

new

ARTICLES OF ASSOCIATION

of

SIG plc

Number 998314

(Articles of Association adopted by
Special Resolution passed
on 14 May 2008)

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THE COMPANIES ACTS 1985, 1989 AND 2006

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SIG plc

NUMBER 998314

(as adopted on 14 May 2008)

PART I - PRELIMINARY

EXCLUSION OF MODEL REGULATIONS

1. No regulations set out in any statute or statutory instrument concerning companies shall apply as the regulations or Articles of the Company.

INTERPRETATION

- 2.1 In these Articles (if not inconsistent with the subject or context and save as expressly provided therein):-

"Acts" means the 1985 Act and the 2006 Act;

"1985 Act" means the Companies Act 1985 (as amended by the Companies Act 1989) to the extent in force from time to time;

"2006 Act" means the Companies Act 2006 to the extent in force from time to time;

"Articles" means the articles of association of the Company from time to time in force and the expression **"Article"** shall be construed accordingly;

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

"Board" means the board of Directors from time to time of the Company or the Directors present at a duly convened meeting of the Directors at which a quorum is present;

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

"Company" means SIG plc;

"Director" means a director for the time being of the Company;

"electronic address" means any number or address used for the purposes of sending or receiving notices, documents or information by electronic means;

"electronic form" has the same meaning as in the 2006 Act;

"electronic means" has the same meaning as in the 2006 Act;

"holder" means in relation to shares the Member whose name is entered in the Register as a holder of those shares;

"London Stock Exchange" means London Stock Exchange plc;

"Member" means a member of the Company whose name is entered in the Register;

"month" means calendar month;

"Office" means the registered office for the time being of the Company;

"Ordinary Shares" means ordinary shares in the capital of the Company;

"paid up" includes credited as paid up;

"present in person" includes the presence of a company by a duly authorised representative;

"Financial Institution" means (a) a recognised clearing house acting in relation to a recognised investment exchange; or (b) a nominee of (i) a recognised clearing house acting in that way; or (ii) a recognised investment exchange; who is designated for the purposes of Section 185(4)(B) of the 1985 Act;

"Register" means the register of Members;

"Seal" means the common seal of the Company or any official seal that the Company may have pursuant to the Acts;

"Secretary" means any person appointed by the Directors to perform the duties of the secretary of the Company including an assistant, deputy or joint secretary;

"Statutes" means the Acts and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company;

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

"year" means a calendar year.

- 2.2 Save as mentioned above and unless the context otherwise requires, words and expressions in the Articles or any part of these Articles shall bear the same meaning as in the Acts but excluding any statutory modification of the Acts not in force from time to time save that the word "company" shall include any body corporate.

- 2.3 A reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it for the time being in force.
- 2.4 Unless the context otherwise requires, words importing:-
- the singular only include the plural number and vice versa;
 - the masculine gender only include the feminine and neuter genders;
 - and persons include corporations.
- 2.5 The headings are inserted for convenience only and shall not affect the construction of these Articles.
- 2.6 Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective, and where an extraordinary resolution is required, a special resolution shall also be effective.
- 2.7 References to writing include references to typewriting, printing, lithography, photography, telex, facsimile and other modes of representing or reproducing words in a legible and non-transitory form and documents and information sent or supplied in electronic form or made available on a website are "in writing" for the purposes of these Articles.

PART II SHARE CAPITAL

SHARE CAPITAL

3. The authorised share capital of the Company at the date of adoption of these Articles is £19,000,000 divided into 190,000,000 Ordinary Shares of 10p each.
4. Subject to the provisions of the Statutes, to these Articles and to any rights attached to any other shares, any share may be issued with such rights or restrictions as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Board may determine) including shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder in accordance with the terms of issue.

VARIATION OF RIGHTS

- 5.1 Subject to the provisions of the Statutes and to the rights attached to any class of shares, all or any of the rights for the time being attached to such class of shares may from time to time (whether or not the Company is being wound up) be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. 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:-
- 5.1.1 the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class;
 - 5.1.2 every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him;
 - 5.1.3 that any holder of shares of the class present in person or by proxy may demand a poll; and

- 5.1.4 at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum and for the purposes of this Article one holder present in person or by proxy may constitute a meeting.
- 5.2 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 two separate classes the rights which are in each case to be varied.

RIGHTS NOT VARIED BY ISSUE OF OTHER SHARES OR PURCHASE OR REDEMPTION OF OWN SHARES

6. The rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attached to, or the terms of issue of, such shares, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in no respect in priority to them or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Statutes and these Articles.

ALLOTMENT OF SHARES

- 7.1 Subject to the authority of the Company in general meeting required by the Statutes, the Board shall have unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased capital) or rights to subscribe for or convert any security into shares to such persons, at such times and for such consideration and generally upon such terms and conditions with such rights and privileges attached to them and subject to such restrictions as the Board may determine (but so that no shares shall be issued at a discount).
- 7.2 The Company may at any time and from time to time pass an Ordinary Resolution referring to this Article and authorising the Board to allot relevant securities (as defined for the purposes of Section 80 of the 1985 Act) and, upon the passing of such an Ordinary Resolution:-
- 7.2.1 the Board shall be generally and unconditionally authorised to allot relevant securities provided that the aggregate nominal amount of such securities where they are shares and, where such securities are not shares, the nominal amount of the shares in respect of which such securities confer the right to subscribe or convert, shall not be more than the sum specified in the Ordinary Resolution; and
- 7.2.2 any such authority shall (unless otherwise specified in such Ordinary Resolution or varied or abrogated by Ordinary Resolution passed at an intervening Extraordinary General Meeting) expire at the conclusion of the next Annual General Meeting following the passing of the Ordinary Resolution, but the Board may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and may allot relevant securities pursuant to the offer or agreement as if the authority had not expired.
- 7.3 The Company may at any time and from time to time by Special Resolution referring to this Article authorise the Board to allot equity securities (as defined in Section 94 of the 1985 Act) for cash as if Section 89(1) of the 1985 Act did not apply to any such allotment provided that this power shall be limited:-

- 7.3.1 to the allotment of equity securities in connection with a rights issue in favour of shareholders where the equity securities respectively attributable to the interests of the shareholders are proportionate (as nearly as possible) to the respective numbers of shares held or deemed to be held by them, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise; and
- 7.3.2 to the allotment (otherwise than pursuant to sub-paragraph 7.3.1 above) of equity securities having, in the case of relevant shares (as defined in Section 94 of the 1985 Act), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount, not exceeding in aggregate the sum specified in the Special Resolution;

and such power shall (unless otherwise specified in such Special Resolution or varied or abrogated by Special Resolution passed at an intervening Extraordinary General Meeting) expire at the conclusion of the next Annual General Meeting after the passing of the Special Resolution but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities pursuant to the offer or agreement as if such power had not expired.

PAYMENT OF COMMISSIONS

8. In addition to all other powers of paying commissions, the Company may exercise the powers conferred by the Statutes of paying commissions to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company. Subject to the provisions of the Statutes, such commission may be satisfied by payment of cash or by the allotment of fully or partly paid shares or the grant of an option to call for an allotment of shares or by any combination of such methods. The Company may also on any issue of shares pay such brokerage as may be lawful.

TRUSTS NOT RECOGNISED

9. Except as otherwise expressly provided by these Articles or as required by law or as ordered by a court of competent jurisdiction, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound or required to recognise (even when having notice of it) any equitable, contingent, future or partial interest in, or right in respect of, any share or fraction or part of a share other than an absolute right to the entirety of it in the registered holder or, in the case of a bearer warrant, in the bearer for the time being of such warrant.

JOINT HOLDERS

10. The Company shall not be bound to register more than four persons as the joint holders of any share.

RIGHT TO SHARE CERTIFICATE

- 11.1 Except as otherwise provided by law, within the time specified by the Statutes (or within such other period as the terms of issue shall provide) every Member (other than a Financial Institution) upon becoming the holder of any shares shall be entitled without

payment to receive one certificate for all the shares of each class held by him and, upon transferring a part of his holding of shares of any class, shall be entitled without payment to a certificate for the balance of such holding.

