delivered by electronic means subject to any limitations, restrictions or conditions as they determine in their absolute discretion.
79. 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, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Transfer Office before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

DIRECTORS

80. Unless and until otherwise determined by the Company in general meeting, the number of Directors shall be not less than two.
81. In addition to any salary or other remuneration which may be paid to the Directors or any of them under the other provisions of these Articles, the remuneration of the Directors for their services as Directors shall from time to time be determined by the Company in general meeting, and such remuneration shall be divided among the Directors as the Board may by resolution determine or, failing such determination, equally, except that in such event any Director holding office for less than a year shall only rank in such division in proportion to the period during which he has held office during such year. The Directors shall also be entitled to be paid their reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings or otherwise incurred while engaged in the business of the Company.
82. Any Director who, by request, serves on any committee or who devotes special attention to the business of the Company or who otherwise performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.
83. 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 no such Director shall be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company. The Board 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 members of the Board 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. And any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such, or in any other manner, is or may be interested in the exercise of such voting rights in manner aforesaid.
84. (A) A Director may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with his office of Director upon such terms as the Board may determine, and may receive such remuneration therefor as the Board may think fit in addition to any other remuneration hereunder. Subject to the next paragraph of this Article, no Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

- (B) A Director who 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 Board at which the question of entering into the contract or arrangement is first taken into consideration, if his interest then exists, or in any other case at the first meeting of the Board after he becomes so interested. A general notice to the Board 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 all transactions with such company or firm shall be a sufficient declaration of interest under this Article, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transaction with such company or firm, provided that either the notice is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
- (C) Any Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (D) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has an interest which (together with any interest of any person associated with him) is a material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (E) A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:-
- (i) The giving of any security or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries.
 - (ii) The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by giving of security.
 - (iii) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof.
 - (iv) Any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1 per cent or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances).

- (v) Any proposal concerning the adoption, modification or operation of a superannuation or similar scheme or retirement, death or disability benefits scheme, employees' share scheme or executive share option scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes or does not award him any privilege or benefit not awarded to the employees to whom such scheme relates; or
 - (vi) Any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.
- (F) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under the proviso to paragraph (E)(iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (G) If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director (in each case, other than the Chairman of the meeting) 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 interests of the Director concerned have not been fairly disclosed. If the question relates to the Chairman of the meeting, it shall be decided by a resolution of the Board (for which purpose the Chairman shall be counted in the quorum but may not vote). The resolution shall be final and conclusive except in a case where the nature and extent of the interest of the Chairman as known to him has not been fairly disclosed to the Board.
- (H) 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.
85. A Director shall not be required to hold any shares of the Company as a qualification for office, but nevertheless shall be entitled to attend and speak (but not to vote) at any general meeting of, or at any separate meeting of the holders of any class of shares in, the Company.
86. Without prejudice to the provisions for retirement by rotation or otherwise hereinafter contained, the office of a Director shall be vacated in any of the events following, namely:-
- (a) If he resigns his office by writing under his hand left at the Office.

- (b) If he be found or become of unsound mind or become bankrupt or compound with his creditors.
- (c) If, without leave, he is absent, otherwise than on the business of the Company, from meetings of the Board for six consecutive months, and the Board resolve that his office be vacated.
- (d) If he be prohibited by law from being a Director.
- (e) If he ceases to be a Director by virtue of Section 293 of the 1985 Act or be removed from office pursuant to Section 303 thereof.

POWERS AND DUTIES OF DIRECTORS

87. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Acts or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to the provisions of these Articles and of the Acts 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 Board 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 Board by any other Article.
88. The Board may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointments or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
89. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as 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 Board 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.
90. The Company may exercise the powers conferred by the Acts with regard to having a Securities Seal and an Official Seal for use abroad and such powers shall be vested in the Board.

91. The Company may cause to be kept in any territory outside the United Kingdom in which the Company transacts business a branch register or registers of members resident in such territory and the Board may (subject to the provisions of the Acts) make and vary such regulations as they may think fit respecting the keeping of any such Register.
92. All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.
93. The Board shall cause minutes to be made in the books provided for the purpose:-
- (a) of all appointments of officers made by the Board;
 - (b) of the names of the Directors present at each Board or Committee meeting; and
 - (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of the Committees.
94. Any such minutes if signed by the Chairman of the meeting to which they relate or at which they are read, shall be received as prima facie evidence of the facts therein stated.