- 11.2 Ownership of securities may be evidenced electronically without the need for a certificate provided that there is full compliance with provisions currently in force under the Statutes for evidencing ownership electronically.

SHARE CERTIFICATES

- 12.1 Every share certificate shall be issued under Seal or in such other manner as the Board may authorise having regard to the terms of issue, the Statutes and the rules and regulations of the London Stock Exchange and shall specify the number and class and the distinguishing numbers (if any) of the shares to which it relates and the amount paid up on the shares.
- 12.2 Unless all the shares of a particular class are fully paid up and rank pari passu for all purposes, then each share of that class must bear a distinguishing number.
- 12.3 No certificate shall be issued representing shares of more than one class.

NUMBER OF SHARE CERTIFICATES

- 13.1 Any two or more certificates representing shares of any one class held by any Member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- 13.2 If any Member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more certificates representing such shares in such proportions as he may specify, the Board may if it thinks fit comply with such request and may charge to the Member any expenses or fees thereby incurred.
- 13.3 The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

REPLACEMENT OF LOST OR DAMAGED SHARE CERTIFICATE

14. If a share certificate, other than a bearer warrant, shall be damaged, defaced, worn out or alleged to have been lost, stolen or destroyed or not received in the course of post, it may be replaced by a new certificate on delivery of the old certificate or (if alleged to have been lost, stolen, destroyed or not received) on such terms (if any) as to evidence and indemnity and payment of such exceptional out of pocket expenses as the Board may think fit but otherwise without payment.

SHARE WARRANTS

15. The Company may, with respect to any fully paid shares, issue warrants under Seal stating that the bearer is entitled to the shares specified in such warrant and may provide by coupons or otherwise for the payment of future dividends or other moneys on the shares included in such warrants.

The Board may determine and from time to time vary the conditions upon which share warrants shall be issued and in particular upon which:-

- 15.1 a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out, lost or destroyed (provided that no new share warrant shall be issued to replace one that has been lost or destroyed unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);
- 15.1 the bearer of a share warrant shall be entitled to receive notice of, and to attend, vote and demand a poll at, general meetings;
- 15.3 dividends will be paid; and
- 15.4 a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares specified in it.

Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a Member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable to the share warrant whether made before or after the issue of such share warrant.

LIEN

- 16. The Company shall have a first and paramount lien upon all the shares, other than fully paid-up shares, registered in the name of each Member (whether solely or jointly and with other persons) for any amount payable in respect of such shares, whether the period or time for payment shall have actually arrived or not and such lien shall apply to all dividends from time to time declared or other moneys payable in respect of such shares. The Board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Article.

ENFORCEMENT OF LIEN

- 17. The Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, if an amount in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the share or to the person entitled to it by transmission demanding payment of the sum payable and stating that if the notice is not complied with the share may be sold.
- 18. To give effect to any such sale the Board may authorise some person to transfer the share sold to or in accordance with the directions of the purchaser. The Purchaser shall be registered as the holder of the share comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

APPLICATION OF PROCEEDS OF SALE

- 19. The net proceeds of any such sale, after payment of the costs of it, shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (upon surrender to the Company for cancellation of the certificate, if any, for the share sold and subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the Member or the person (if any) entitled by transmission to the share immediately prior to the date of the sale.

CALLS

20. The Board may, subject to the terms of allotment of the shares, from time to time make such calls as they think fit upon the Members or persons entitled to shares by transmission in respect of any moneys unpaid on their shares (whether in respect of the nominal value and/or any premium) provided that 14 clear days' notice at least be given of each call and each Member or person entitled to a share by transmission shall pay the amount of each call so made on him to the person and at the time and place specified by the Board in the said notice.

A CALL MAY BE PAYABLE BY INSTALMENTS, ETC

21. A call may be made payable by instalments and may, at any time before receipt by the Company of a sum due under it, be either revoked or postponed in whole or in part.

WHEN CALL DEEMED TO HAVE BEEN MADE

22. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. A person upon whom a call is made shall remain liable notwithstanding the subsequent transfer of the share in respect of which the call was made.

LIABILITY OF JOINT HOLDERS OF SHARES

23. The joint holders of a share shall be severally as well as jointly liable for payment of all instalments and calls in respect of such share and any one of such persons may give an effectual receipt for any return of capital payable in respect of such share.

INTEREST ACCRUING FROM DATE APPOINTED FOR PAYMENT

24. If a sum called in respect of a share shall not be paid before or on the day appointed for payment of such sum, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment of such sum to the time of actual payment at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 25 per cent. per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

AMOUNTS PAYABLE ON FIXED DATES

25. Any amount which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share and/or by way of any premium, shall for the purposes of these Articles be deemed to be a call duly made 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 amount had become payable by virtue of a call duly made and notified.

DIFFERENTIATION OF AMOUNTS AND DATES OF CALLS

26. Subject to the terms of issue, the Board may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

PAYMENT OF CALLS IN ADVANCE

27. The Board may, if it thinks fit, receive from any Member or person entitled to a share by transmission willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) 15 per cent. per annum, as may be agreed upon between the Board and the Member or person entitled to a share by transmission paying such sum in advance. Provided that no dividend shall be payable on any amount paid up on a share in excess of the amount for the time being called up on such share.

IF CALL NOT PAID NOTICE MAY BE GIVEN

28. If any Member or person entitled to a share by transmission fails to pay the whole of any call on or before the day appointed for the payment of the same, the Board may, at any time afterwards during such time as the call or any part of it remains unpaid, serve a notice on such Member or person entitled to a share by transmission requiring him to pay the same, together with any interest that may have accrued on it and all costs, charges and expenses incurred by the Company by reason of such non-payment.

FORM OF NOTICE

29. The notice shall name a day (not being less than 14 clear days from the date of the notice) and a place on and at which such call or part of it remaining unpaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made will be liable to be forfeited.

IF NOTICE NOT COMPLIED WITH SHARES MAY BE FORFEITED

30. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which such notice shall have been given may at any time afterwards, and before payment of all calls, interest and expenses due in respect of them, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. The Board may accept the surrender of any share liable to be forfeited and in such case references in these Articles to forfeiture shall include surrender.

FORFEITED SHARES TO BECOME THE PROPERTY OF THE COMPANY

31. When any share has been forfeited notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share or the person entitled to the share by transmission; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice as mentioned above. Any share so forfeited shall be deemed to be the property of the Company together with all rights attaching to it and the Board may within three years of such forfeiture sell, re-allot, or otherwise dispose of the same in such manner and on such terms as it thinks fit either to the person who was before the forfeiture the holder of it or the person entitled to the share by transmission, or to any other person, and either with or without any past or accruing dividends and, in the case of re-allotment, with or without any money paid on it by the former holder being credited as paid up. Any share not disposed of within a period of three years from the date of its forfeiture shall be cancelled in accordance with the provisions of the Acts.

POWER TO ANNUL FORFEITURE

32. The Board may at any time, before any share so forfeited shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture upon payment of all calls and interest due upon and costs, charges and expenses incurred in respect of the share and upon such further conditions (if any) as it thinks fit.

ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

33. Any person whose share has been forfeited shall thereupon cease to be a Member in respect of such share or cease to be entitled to such share by transmission and shall surrender to the Company for cancellation any certificate for the share but shall notwithstanding the forfeiture remain liable to pay, and shall forthwith pay to the Company, all calls, instalments, interest and costs, charges and expenses owing upon or in respect of such share at the time of forfeiture, together with interest on it, from the time of forfeiture until payment, at the rate of 25 per cent. per annum (or such lower rate as the Board may determine) and the Board may waive payment wholly or in part or enforce payment of it if it thinks fit without any allowance for the value of the share at the time of forfeiture or for any consideration received on its disposal.

EVIDENCE WHERE SHARES HAVE BEEN FORFEITED

34. A statutory declaration in writing that the declarant is a Director or the Secretary and that a share has been duly forfeited on the date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share. The Company may receive the consideration (if any) given for the share on its sale, re-allotment or disposal and the Board may authorise some person to transfer the share to 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 relating to the forfeiture, sale, re-allotment or disposal of the share. The person who becomes registered as the holder of the share shall be discharged from all calls made before such sale, re-allotment or disposal of the share.

EFFECT OF FORFEITURE

35. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interests in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company (except only such of those rights and liabilities as are by these Articles expressly saved or as are by the Statutes given or imposed in the case of past Members).

TRANSFER OF SHARES

36. Subject to such restrictions contained in these Articles as may be applicable and to any special conditions attached to any class of shares:-
- 36.1 any share may be transferred without a hard copy instrument of transfer provided that the conditions and procedures laid down in the Statutes for such transfer are fulfilled;

- 36.2 any share may be transferred by hard copy instrument of transfer in any usual form or in any form approved by the Board, executed by or on behalf of the transferor and (except in the case of a fully-paid up share) by or on behalf of the transferee; and
- 36.3 the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of it.

RIGHT TO REFUSE REGISTRATION

- 37.1 The Board may in its absolute discretion, and without giving any reason, refuse to register a transfer:-

37.1.1 of a share which is subject to transfer restrictions in relation to a notice served under Section 793 of the 2006 Act;

37.1.2 of a share which is not fully paid up;

37.1.3 of a share on which the Company has a lien;

37.1.4 which is in respect of more than one class of share;

37.1.5 which is in favour of more than four joint holders as transferees;

37.1.6 which is not duly stamped (if so required); or

37.1.7 if the conditions referred to in the next succeeding Article have not been satisfied in respect of it;

provided that, if at any time any partly paid shares have been admitted to the London Stock Exchange Official List, the Board shall not exercise its right to refuse to register transfers of such shares in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

- 37.2 If the Board refuses to register a transfer of a share, it shall within two months after the date on which the transfer was lodged with the Company send notice of the refusal to the transferee.
- 37.3 Nothing in these Articles shall preclude the Board from allowing the allotment of any share to be renounced by the allottee in favour of some other person but, for the purposes of this Article, such renunciation shall be deemed to be a transfer and the Board shall have the same power of refusing to give effect to it as if the renunciation were a transfer.

REGISTRATION OF TRANSFER

38. Except in the case of transfers of uncertified securities which are transferred in a manner prescribed by Statute and for which a hard copy instrument of transfer is not required, every instrument of transfer must be lodged, duly stamped (if so required), at the Office, or at such other place as the Board may from time to time determine, to be registered, accompanied (except in the case of a transfer by a Financial Institution where a certificate has not been issued in respect of the shares) by the certificate for the shares comprised in it and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

FEES ON REGISTRATION

39. No fee shall be payable for registering any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, stop notice, order of court or other document relating to or affecting the title to any shares or the right to transfer the same or otherwise making any entry in the Register relating to any share.

SUSPENSION OF REGISTRATION AND CLOSING OF REGISTER

40. The registration of transfers may be suspended at such times and for such period as the Board may from time to time determine and either generally or in respect of any class of shares provided that such registration shall not be suspended for more than 30 days in any year.

LOCATION OF INSTRUMENTS OF TRANSFER

41. All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board refuses to register shall (except in the case of fraud or any other case determined by the Board) be returned to the person depositing the same.

TRANSMISSION OF SHARES

REPRESENTATIVES OF INTEREST OF DECEASED MEMBERS

42. The executors or administrators of a deceased Member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to shares held by him alone; but in the case of shares held by more than one person, the survivor or survivors only shall be recognised by the Company as being entitled to such shares. Nothing in this Article shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.

EVIDENCE IN CASE OF DEATH OR BANKRUPTCY OR MENTAL DISORDER

43. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or in consequence of a Member being or becoming a patient within the meaning of Part VII of the Mental Health Act 1983 or of any other event giving rise to a transmission of such entitlement by operation of law may, subject as provided elsewhere in these Articles, upon such evidence being produced as may be required by the Board, elect in writing either to be registered as a Member by giving notice in writing to that effect or, without being so registered, may transfer the share to some other person who shall be registered as a transferee of such share and such transfer shall signify his election as mentioned above. All the Articles relating to the transfer of shares shall apply to the transfer as if it were a transfer effected by the Member and the death or bankruptcy of the Member or his being or becoming a patient as mentioned above or any other event as mentioned above had not occurred. The Board may at any time give notice requiring any such person to elect as mentioned above and, if such notice is not complied with within 60 clear days, the Board may afterwards withhold payment of all dividends and other moneys payable in respect of such share until compliance with such notice.

RIGHTS AS TO DIVIDENDS AND VOTING

44. Where a person becomes entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law, the rights of the holder in relation to that share shall cease but the person entitled by transmission to the share shall be entitled to the

same dividends and other advantages to which he would be entitled if he were the holder of the share, except that he shall not, unless and until he is registered as a Member in respect of the share, be entitled in respect of it to receive notices of or to exercise any rights conferred by membership in relation to meetings of the Company.

ALTERATION OF SHARE CAPITAL

45. The Company may from time to time by ordinary resolution:-
- 45.1 increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe;
 - 45.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - 45.3 subject to the provisions of the Statutes, sub-divide its shares or any of them into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, one or more of them may have any preference or advantage or deferred or qualified rights or be subject to restrictions as compared with the others; and
 - 45.4 cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- 46.1 Whenever, as the result of any consolidation, division or subdivision of shares, any difficulty arises, the Board may settle it as it thinks fit and, in particular (but without prejudice to the generality of the foregoing), where the number of shares held by any holder or person entitled by transmission is not an exact multiple of the number of shares to be consolidated into a single share and, as a result of such consolidation, such holder or person entitled by transmission would become entitled to a fraction of a consolidated share:-
- 46.1.1 the Board may determine which of the shares of such holder or person entitled by transmission are to be treated as giving rise to such fractional entitlement and may decide that any of those shares shall be consolidated with any of the shares of any other holder or holders or person or persons entitled by transmission which are similarly determined by it to be treated as giving rise to a fractional entitlement for such other holder or holders or person or persons into a single consolidated share and the Board may, on behalf of all such holders and persons, sell such consolidated share for the best price reasonably obtainable to any person (including the Company) and distribute the net proceeds of sale after deduction of the expenses of sale in due proportion among those holders or persons (except that any amount otherwise due to a holder or person entitled by transmission, being less than £3.00 or such other sum as the Board may from time to time determine, may be retained for the benefit of the Company); or
 - 46.1.2 provided that the necessary unissued shares are available, the Board may issue to such holder or person, credited as fully paid up by way of capitalization, the minimum number of shares required to round up his holding to an exact multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been effected prior to consolidation) and the amount required to pay up such shares shall be appropriated at the Board's discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including any share premium account and capital redemption reserve) or to the credit of the

profit and loss account and capitalised by applying the same in paying up the shares.

- 46.2 For the purposes of any sale of consolidated shares pursuant to Article 46.1, the Board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with, the directions of the purchaser and the transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale.
- 47 Subject to the provisions of the Statutes and to any rights for the time being attached to any share, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account or any other undistributable reserve in any manner.