BORROWING POWERS

95. (A) Subject as hereinafter provided, the Board may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets and uncalled capital or any part thereof, 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. The Board shall take all necessary steps (including the exercise of all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries) for procuring that the aggregate amount at any one time outstanding in respect of monies borrowed by the Group (and after deducting therefrom an amount equal to all cash deposits and the balance in funds on each account of every member of the Group with banks) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed the higher of (i) £300 million and (ii) a sum equal to three times the Adjusted Total of Capital and Reserves which, for the purposes of this Article shall mean the aggregate of:-
- (a) the amount for the time being paid up or credited as paid up on the issued share capital of the Company; and
 - (b) the amounts standing to the credit or debit of the reserves (including without limitation the share premium account, revaluation reserve, capital reserve, unallocated general reserve, capital redemption reserve, pension reserve and any credit or debit balance on the consolidated profit and loss account) of the Group; and

- (c) the aggregate amounts of any unsecured loans which are subordinated to creditors of the Group;

all as shown in the then latest audited consolidated balance sheet of the Group but after:-

- (d) making such adjustments as may be appropriate in respect of any variation in the issued and paid up capital, the share premium account, capital reserve, general reserve and capital redemption reserve of the Group resulting from any change in the issued and paid up share capital of the Company since the date of the latest audited consolidated balance sheet of the Group;

- (e) adding back any provision for future or deferred taxation;

- (B) For the purposes of this Article "borrowings" shall be deemed to include the following except insofar as otherwise taken into account:-

- (a) monies borrowed by a partly owned subsidiary other than from another member of the Group (subject to the exclusion of a proportion thereof equal to the proportion of the issued equity share capital of such partly owned subsidiary which is not attributable directly or indirectly to the Company);

- (b) the principal amount of any debentures or borrowed monies of any body whether corporate or unincorporated, not being a member of the Group, the payment or repayment whereof is the subject of a guarantee or indemnity by a member of the Group to the extent of such guarantee or indemnity;

- (c) the principal amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group not being acceptances in relation to the purchase or sale of goods in the ordinary course of business;

- (d) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing;

but shall be deemed not to include:-

- (e) borrowings owing by one member of the Group to another member of the Group;

- (f) borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group for the time being outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period;

- (g) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department or the Department of Trade or by any other governmental department or authority in any part of the world fulfilling a similar function, to an amount not exceeding that part of the price receivable thereby which is so guaranteed or insured; and
 - (h) amounts borrowed or raised which are for the time being deposited with HM Customs and Excise or any other body designated by any relevant legislation or order in connection with import deposits or any similar governmental scheme to the extent that a member of the Group retains its interest therein.
- (C) (a) If any company becomes a subsidiary of the Company an amount equal to the borrowings of such company immediately after it becomes such a subsidiary shall at the time it becomes such a subsidiary and for a period of six months thereafter be deducted in calculating the aggregate amount from time to time outstanding of all borrowings of the Group.
- (b) If the Company or any of its subsidiaries acquires an asset, an amount equal to the borrowings remaining secured on such asset immediately after such acquisition shall at the time of such acquisition and for a period of six months thereafter be deducted in calculating the aggregate amount from time to time outstanding of all borrowings by the Group.
- (D) When the aggregate amount of borrowings required to be taken into account for the purposes of this Article on any particular day is being ascertained, any such monies denominated or repayable in a currency other than sterling shall be converted into sterling either:-
- (a) where the repayment of such money is expressly covered by a forward purchase contract, currency option, back to back loan, swap or other arrangements taken out or entered into to reduce the risk associated with fluctuations in exchange rates, at the rate of exchange specified in such document; or
 - (b) if repayment of these monies has not been covered as set out in (a) above, at such one of the following rates as the Board, in their reasonable discretion, may decide:-
 - (i) the rate of exchange used for conversion of that currency in the latest audited consolidated balance sheet of the Group; or
 - (ii) if no rate was used the middle market rate of exchange prevailing in London at the close of business on the date of that balance sheet; or
 - (iii) the middle market rate of exchange prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made.