PURCHASE OF OWN SHARES

- 48.1 Subject to the provisions of the Statutes and these Articles and to any rights for the time being attached to any shares and to any confirmation or consent required by law, the Company may from time to time purchase its own shares (including any redeemable shares).
- 48.2 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, or persons entitled by transmission to, shares of the same class or as between them and the holders of, or persons entitled by transmission to, shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

DISCLOSURE OF INTERESTS IN SHARES

- 49.1 If a Member or any other person appearing to be interested in shares held by that Member has been given a notice under Section 793 of the 2006 Act and has failed in relation to any shares (the "default shares") to give the Company the information required by such notice within 14 days from the date of service of the notice which date shall be determined in accordance with these Articles, the following sanctions shall apply, unless the Board otherwise determines:-
- 49.1.1 the Member shall not be entitled in respect of the default shares to be present or to vote (either in person or by a representative or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- 49.1.2 where the default shares represent at least 0.25 per cent. in number of the issued shares of a class of shares in the capital of the Company:-
- 49.1.2.1 any dividend or other money payable in respect of the shares shall be withheld by the Company which shall not have any obligation to pay interest on it and the Member or person entitled by transmission to the share shall not be entitled to elect to receive shares instead of that dividend; and
- 49.1.2.2 no transfer, other than an excepted transfer, of any shares held by the Member shall be registered.
- 49.2 Where the sanctions under Article 49.1 above apply in relation to any shares, they shall cease to have effect:-

- 49.2.1 if the shares are transferred by means of an excepted transfer at the end of the period of seven days (or such shorter period as the Board may determine) following receipt by the Company of notice of such transfer; or
- 49.2.2 at the end of the period of seven days (or such shorter period as the Board may determine) following receipt by the Company of the information required by the notice mentioned in that paragraph.
- 49.3 Where, on the basis of information obtained from a Member in respect of any share held by him, the Company gives a notice under Section 793 of the 2006 Act to any other person, it shall at the same time send a copy of the notice to the Member but the accidental omission to do so or the non-receipt by the Member of the copy shall not invalidate or otherwise affect the application of Article 49.1 above.
- 49.4 Where any shares are issued pursuant to any rights issue or capitalization issue in right of any default shares, the Board may determine that the holder of or person entitled by transmission to, such shares is subject to sanctions in respect of such shares as if those shares were default shares. If the Board so determines, it will give notice in writing of the determination to the holder of, or person entitled by transmission to, such shares.
- 49.5 This Article is in addition to, and shall not in any way prejudice or affect, the statutory rights of the Company arising from any failure by any person to give any information required by a notice served pursuant to Section 793 of the 2006 Act within the time specified in it. For the purpose of this Article, such notice need not specify the period referred to in Article 49.1 above and may require any information to be given before the expiry of such period.
- 49.6 For the purposes of this Article:-
- 49.6.1 a person, other than the Member holding a share, shall be treated as appearing to be interested in that share if the Member has informed the Company that the person is, or may be, so interested or if the Company (after taking account of any information obtained from the Member or, pursuant to a notice under Section 793 of the 2006 Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
- 49.6.2 "interested" shall be construed as it is for the purpose of Section 793 of the 2006 Act;
- 49.6.3 reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- 49.6.4 an "excepted transfer" means, in relation to any shares held by a Member: -
- (a) a transfer pursuant to acceptance of a take-over offer for the Company (meaning an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them);

- (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares of the same class as the default shares are normally traded; or
- (c) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who had no interest in those shares at the time the relevant notice was served pursuant to Section 793 of the 2006 Act and who is not an associate (within the definition of that expression contained in Section 435 of the Insolvency Act 1986) of a person who had such an interest and who is not acting in concert (within the definition of that expression contained in the Takeover Code) with a person who had such an interest.

POWER OF SALE OF SHARES HELD BY UNTRACED SHAREHOLDERS

50.1 The Company may sell any shares in the Company on behalf of the holder of, or person entitled by transmission to, the shares by instructing a member of the London Stock Exchange to sell them at the best price reasonably obtainable if: -

50.1.1 the shares have been in issue throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period;

50.1.2 no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relative cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares at any time during the relevant period;

50.1.3 so far as any Director or the Secretary at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares;

50.1.4 the Company has caused two advertisements to be published, one in a newspaper with a national circulation and the other in a newspaper circulating in the area of the address of the holder of the shares shown in the Register or of the other address for service of notices of such holder or of the address of the person entitled by transmission to the shares, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the later of the two advertisements to be published if they are published on different dates; and

50.1.5 following the end of the qualifying period the Company has given notice to the Quotations Department of the London Stock Exchange of its intention to make the sale.

50.2 For the purpose of this Article:-

"the qualifying period" means the period of 12 years immediately preceding the date of publication of the advertisements referred to in Article 50.1.4 above or the first of the two advertisements to be published if they are published on different dates and "the relevant period" means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements set out above have been satisfied.

- 50.3 If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements of Articles 50.1.2 to 50.1.5 above have been satisfied in regard to the further shares, the Company may also sell the further shares.
- 50.4 To give effect to any sale of shares pursuant to this Article the Board may authorise some person to transfer the shares in question and a transfer by that person shall be as effective as if it had been a transfer by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and the Company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the Company or as it thinks fit.

PART III - GENERAL MEETINGS

ANNUAL GENERAL MEETINGS

51. 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 shall specify the meeting as such in the notice calling it. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. The annual general meeting shall be held at such time and place as the Board shall determine.

EXTRAORDINARY GENERAL MEETINGS

52. All general meetings other than annual general meetings shall be called extraordinary general meetings.

WHEN EXTRAORDINARY GENERAL MEETING TO BE CALLED

53. The Board may, whenever it thinks fit, convene an extraordinary general meeting of the Company and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes. Any meeting convened under this Article by requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Board. If there are insufficient Directors within the United Kingdom capable of acting to form a quorum at a meeting of the Board, any Director within the United Kingdom may convene a general meeting.

NOTICE OF MEETINGS

- 54.1 Subject to the Statutes, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution requiring the giving of special notice pursuant to the Statutes shall be called by not less than 21 clear days' notice in writing and all other extraordinary general meetings of the Company shall be called by not less than 14 clear days' notice in writing. The notice shall specify the place, the day and the hour of meeting and the general nature of the business to be transacted. Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

The notice shall specify, with reasonable prominence, that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a Member. The notice shall be given to the Members, other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company, to the Directors and to the Auditors. A notice calling an annual general meeting shall specify the meeting as such and a notice convening a meeting to pass a special resolution or an extraordinary resolution as the case may be shall specify the intention to propose the resolution as such.

54.2 Notwithstanding that a meeting of the Company is called by shorter notice than that specified in Article 54.1 above, it shall be deemed to have been duly called if it is so agreed:-

54.2.1 in the case of a meeting called as an annual general meeting by all the Members entitled to attend and vote at such meeting; and

54.2.2 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.

OMISSION TO SEND NOTICE

55. The accidental omission (or the failure to give notice due to circumstances beyond the Company's control) to send a notice or any accompanying circular or, where required by these Articles, a proxy form with a notice and such circular to, or the non-receipt of any notice or circular or proxy form by, any Member, any Director or the Auditors shall not invalidate the proceedings at any general meeting.

QUORUM

56. No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote on the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation which is a Member, shall be a quorum.

PROCEEDINGS IF QUORUM NOT PRESENT

57. If a quorum is not present within half an hour from the time appointed for a general meeting or if during a meeting a quorum ceases to be present the meeting, if convened by or 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 day and at such time and place as the Board may determine. If at such adjourned meeting a quorum is not present within 15 minutes after the time appointed for the meeting, one person entitled to be counted in a quorum present at the meeting shall be a quorum.

CHAIRMAN OF GENERAL MEETINGS

58. The chairman (if any) of the Board, or in his absence the deputy chairman (if any), or in the absence of both of them, or if neither of them is willing to act as chairman, some other Director who is willing to act as chairman nominated by the Directors present, or if only one Director is present that Director provided that he is willing to act as chairman, shall preside as chairman at every general meeting of the Company. If there be no such chairman or deputy chairman or nominated Director or Director present within 15 minutes after the time

appointed for the meeting and willing to act, the persons present and entitled to vote shall choose one of their number to be chairman of the meeting.

DIRECTORS' RIGHT TO ATTEND AND SPEAK

59. Each Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares.

POWER TO ADJOURN

60. The chairman of the meeting may at any time, without the consent of the meeting, adjourn any meeting (whether or not it has commenced or a quorum is present) to another time or place where it appears to him that the Members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting, the conduct of persons present prevents or is likely to prevent the orderly continuation of business or an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time or indefinitely and from place to place. No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

WHEN NOTICE OF ADJOURNED MEETING TO BE GIVEN

61. Whenever a meeting is adjourned for 28 days or more or a meeting adjourned indefinitely is due to be held, seven clear days' notice in writing at the least specifying the place, the day and hour of the adjourned meeting shall be given to the Members subject as and in the manner herein mentioned, to the Directors and to the Auditors but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as mentioned above it shall not be necessary to give any notice of an adjourned meeting.

AMENDMENTS TO RESOLUTIONS

62. If an amendment to any resolution under consideration is ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in the ruling. In the case of a resolution duly proposed as a special or extraordinary resolution, no amendment to such resolution (other than a mere clerical amendment to correct a patent error) may in any event be considered.

METHOD OF VOTING

63. At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands, or on the withdrawal of any other demand for a poll, a poll is duly demanded:-
- 63.1 by the chairman of the meeting;
- 63.2 by at least five Members present in person or by proxy and having the right to vote at the meeting;
- 63.3 by a Member or Members present in person or by proxy representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or

- 63.4 by a Member or Members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

DECLARATION OF RESULT OF A SHOW OF HANDS

64. Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously or by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

WITHDRAWAL OF A DEMAND FOR A POLL

65. The demand for a poll may, before the poll is taken or before the close of the meeting (whichever is the earlier), be withdrawn but only with the consent of the chairman of the meeting, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

PROCEDURE IF POLL DEMANDED

66. A poll shall be taken in such manner as the chairman of the meeting directs and he may appoint scrutineers (who need not be Members). The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

CASTING VOTE OF CHAIRMAN OF THE MEETING

67. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.

WHEN POLL TO BE TAKEN

68. A poll duly demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman of the meeting directs, not being more than 30 days after the poll is demanded. The time and place at which the poll is to be taken shall be announced either at the meeting or by at least seven clear days' notice.

CONTINUANCE OF OTHER BUSINESS AFTER POLL DEMANDED

69. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

70. Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, or any suspension or abrogation of voting rights pursuant to these Articles, every Member present in person shall upon a show of hands have one vote and every Member present in person or by proxy shall upon a poll have one vote for every Ordinary Share of which he is the holder.

VOTES OF JOINT HOLDERS

71. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

VOTES OF MEMBERS SUFFERING FROM MENTAL DISORDER

72. A Member who is or becomes a patient within the meaning of Part VII of the Mental Health Act 1983 or in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by the court who may, on a poll, vote by proxy and may otherwise act and be treated as such Member for the purposes of general meetings. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote on behalf of such Member shall be deposited at the Office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

MEMBERS NOT TO VOTE WHERE CALLS ARE UNPAID

73. No Member shall, unless the Board otherwise determines, be entitled in respect of any share held by him to be present or to vote (either in person or by a representative or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll, or to exercise any other rights conferred by membership in relation to any such meeting or poll in respect of any shares held by him if any calls or other moneys due and payable in respect of those shares remain unpaid.

OBJECTIONS TO COUNTING OF VOTES

74. No objection shall be raised to the qualification of any voter or to the counting of, or failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

RIGHT TO VOTE BY PROXY

75. On a poll votes may be given personally or by proxy or (in the case of a corporate Member) by a duly authorised representative. A person entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A proxy or a duly authorised representative need not be a Member. A Member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy shall not preclude a Member from attending and voting in person at any meeting or adjournment of it or on a poll.

FORMS OF PROXY

76. An instrument appointing a proxy shall be in writing in any usual form or in such other form as the Board may approve and the Board may, if it thinks fit, but subject to the provisions of

the Statutes and the rules and regulations of the London Stock Exchange, send out with the notice of any meeting forms of instrument of proxy for use at the meeting. An instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. An instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

EXECUTION OF PROXIES

77. An instrument appointing a proxy need not be witnessed and, if provided in hard copy form, it shall be signed by the appointer or by his attorney authorised in writing, or, if the appointer is a corporation, either under its seal or signed on its behalf by an officer, attorney or other person authorised to sign for it. The Board may also allow the appointment of a proxy to be sent or supplied in electronic form subject to any conditions or limitations as the Board may specify and, where the Company has given an electronic address in any instrument of proxy or invitation to appoint a proxy, any document or information relating to proxies for the meeting (including any document necessary to show the validity of, or otherwise relating to, the appointment of a proxy, or notice of the termination of the authority of a proxy) may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

DEPOSIT OF PROXIES

- 78.1 The instrument appointing a proxy and any authority under which it is executed, or a copy of such authority certified notarially or in such manner as the Board may approve, shall:-
- 78.1.1 in the case of an appointment of proxy in hard copy form, be deposited at the Office or at such other place in the United Kingdom as specified in the notice convening the meeting, in any instrument of proxy, or any invitation to appoint a proxy sent out or made available by the Company or any accompanying document sent out by the Company in relation to the meeting, not less than 48 hours (or such lesser time as may be specified in such notice or such proxy or accompanying document) before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - 78.1.2 in the case of an appointment of proxy in electronic form, be received at the address specified in the notice convening the meeting, or in any instrument of proxy or any invitation to appoint a proxy sent out or made available by the Company or any accompanying document sent out by the Company in relation to the meeting, not less than 48 hours (or such lesser time as may be specified in such notice or such proxy or accompanying document) before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
 - 78.1.3 in the case of a poll taken more than 48 hours after it was demanded, be deposited or received as mentioned above after the poll has been demanded and not less than 24 hours (or such lesser time as may be specified by the Directors) before the time appointed for taking the poll; or
 - 78.1.4 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting to the chairman of the meeting or to the Secretary or to any Director;

and an instrument of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

- 78.2 When two or more valid but differing instruments appointing a proxy are delivered or received in respect of the same shares for use at the same meeting, the one which is last dated by the appointer (provided that such date is on or before the date of delivery or receipt but otherwise regardless of the actual date of execution or the date of its delivery or receipt) shall be treated as replacing and revoking the others as regards that share. If the proxy last dated by the appointer is dated after the date of delivery or receipt, the proxy with the latest date prior to its date of delivery or receipt shall prevail. If not all such instruments of proxy are so dated, or if any such date is illegible as written, the one which is last delivered or received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share, but if the Company is unable to determine which was last delivered, none of them shall be treated as valid in respect of that share.

MAXIMUM VALIDITY OF PROXY

79. No instrument appointing a proxy shall be valid after 12 months from the date named in it as the date of execution.

CANCELLATION OF PROXY'S AUTHORITY

80. A vote given or poll demanded by a proxy or by a duly authorised representative of a corporation shall be valid notwithstanding the previous death or incapacity of the principal or the revocation of the instrument of proxy or of the authority under which it was executed or the revocation of the appointment of the duly authorised representative or the transfer of the share in respect of which the vote is given or the poll is demanded, provided that no intimation in writing of such death, incapacity, revocation or transfer shall have been received by the Company at the Office (or such other place in the United Kingdom as may be specified for the delivery of instruments of proxy in the notice convening the meeting or the other document sent with such notice) or the address where an appointment in an electronic form may be duly received, not later than the last time at which an instrument of proxy should have been delivered or received in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or poll demanded or such later time as may be determined by the Board and set out in a notice in writing sent to Members.

CORPORATIONS ACTING BY REPRESENTATIVES

81. Any corporation which is a Member of the Company may, in accordance with the Statutes, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members of the Company. 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 and the corporation shall for the purposes of these Articles be deemed to be present at any such meeting if a person so authorised is present at it.

RESOLUTIONS IN WRITING

82. A resolution in writing executed by or on behalf of each Member, who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present, shall be as effectual as if it had been passed at a general meeting properly

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

PART IV - DIRECTORS

NUMBER OF DIRECTORS

83. Unless otherwise determined by ordinary resolution, the number of Directors (other than alternate directors) shall not be subject to any maximum but shall be not less than two.

NO SHARE QUALIFICATION FOR DIRECTORS

84. Director shall not be required to hold any share qualification.

ALTERNATE DIRECTORS

85. Any Director (other than an alternate director) may appoint any other Director, or any other person approved by the Board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him. Such appointment or removal of an alternate director shall be by notice in writing executed by the appointer and delivered to the Office or tendered at a meeting of the Board or in any other manner approved by the Board.