- (E) No lender or other person dealing with the Company shall be concerned to see or enquire whether the limit contained in paragraph (A) of this Article is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security at the time the debt was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.
- (F) A certificate or report by the Auditors as to the amount of the Adjusted Total of Capital and Reserves or the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall in the absence of manifest error be conclusive evidence of such amount or facts for the purposes of this Article. Nevertheless, the Board may at any time act in reliance on a bona fide estimate of the amount of the Adjusted Total of Capital and Reserves and the amount of any borrowings and if in consequence the limit on borrowings set out in paragraph (A) of this Article is inadvertently exceeded, an amount borrowed equal to the excess may be disregarded until the expiration of 90 days after the date on which (by reason of a determination of the Auditors or otherwise) the Board became aware that such a situation had or may have arisen.
- (G) For the purpose of this Article the expression "Group" shall mean the Company and all subsidiaries thereof from time to time.

PROCEEDINGS OF BOARD

96. The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

Subject always to the provisions of these Articles, all or any of the Directors or any Committee of the Directors may participate in a meeting of the Directors or that Committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. Any persons so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the larger group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is then present and all business transacted in such manner shall be deemed to be valid and effectively transacted.

Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a Board meeting. It shall not be necessary to give notice of a Board meeting to any Director for the time being absent from the United Kingdom. A Director may waive notice of a meeting either prospectively or retrospectively.

97. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be two.
98. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number be reduced below the minimum number fixed by or in

accordance with these Articles the continuing Directors may act for the purpose of filling up vacancies in their body or of summoning general meetings of the Company but not for any other purpose, and may act for either of the purposes aforesaid whether or not their number be reduced below the number fixed by or in accordance with these presents as the quorum.

99. The Board may elect a Chairman and deputy-Chairman of its meetings and determine the period for which they are respectively to hold office. If no such Chairman or deputy-Chairman be elected, or if at any meeting neither the Chairman nor the deputy-Chairman be 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.
100. A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
101. The Board may delegate any of its powers to committees, in which may be comprised a person or persons who is or are not a Director or Directors of the Company, as they think fit provided always that more than one-half of the members of any such committee are Directors of the Company and no resolution thereof shall be effectual unless a majority of the members of the committee present are Directors of the Company. Subject as aforesaid any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
102. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.
103. A resolution In Writing either signed or approved by letter, telex, telegram, facsimile transmission, cable or by electronic means by all the Directors entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed, or otherwise authenticated in a manner previously agreed by the Board or committee thereof, by one or more of the Directors or members of the committee concerned. For the purpose of this Article, the signature of an alternate Director entitled to notice of a meeting of Directors shall suffice in lieu of the signature of the Director appointing him.
104. All acts done by any Board or committee or by any person acting as a Director, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them had vacated office, shall be as valid as if every such person had been duly appointed and had continued to be a Director.

ROTATION OF BOARD

105. At every annual general meeting one-third of the Directors for the time being or, if their number be not a multiple of three, then of 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 or adjournment of the meeting.
106. 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 last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting. No director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of the notice but before the date of the meeting.
107. A retiring Director shall, subject to the provisions of the Acts, be eligible for re-election.
108. The Company at the meeting at which a Director retires in manner aforesaid shall fill up the vacated office by electing a person thereto unless at such meeting it be expressly resolved not to fill up such vacated office. The Company may also in general meeting (subject to the provisions of Article 110) elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Board.
109. Except as otherwise authorised by the Acts, the election or appointment of any person proposed as a Director shall be effected by a separate resolution, and a single resolution purporting to elect or appoint two or more persons to be Directors shall be ineffective and void.
110. No person, other than a Director retiring at the meeting, shall unless recommended by the Board be eligible for election to the office of a 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 shall have been given to the Secretary notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.
111. If at any meeting at which an election of Directors ought to take place the place of any retiring Director is not filled up such Director, on offering himself for re-election, shall be deemed to have been re-elected unless at such meeting it be expressly resolved not to fill up such place or unless either a motion that he is not re-elected is carried or a motion that he is re-elected is put to the meeting and defeated.
112. The Company in general meeting may from time to time increase or reduce the number of Directors and may also determine in what rotation such increased or reduced number is to go out of office.

113. 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 Board shall have power at any time and from time to time to appoint a person (subject to the provisions of Section 303 of the 1985 Act) to be a Director, either to fill a casual vacancy or as an addition to the existing Board. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
114. The Company may by extraordinary resolution, or (subject to the provisions of Section 293 of the 1985 Act) by ordinary resolution of which special notice has been given in accordance with Section 379 of the 1985 Act, remove any Director before the expiration of his period of office and may (subject to Article 109 or to the said provisions as the case may be) by an ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

CHIEF EXECUTIVE

115. The Board may from time to time appoint one or more of its body to the office of Chief Executive or to such other executive office for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. In the event that a Director so appointed shall cease from any cause to be a Director of the Company then his appointment shall (without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company) ipso facto determine.
116. The Chief Executive or Executive Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.
117. The Board may entrust to and confer upon Chief Executive or Executive 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 (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such powers.