CESSATION OF ALTERNATE DIRECTORSHIP

86. An alternate director shall cease to be an alternate director if his appointer ceases to be a Director for any reason otherwise than by retirement at a general meeting at which he is re-elected, or upon the happening of any event which, if he were a Director, would cause him to vacate the office of Director.

ALTERNATE DIRECTOR'S RIGHT TO RECEIVE NOTICE AND ATTEND MEETINGS

87. An alternate director shall (unless he is absent from the United Kingdom) be entitled to receive notice of meetings of the Board and of committees of the Board of which his appointer is a member, to attend and vote at any such meeting at which his appointer is not present, and generally to perform all the functions, powers and duties of his appointer as a Director in his absence and for the purpose of the proceedings of the meeting. An alternate director shall have one vote for each absent Director whom he represents, in addition to his own vote if he is a Director, but he shall count as only one for the purpose of determining whether a quorum is present. A resolution of the Board or a committee of the Board may be signed by a Director or by his alternate director and need not be signed by both.

REMUNERATION, EXPENSES AND INDEMNITIES OF ALTERNATE DIRECTOR

88. An alternate director shall be entitled to be repaid expenses and to be indemnified to the same extent as if he were a Director but, unless otherwise determined by ordinary resolution, he shall not be entitled to receive any remuneration from the Company for his services as an alternate director except only such part (if any) of the remuneration otherwise payable to the Director appointing him as such Director may by notice in writing to the Company from time to time direct.

STATUS OF ALTERNATE DIRECTOR

89. Save as otherwise provided in these Articles, an alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for his acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

GENERAL POWERS OF THE DIRECTORS

90. The business of the Company shall be managed by the Board, which may exercise all the powers of the Company (whether relating to the management of the business or not) subject to the Statutes, the memorandum of association of the Company and the Articles and to any directions given by special resolution. No act of the Board shall be invalidated by any subsequent resolution of the Members or alteration to the memorandum of association or the Articles.

The general powers given by this Article shall not be limited or restricted by any special authority or powers given to the Board by any other Article. A duly convened meeting of the Directors at which a quorum is present may exercise all powers, authorities and discretion vested in or exercisable by the Board.

BORROWING POWERS

- 91.1 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

- 91.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiaries (if any) so as to ensure (as regards its subsidiaries so far as by such exercise it can ensure) that the aggregate amount for the time being outstanding in respect of the moneys borrowed or secured by the Group (exclusive of intra-Group borrowings) shall not at any time without the previous sanction of an Ordinary Resolution exceed an amount equal to three times the Adjusted Capital and Reserves.

- 91.3 For the purposes of this Article:-

91.3.1 "the Adjusted Capital and Reserves" means the aggregate for the time being of the amount paid up or credited as paid up on the issued share capital of the Company and the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve fund and any credit balance on profit and loss account) all as shown by the latest audited balance sheet but after (a) deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and (b) making adjustments to reflect any variation in the amount of such paid up share capital, share premium account or capital redemption reserve fund since the date of the then latest audited balance sheet and (c) excluding therefrom (i) any sums set aside for future taxation and (ii) amounts attributable to outside shareholders in subsidiaries and (d) deducting therefrom any dividend from such reserves (otherwise than to the Company or to a subsidiary) and not provided for therein;

91.3.2 the principal amount owing (otherwise than to the Company or a subsidiary) on any debenture howsoever issued (including any fixed or minimum premium

payable on final repayment) shall (if not otherwise taken into account) be deemed to be moneys borrowed; and

- 91.3.3 "borrowings" and "moneys borrowed" shall be deemed to include in addition to borrowings (i) loan capital whether issued for cash or in whole or in part for a consideration other than cash, but do not include any pre-payments (ii) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group and the nominal amount of any issued share capital and the principal amount of any debentures or borrowed monies (the beneficial interest whereof is not for the time being owned by a member of the Group) of any body whether corporate or unincorporate and the payment or repayment whereof is the subject of a guarantee or indemnity by a member of the Group and (iii) the outstanding amount raised by acceptances by a bank or acceptance house under any acceptance credit opened on behalf of and in favour of any member of the Group;
- 91.4 No such sanction as aforesaid shall be required to the borrowing of any sum of money intended to be applied in the repayment (with or without premium) of any moneys then already borrowed and outstanding and so applied within 60 days of the borrowing thereof, notwithstanding that the same may result in such limit being exceeded. A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed or secured 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 be conclusive evidence of such amount or fact for the purposes of this Article.
- 91.5 Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit contained in this Article is observed. No debt incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.
- 91.6 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 of such monies denominated or repayable (or repayable at the option of any person other than the Company) in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on that date in London provided that any such monies shall be converted at the rate of exchange prevailing in London six months before such date if thereby such aggregate amount would be less (and for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business on the relevant date).

AUTHORITY TO APPOINT AGENTS AND ATTORNEYS

92. The Board may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the Board, to be the agent of the Company upon such terms (including terms as to remuneration) as it may think fit and may delegate to any person so appointed any of its powers, authorities and discretion and any such appointment may contain such provisions for the protection and convenience of persons dealing with the agent as the Board may think fit and may also authorise the agent to delegate all or any of the powers vested in him. The Board may remove any person appointed under this Article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

DELEGATION OF DIRECTORS' POWERS TO COMMITTEES

93. The Board may delegate such of its powers, authorities or discretion (with power to sub-delegate) as it may think fit to committees consisting of one or more members of the Board and (if thought fit) one or more other persons co-opted as provided below. The powers, authorities or discretion so delegated shall include, without limitation, all powers, authorities or discretion which relate, or may relate, to the payment of remuneration to, or the conferring of any other benefit on, any member of the Board or persons co-opted to any committee of the Board, as provided below. Any committee so formed shall, in the exercise of the powers, authorities or discretion so delegated, conform to any regulations that may from time to time be imposed by the Board. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that:-
- 93.1.1 the number of co-opted members shall be less than one-half of the total number of members of the committee;
 - 93.1.2 no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors; and
 - 93.1.3 the chairman of each committee shall be a Director and, in the case of any equality of votes, the chairman of the committee shall have a second or casting vote.
- 93.2 Insofar as any power, authority or discretion is delegated to a committee in accordance with this Article, any reference in these Articles to the exercise by the Board of the power, authority or discretion so delegated shall be read and construed as if it were a reference to the exercise by such committee.

DELEGATION OF DIRECTORS' POWERS

- 94.1 The Board may delegate any of its powers, authorities and discretion (with power to sub-delegate) upon such terms and subject to such conditions as it may decide:-
- 94.1.1 to any managing Director or any Director holding any other executive office; or
 - 94.1.2 to any committees, local or divisional boards or agencies for managing any of the affairs of the Company either in the United Kingdom or elsewhere and may appoint any persons to be members of any local or divisional board or any managers or agents and may fix their remuneration and may authorise the members of any local or divisional board or any of them to fill any vacancies and to act notwithstanding any vacancies.
- 94.2 The Board may, as it sees fit, determine, revoke or alter the purposes, powers and conditions of such delegation or remove any person so appointed but no person dealing in good faith and without notice of the determination, revocation, alteration or renewal shall be affected by it.
- 94.3 Except as otherwise determined by the Board, the proceedings of such committee, local or divisional board or agency shall be governed by such of these Articles as regulate the proceedings of the Board so far as they are capable of applying.

JOB DESIGNATIONS MAY INCLUDE THE WORD "DIRECTOR"

95. The Board may appoint any person (not being a Director) to any office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such designation or title and may terminate any such appointment or the use of such designation or title. The inclusion of the word "director" in the designation or title of any such employee shall not imply that he is empowered in any respect to act as a Director of the Company or is deemed to be a Director for any of the purposes of the Statutes or these Articles.

OVERSEAS BRANCH REGISTER

96. Subject to the provisions of the Statutes, the Company may keep an overseas or local or other register in any place and the Board may make or vary such regulations as it may think fit respecting the keeping of the register.