SECRETARY

118. The Secretary shall be appointed by the Board 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 Board. The Directors may also appoint an Assistant Secretary or Assistant Secretaries. Any such Assistant Secretary shall for the purpose of these Articles be deemed to be and may fulfil the duties of the Secretary subject to any limitation prescribed by the Board.
119. Any provisions of the 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.

PENSIONS AND ALLOWANCES

120. The Board may grant retiring pensions or annuities or other allowances, including allowances on death, to any person or to the widow or dependants of any person in respect of services rendered by him to the Company as Chief Executive or in any other executive office or employment of any subsidiary company of the Company or of its holding company (if any), notwithstanding that he may be or may have been a Director of the Company and may make payment towards insurances or trusts for such purposes in respect of such persons and may include rights in respect of such pensions, annuities and allowances in the terms of engagement of any such person.
121. Without prejudice to the provisions of Article 148 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, Secretary or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time Trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking are interested including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

THE SEAL

122. The Board shall provide for the safe custody of the Seal, which shall not be affixed to any instrument except in the presence of at least two Directors or at least one Director and the Secretary and, subject to the provisions of Articles 13 and 15 hereof, such Directors or Director and Secretary shall sign every instrument to which the Seal is so affixed in their presence.

DIVIDEND

123. 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 Board.
124. All dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share be issued on terms

providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

125. The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the position of the Company; the Board may also pay the fixed dividend payable on any preference shares of the Company half-yearly or otherwise on fixed dates, whenever such position, in the opinion of the Board, justifies that course.
126. The Board 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.
127. (A) No dividend shall bear interest against the Company.
- (B) In the event that the cheque or warrant in respect of the dividend payable to a member in respect of shares in the capital of the Company has been returned or left uncashed for a period of three calendar months on at least two consecutive occasions and has not otherwise been claimed the Company may, if the Board so direct, cease to send by post a cheque or warrant in respect of subsequent dividends payable in cash in respect of the shares in question until such time as it receives notice from or on behalf of the member in question specifying an address to which cheques or warrants in respect of dividends should be sent by the Company.
- (C) Any dividend payable in cash which has not been claimed, whether by encashment of the cheque or warrant representing the same, if any, or otherwise for a period of twelve years after the date of declaration thereof shall *ipso facto* be forfeited, cease to remain owing by the Company and shall henceforth belong to the Company absolutely.
128. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant (crossed in accordance with the provisions of the Cheques Act 1992) sent through the post addressed to the holder at his registered address or by direct bank transfer (using the Bankers Automated Clearing or any other system as the Board may determine) to such bank account as the member or person entitled to it directs, and in the case of joint holders to the holder first named in the Register or to such person and such address or such bank accounts as the joint holders may direct. The cheque or warrant shall, unless the holder or joint holders otherwise directs, be made payable to the registered holder. Payment of the transfer, cheque or warrant shall be a good discharge to the Company. Every transfer, cheque or warrant shall be mailed or sent at the risk of the person entitled to the money which it represents. No unpaid dividend shall bear interest against the Company.
129. Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regard to such distribution the Board may settle it as it thinks expedient, and in particular may fix the value for distribution of any such specific assets and may determine that cash payments shall be made to any

member upon the footing of the value so fixed in order to secure equality of distribution.

SCRIP DIVIDENDS

130. (A) The Board may, if authorised by an ordinary resolution subject as herein provided and, subject to the provisions of the Acts, offer any holders of ordinary shares one or more of the following options:-
- (i) instead of taking the net cash amount due to them in respect of all or any part (to be determined by the Board) of any dividend declared or payable on any ordinary shares held by them, either to invest the cash in subscribing for unissued ordinary shares, payable in full or by instalments, or in paying up in full or by instalments any unpaid or partly paid ordinary shares held by them; or
 - (ii) instead of taking the net cash amount due to them in respect of all or any part (to be determined by the Board) of any dividend declared or payable on any ordinary shares held by them, to elect to receive new ordinary shares credited as fully paid; or
 - (iii) to forego their right to participate in any dividend declared or payable on any ordinary shares held by them (or such part of it as the Board may determine) and to receive instead an allotment of fully paid bonus ordinary shares; or
 - (iv) any other option in respect of all or any part (to be determined by the Board) of any dividend on any ordinary shares held by them as the Board determine.
- (B) In relation to the above options, the following provisions apply:-
- (i) the ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period;
 - (ii) the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be, as nearly as possible, equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that the holder elects to forego. In calculating the entitlement, the Board may, at their discretion, adjust the figure obtained by dividing the relevant value by the amount payable on the ordinary shares up or down so as to procure that the entitlement of each shareholder to new ordinary shares is represented by a simple numerical ratio. For this purpose, "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares as derived from the Daily Official List published by the London Stock Exchange on such five consecutive dealing days as the Board determine provided that the first day is on or after the day on which the ordinary shares are first quoted "ex" the relevant dividend, or in such other manner as the company may from time to time in

general meeting determine (subject to such adjustments, if any, as the Auditors may consider appropriate);

- (iii) on or as soon as is practicable after announcing that they are to declare or recommend any dividend the Board, if they intend to offer an election in respect of that dividend, shall also announce that intention and shall, after determining the basis of allotment if they decide to proceed with the offer, notify the holders of ordinary shares In Writing of the right of election offered to them and specify the procedure to be followed and the place at which and the latest time by which elections must be lodged in order for elections to be effective.
- (iv) The Board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and undistributed profits or reserves to give effect to it after the basis of allotment is determined.
- (v) The Board may on any occasion determine that rights of election hereunder shall not be made available to the shareholders resident in territories where in the opinion of the Board compliance with local laws and/or regulations would be unduly onerous or that for any other reason the offer should not be made to them.
- (vi) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made (the “elected ordinary shares”) and instead additional ordinary shares shall be allotted on the basis of allotment calculated as stated above. For this purpose the Board may capitalise, out of any amount standing to the credit of any reserve or fund (including the profit and loss account, share premium account, capital redemption reserve or any other undistributable reserve) whether or not it is available for distribution as the Board determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis;
- (vii) The Ordinary Shares so allotted credited as fully paid shall not be entitled to participate in the relevant dividend or in that part of the dividend in respect of which the right of election was offered or paid but shall in all other respects rank pari passu with the existing Ordinary Shares.
- (viii) The Board may also from time to time establish or vary a procedure for election mandates under which a holder of ordinary shares may elect to receive ordinary shares credited as fully paid instead of cash in respect of all future rights offered to that holder under this Article until the election mandate is revoked or deemed to be revoked in accordance with the procedure.
- (ix) The Board may do all acts and things considered necessary or expedient to give effect to the issue of any Ordinary Shares in accordance with the provisions of this Article, with full power to the Board to make such provisions as they think fit in respect of shares becoming distributable in

fractions (including provisions whereby, in whole or in part, the benefit of fractional entitlements accrues to the Company rather than to the members concerned) or are accumulated on behalf of the members and the accruals or retentions are applied to the allotment of fully paid ordinary shares by way of bonus to, or cash subscription on behalf of, the shareholder.

- (x) The Board shall have power to authorise any person on behalf of the electing shareholders to enter into an agreement with the Company providing for the allotment to them respectively of the Ordinary Shares to which they are entitled in lieu of their rights to the dividend so foregone by them respectively and any agreement made under such authority shall be effective and binding on the shareholders concerned.
- (xi) Where the ordinary shares constitute authorised investments for the purposes of the Trustee Investments Act 1961, the Board shall not in any event (unless otherwise decided by the Company in general meeting) enable shareholders to forego a nominal amount (being such amount as the Board may decide) of dividend payable on each Ordinary Share in any calendar year.

RESERVES

- 131. The Board may before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide.
- 132. The Board shall transfer to share premium account as required by the Acts sums equal to the amount or value of any premiums at which shares of the Company may be issued, and, subject to the provisions of the Acts, the provisions of these Articles relating to reserves shall be applicable to the sums for the time being standing to the credit of share premium account.