EXECUTION OF NEGOTIABLE INSTRUMENTS

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

RETIREMENT OF DIRECTORS BY ROTATION

98. At each annual general meeting one-third (or the number nearest to but not exceeding one-third) of the Directors who are subject to retirement by rotation shall retire from office by rotation. If there is only one Director subject to retirement by rotation he shall retire and if there are only two Directors subject to retirement by rotation, at least one of them shall retire. A Director retiring at a meeting shall retain office until the close of the meeting. Notwithstanding any other provision of these Articles, a person who is the sole managing Director of the Company shall not whilst holding that office be subject to retirement by rotation or be taken into account in deciding the number of Directors to retire by rotation on any particular occasion.

WHICH DIRECTOR TO RETIRE

99. Subject to the provisions of the Acts and of these Articles, the Directors to retire by rotation on each occasion shall include any Director who wishes to retire and not offer himself for re-election and then shall be those who have been longest in office since their appointment or last election but, as between persons whose appointment or last election took place 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 start of business on the date of the notice convening the annual general meeting and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after that time on the date of the notice but before the close of the meeting.

ELIGIBILITY FOR RE-ELECTION

100. A Director who retires (whether by rotation or otherwise) at an annual general meeting shall be eligible for re-election. Retirements, elections and re-elections of Directors at a meeting shall take effect from the close of the meeting.

DEEMED RE-ELECTION

101. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been re-elected unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-election of the Director is put to the meeting and lost.

ELECTION OF DIRECTORS TO BE VOTED UPON INDIVIDUALLY

102. At a general meeting the election or re-election of two or more persons as Directors by a single resolution shall be void unless the proposal of such resolution has first been agreed to at the meeting without any vote being given against it.

NOTICE TO PROPOSE NEW DIRECTORS

103. No person other than a Director retiring at the meeting (whether by rotation or otherwise) shall be elected a Director at any general meeting unless:-

103.1 he is recommended by the Board; or

103.2 not less than seven nor more than 28 clear days before the date appointed for the meeting, notice executed by a Member qualified to vote at the meeting (not being the person to be proposed) has been delivered to the Company at the Office of the intention to propose that person for election, stating the particulars which would, if he were elected, be required to be included in the Company's register of Directors, together with notice executed by that person of his willingness to be elected, in which case such notice shall be given to the Members as the Board deems practicable.

APPOINTMENT OF DIRECTORS BY ORDINARY RESOLUTION

104. Subject to these Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire.

APPOINTMENT OF DIRECTORS BY THE BOARD

- 105 Without prejudice to the power of the Company by ordinary resolution to appoint a person to be a Director, the Board may appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-appointment but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. If not reappointed at such annual general meeting, he shall cease to be a Director at its conclusion.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

106. Without prejudice to the provisions for retirement by rotation or otherwise contained in these Articles, the office of a Director shall be vacated if:-

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

- 106.2 he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- 106.3 he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the Board resolves that his office is vacated;
- 106.4 he resigns his office by notice to the Company delivered to the Office or tendered at a meeting of the Board;
- 106.5 he and his alternate (if any) fail to attend Board meetings for six consecutive months without leave of absence from the Board and the Board resolves that his office be vacated;
- 106.6 his appointment terminates in accordance with the provisions of these Articles;
- 106.7 being a Director holding an executive office, he is dismissed from such office;
- 106.8 he is convicted of an indictable offence and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director; or
- 106.9 the conduct of a Director (whether or not concerning the affairs of the Company) is the subject of an investigation by an inspector appointed by the Secretary of State or by the Serious Fraud Office and the Directors shall resolve that it is undesirable in the interests of the Company that he remains a Director.

POWER OF REMOVAL BY ORDINARY RESOLUTION

- 107. The Company may by ordinary resolution, of which special notice has been given in accordance with the Statutes, remove any Director before the expiration of his period of office, notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

REMUNERATION OF DIRECTORS

- 108. The Directors shall be entitled to such remuneration for their services as Directors as the Board or any committee authorised by the Board may determine which shall not exceed in aggregate £500,000 (excluding value added tax) per annum (or such higher amount as the Company may determine from time to time by ordinary resolution). Such remuneration shall be apportioned as the Board or any committee authorised by the Board may determine and shall exclude any additional or other remuneration to which Directors may be entitled in accordance with these Articles.

REMUNERATION FOR EXECUTIVE FUNCTIONS

- 109. Any Director who holds executive office or otherwise performs additional duties (including acting as chairman or deputy chairman or serving on a committee of the Directors) may be paid such remuneration by way of salary, commission, participation in profits or otherwise as the Board or any committee authorised by the Board may determine and either in addition to, or in lieu of, his remuneration as a Director.

DIRECTORS' EXPENSES

110. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors, including their attendance at Board meetings, committee meetings or Members meetings or otherwise incurred while engaged on the business of the Company.

PENSIONS AND GRATUITIES FOR DIRECTORS

111. The Board or any committee authorised by the Board may exercise all the powers of the Company to provide benefits, whether by the payment of pensions, annuities, gratuities or superannuation or other allowances or by insurance or otherwise, to any persons who are or have at any time been Directors (or the holders of any equivalent or comparable office) of, and employed by, or in executive office under, the Company, or any company which is a subsidiary undertaking of, allied to or associated with the Company, or any corporate body to whose business the Company or any of its subsidiary undertakings is, in whole or in part, a successor directly or indirectly and to the spouses, widows, widowers, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of such persons as are mentioned above or any of them or any class of them and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise) and shall not be disqualified from being or becoming a Director as a result of receiving any such benefit. The Board or any committee authorised by the Board may procure any of the matters mentioned above to be done by the Company either alone or in conjunction with any other person.

MANAGING DIRECTOR AND OTHER EXECUTIVE APPOINTMENTS

112. The Board may from time to time appoint one or more of its body as managing Director or to fulfil any other executive function within the Company. Subject to the Statutes, the Board or any committee authorised by the Board may determine the term, remuneration and any other conditions of each such appointment including conditions allowing the Board or any such committee to vary or revoke the appointment and whether the appointment shall terminate upon the holder ceasing to be a Director of the Company. Termination in accordance with the terms of the appointment shall not prejudice any claim for damages for breach of the contract of service between a Director and the Company.

REGULATION OF PROCEEDINGS OF THE BOARD

113. Subject to the provisions of the Articles, the Board may regulate its proceedings as it sees fit.

NOTICE OF BOARD MEETINGS

- 114.1 A Director may, and at the request of a Director, the Secretary shall, call a meeting of the Board.
- 114.2 Notice of Board meetings shall be given to all Directors and shall be deemed to be duly given to a Director if given to him personally or by word of mouth or sent in writing to him at the address in the United Kingdom notified by him to the Company for this purpose.
- 114.3 A Director absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at

an address given by him to the Company for this purpose but such notices need not be given any earlier than notices given to Directors not so absent and if no request is made to the Board it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom.

114.4 A Director may waive notice of any meeting and any such waiver may be retrospective.

PARTICIPATION IN MEETINGS BY TELEPHONE

115. All or any of the Directors or of the members of any committee of the Board may participate in a meeting by means of a conference telephone or any communications equipment which allows all persons participating in the meeting to hear and speak to each other. A person 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. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

VOTING AT BOARD MEETINGS

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

QUORUM

117. The quorum necessary for the transaction of the business of the Board may be fixed from time to time by the Board and unless so fixed shall be two. Subject to the provisions of these Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board Meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

COMPETENCE WHERE THERE ARE VACANCIES

118. The continuing Directors may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or a sole continuing Director may act only for the purposes of filling vacancies or calling general meetings of the Company. If there are no Directors willing or able to act, then any two Members may summon a general meeting for the purpose of appointing Directors.

CHAIRMAN

119. The Board may elect a chairman and deputy chairman of its meetings and may determine their periods of office and may at any time remove them from office. If no such chairman or deputy chairman is elected, or if neither is present within five minutes after the time appointed for holding a meeting, or if neither is willing to preside at such meeting, the Directors present shall choose one of their number to be chairman of such meeting.