CAPITALISATION OF PROFITS

- 133. Subject to the Acts, the Company in general meeting may at any time and from time to time pass a resolution to the effect that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserves or to the credit of the profit and loss account or otherwise available for distribution and not required for the payment of fixed dividends on any preference shares of the Company and accordingly that such sum be set free for distribution among the holders of Ordinary Shares who would be entitled to such profits if 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 shareholders respectively or in payment in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully

paid up among such shareholders or partly in one way and partly in the other, and the Board shall give effect to such resolution. Provided that a share premium account and a capital redemption reserve may, for the purposes of this Article only, be applied in the paying up of unissued shares to be issued to such shareholders credited as fully paid and no sum which cannot pursuant to the Acts or the Articles be distributed by the Company by way of dividend may be applied hereunder other than in the paying up of unissued irredeemable shares to be issued to members as fully paid shares.

134. Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or may ignore fractions altogether, and may determine that cash payments shall be made to any holder of Ordinary Shares in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of persons entitled to participate in the distribution any contract requisite or convenient for giving effect thereto and such appointment shall be effective and binding upon the shareholders.

ACCOUNTS AND RECORDS

135. The Board shall cause accounting records to be kept in accordance with the provisions of the Acts and otherwise as required by law.
136. The books of account shall be kept at the Office or, subject to the provisions of the Acts, at such other place or places as the Board may think fit and shall always be open to the inspection of the Directors. 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 Board.
137. The Board shall from time to time, in accordance with the provisions of the Acts, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be necessary.
138. Subject to the provisions of section 251 of the 1985 Act, the Company shall be entitled to send to members a Summary Financial Statement within the meaning of the said section 251. Provided that this Article shall not require a copy of this document to be sent to any person of whose address the Company is not aware.
139. Any register, index, minute books, books of account or other book required by these Articles or the Acts to be kept by or on behalf of the Company may be kept either by making entries in the bound books or by recording them in any other manner including that permitted by Section 723 of the 1985 Act. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating its discovery.

AUDIT

140. Auditors shall be appointed and their duties regulated in accordance with the Acts.

NOTICES, DOCUMENTS AND INFORMATION

- 141 (A) Any notice or other document or information may be served by the Company on any member either personally, by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the Register, or, if the Board in its absolute discretion so permits, by giving it by electronic means to an address for the time being notified to the Company by the member in writing (generally or specifically) for that purpose or (subject to Article 141(B)), by publishing it on a website. The provisions of this Article 141(A) apply, subject to the provisions of the Acts, in relation to any notice, document or information referred to in these Articles whether or not the provisions of the Article(s) in question use the word “give” or “deliver” or use other words (such as “send”, “supply”, “provide” or “lodge”) to refer to the giving or delivery of a notice, document or information.
- (B) Without prejudice to the generality of Article 141(A) as regards the use of electronic means the Company may, if the Board in their absolute discretion so permit, give any notice or deliver any document or send any information to any member by publishing it on a website, where:
- (i) that member has agreed to his having access to the notice, document, or information (generally or specifically) on such website, or that person is deemed to have agreed to having such access in accordance with paragraph 10 of Part 4 of Schedule 5 of the 2006 Act, and in either case has not revoked that agreement; and
 - (ii) that member is notified in accordance with Article 141(A) in a manner other than by publication on the website, of:
 - (a) the fact that the notice, document or information has been published on the website;
 - (b) the address of the website; and
 - (c) the place on the website where the notice or document may be accessed and how it may be accessed,

and in any such case the notice, document or information shall (subject to Article 141(D)(iii)) be taken to be sent on the date on which the notification required by this paragraph is sent or, if later, the date on which the notice, document or information first appears on the website after the said notification is sent.
- (C) Any member described in the Register 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 or, if the Directors in their absolute discretion so permit, an address to which notices may be sent using electronic means, 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

Register by an address within the United Kingdom shall be entitled to receive any notice from the Company.

- (D) Where any notice or document or other information:
- (i) is served by the Company on any member, if served by post, it shall be deemed to have been served at the time when the same was put into the post office, and in proving such service it shall be sufficient to prove that the notice or document was properly addressed, stamped and put into the post office;
 - (ii) is (subject to Article 141(C)(iii)) sent by electronic means, service or delivery shall be deemed to be effected when it was sent and in proving such service or delivery it shall be sufficient to show that it was properly addressed;
 - (iii) is published on a website in accordance with the preceding provisions of this Article 141, it is deemed to have been served or delivered when the notice, document or information was first made available on the website or, if later, on the date on which the notification pursuant to Article 141(B) is delivered (or deemed to be delivered in accordance with the preceding provisions of this Article 141(C)) and only if the notice, document and/or information is published on the website throughout (a) the period specified by any applicable provision of the Acts; or (b) if no such period is specified, a period of not less than 28 days from the date on which the notification in accordance with Article 141(B)(ii) is sent, provided that if the notice, document or information is published on that website for a part but not all of such period, the notice, document or information will be treated as published throughout that period if the failure to publish such notice, document or information throughout the period is wholly unattributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.
- (E) Save as otherwise provided in these Articles or in the Acts any notice or other document or information required to be served on or delivered to the Company by a member may be served on the Company either personally or by sending it through the post in a prepaid letter addressed to the Company at its registered office or, if the Directors in their absolute discretion so permit, by giving it by electronic means to an address notified by the Company to the members (generally or specifically) from time to time for this purpose. No such notice or other document or information shall be deemed to have been received by the Company until actually received by the Company.

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

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A notice required to be given by the Company to members and not expressly provided for by these Articles shall be sufficiently given if given by advertisement. A notice required to be or which may be given by advertisement shall be advertised once in one national daily newspaper and shall be taken as given on the day on which the advertisement appears. In the event that owing to a temporary or other cessation or disruption of postal services within the United Kingdom or any part thereof the Board consider that members of the Company would or might not receive timeously a notice of a general meeting sent to them by post as hereinbefore contemplated such notice may be competently served by inserting the same in one or more national daily newspapers circulating throughout the United Kingdom and such notice shall be deemed to have been duly served on all members on the day on which such a newspaper containing the same is first published.

Every person who by operation of law, transfer or other means becomes entitled to any share shall be bound by every notice in respect of the share which, prior to his name and address being entered in the Register, has been duly given to the person from whom he derives title other than a notice given under Section 212 of the 1985 Act or Article 72.

UNTRACEABLE MEMBERS

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In the event that during a period of twelve years whether commencing before or after the date of adoption of this Article at least three successive dividends have been paid in respect of a share and during said period no cheque or warrant representing dividends thereon has been encashed and no other claim has been intimated to the Company in respect of such dividend the Company may sell, or procure the sale of, the share in question in such manner as the Board may think fit at any time provided that after the expiry of the said period of twelve years and at least three months before the proposed date of sale the Company

- (a) advises the London Stock Exchange, and
- (b) gives notice by advertisement inserted in at least one national daily newspaper circulating throughout the United Kingdom and a newspaper circulating in the area in which the last known address of the member of the address at which services of notices may be effected in the manner authorised by the Articles is located, of the name and address of the member or members who is or are registered as the holder or holders of the share in question and the number and class of shares held by him and of the intention of the Company to sell the shares pursuant to this Article and no claim is received by the Company in respect of such share.

In the event of such a sale the Company may execute the relevant transfer and any other document necessary to give effect to such sale and the proceeds of such sale, after deduction of the expenses thereof including the costs of advertisement as aforesaid (apportioned on an equitable basis where an advertisement relates to more than one holding), shall belong to the Company but shall constitute an interest free debt owing by the Company to the member or members in question. A statutory declaration in writing that the declarant is a Director or Secretary of the Company and that a share has been sold pursuant to this Article shall be conclusive evidence of the facts therein stated as against all

persons claiming to be entitled to the share. The title of any person to whom a share is transferred pursuant to this Article shall not be affected by any irregularity or invalidity in the proceedings in reference to the sale of the share and the remedy, if any, of the former holder of such share, and of any person claiming through or under him, shall be against the Company and in damages only.

WINDING UP

145. If the Company shall be wound up the Liquidator may, with the sanction of an extraordinary resolution of the contributories, divide among the contributories in specie or kind the whole or any part of the assets of the Company and may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit.

INDEMNITY

- 146.(A) Subject to the provisions of the Acts and Article 121 above, but without prejudice to any indemnity to which a Director or other officer of the Company may otherwise be entitled, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in the execution or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office.
- (B) Article 146(A) shall not operate to provide an indemnity against any loss or liability incurred by a Director or other officer of the Company:
- (i) to the Company or to any group undertaking of the Company; or
 - (ii) to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature; or
 - (iii) in defending any criminal proceedings in which he is convicted, in defending any civil proceedings brought by the Company, or any group undertaking, in which judgement is given against him, or in connection with any application under Sections 144 or 727 of the 1985 Act in which the court refuses to grant him relief.