DEFECTIVE ACTS

120. All acts done by the Board or by a committee of the Board or by any person acting as a Director, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or member of such committee or person acting as mentioned above, or that they or any of them were disqualified or had vacated office or were not entitled to vote, shall be as valid as if every such person had been duly appointed and was

qualified and had continued to be a Director or member of such committee and had been entitled to vote.

RESOLUTIONS IN WRITING

121. A resolution in writing signed by all the Directors entitled to receive notice of and entitled to vote at a meeting of the Board (or their alternates) (provided that number is sufficient to constitute a quorum) or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board, or as the case may be, of such committee, duly convened and held and may consist of one document or of several documents in like form, each signed by one or more of the Directors or members of the committee concerned; but a resolution signed by a Director need not also be signed by his alternate, and if it is signed by any alternate director it need not also be signed by his appointer.

DIRECTORS' INTERESTS

- 122.1 A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period, subject to the provisions of the Statutes, and upon such terms as the Board may determine and may be paid such extra remuneration for holding such office or place of profit (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- 122.2 A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 122.3 Subject to the provisions of the Statutes and to Article 122.7, a Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Director shall not infringe his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such office or employment or any interest in any such office or employment or any interest in any such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of such voting power or power of appointment in favour of the appointment of the Directors or any of them to be directors or officers of such other company or voting or providing for the payment of remuneration to the directors or officers of such other company.
- 122.4 A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms of such appointment or the termination of such appointment).
- 122.5 Where arrangements are under consideration by the Board concerning the appointment (including the arrangement or variation of the terms of such appointment or the termination of such appointment) of two or more Directors to offices or places of profit with the

Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms of such appointment or the termination of such appointment) and except (in the case of an office or place of profit with any such other company as mentioned above) where the other company is a company in which the Director owns one per cent. or more within the meaning of Article 122.10 below or the director is for any other reason precluded from voting.

- 122.6 Subject to the provisions of the Statutes and to Article 122.7, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office nor shall any Director infringe his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such contract or arrangement.
- 122.7 A Director who is in any way, whether directly or indirectly, interested in any transaction with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the transaction is first taken into consideration, or if the Director did not at the date of that meeting know his interest existed in the transaction or he was not then a Director, at the first meeting of the Board after he knows that he is or has become so interested or is appointed as a Director. For the purposes of this Article a general notice to the Board by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any transaction which may after the date of the notice be made with that company or firm or he is to be regarded as interested in any transaction which may after the date of the notice be made with a specified person who is connected with him within the meaning of the Statutes, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such transaction; provided that no such notice shall be effective unless either it 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.
- 122.8 (1) The Directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law -
- (A) any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
 - (B) a Director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of paragraph (1)(a) of this article may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that the authorisation is only effective if-

- (a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and
 - (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.
- (2) If a matter, or office, employment or position, has been authorised by the directors in accordance with this article then (subject to such terms and conditions, if any, as the directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below) -
- (a) the director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
 - (b) the director may absent himself from discussions, whether in meetings of the directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position; and
 - (c) a director shall not, by reason of his office as a director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

122.9 Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any transaction in which he has an interest which (together with any interest of any person who is connected with him within the meaning of the Statutes ("a connected person")) is a material interest, and if he shall do so his vote shall not be counted but subject to the provisions of the Statutes and in the absence of some other material interest, this prohibition shall not apply to any of the following matters, namely:-

- 122.9.1 any transaction for giving to such Director any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- 122.9.2 any transaction for the giving by the Company or any of its subsidiary undertakings of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings in respect of which such Director has himself given an indemnity or that he has guaranteed or secured in whole or in part;
- 122.9.3 any transaction by such Director to subscribe for shares, debentures or other securities of the Company or any of its subsidiary undertakings issued or to be issued pursuant to any offer or invitation to Members or debenture holders of the Company or any class of Members or debenture holders or to the public or any section of the public, or to underwrite or sub-underwrite any such shares, debentures or other securities;

- 122.9.4 any transaction in which such Director is interested by virtue of his interests in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
- 122.9.5 any transaction concerning any other company (not being a company in which such Director owns one per cent. or more within the meaning of Article 122.10 below) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;
- 122.9.6 any proposal relating to an arrangement for the benefit of the employees and Directors and/or former employees and Directors of the Company or any of its subsidiary undertakings and/or the members of their families (including a spouse or civil partner and a former spouse and former civil partner) or any person who is or was dependent on such persons, which does not award such Director any privilege or benefit not generally awarded to the employees and/or former employees to whom such arrangement relates; and
- 122.9.7 any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors, provided that for the purposes of this sub-paragraph insurance shall mean only insurance which the Company is empowered to purchase and/or maintain for or for the benefit of a Director or any group of persons consisting of or including Directors pursuant to Article 156.1.2.
- 122.10 A company shall be deemed to be a company in which a Director owns one per cent. or more if and so long as (but only if and so long as) the Director together with any of his connected persons has an interest in one per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph the word "interest" shall be construed as having the same meaning as "interest in shares" in Section 820 of the 2006 Act.
- 122.11 If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or as to the entitlement of any Director 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 decided by a resolution of the Board (for which purpose such Director shall be counted in the quorum but shall not vote on such resolution) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such Director as known to such Director has not been fairly disclosed to the Board.
- 122.12 Subject to the provisions of the Statutes, 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.
- 122.13 The word "transaction" in this Article shall include any actual or proposed transaction, contract, arrangement or agreement.

PART V - OTHER MATTERS

SECRETARY

123. Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any

Secretary so appointed may be removed by the Board. If thought fit, two or more persons may be appointed as Joint Secretaries. The Board may also from time to time appoint one or more Deputy or Assistant Secretaries on such terms as it thinks fit.

MINUTES

124. The Board shall cause minutes to be made in books provided for the purpose:-

124.1 of all appointments of officers made by the Board; and

124.2 of all resolutions of Members, of holders of any class of shares in the Company, of the Board and of committees of the Board and of the proceedings at meetings of such persons including the names of the Directors or alternate directors present at each such meeting.

Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting or the Secretary, shall be receivable as prima facie evidence of the matter stated in such minutes without any further proof.

THE SEAL

125.1 Subject to the Statutes, the Board may resolve that the Company shall not have a Seal.

125.2 The Board may arrange for the Company to have a securities Seal.

125.3 The Board may arrange for the Company to have a Seal for use in any place abroad.

125.4 The Board shall provide for the safe custody of every Seal of the Company, which shall only be used by the authority (whether general or specific) of the Board or of a committee of the Board authorised by the Board.

125.5 The Board may determine whether any document to which any Seal is affixed shall be signed and, if it is to be signed, who shall sign it and whether such signature may be affixed by mechanical means. Unless otherwise determined by the Board or the law otherwise requires, a certificate for shares, debentures or other securities of the Company which is issued under Seal need not also be signed but every other document to which the Seal is affixed shall be signed by a Director and by the Secretary or by a second Director.

125.6 Any document signed by a Director and by the Secretary or by two Directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if it were executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of a resolution of the Board or of a committee of the Board authorised on that behalf.

RECORD DATES

126. Notwithstanding any other provision of these Articles, but without prejudice to the rights attached to any shares, the Company or the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be before, on or after any date on which such dividend, distribution, allotment or issue is paid or made.

DIVIDENDS

127. Subject to the Statutes, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the Members or persons entitled to a share by transmission but no dividend shall exceed the amount recommended by the Board.

DIVIDENDS PAID BY THE BOARD

128. Subject to the Statutes, if the profits of the Company available for distribution appear to the Board to justify such payments, the Board may from time to time:-

128.1 pay interim dividends; and

128.2 pay any dividends payable at a fixed rate.

Provided the Board acts in good faith, it shall not incur any liability to the holders of, or persons entitled by transmission to, shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

APPORTIONMENT OF DIVIDENDS

129. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purpose of this Article, no amount paid up on a share in advance of a call shall be treated as paid up on the share.

CURRENCY IN WHICH DIVIDEND IS PAID

130. Except in so far as the rights attached to, or the terms of issue of, any share otherwise provide, dividends may be declared or paid in any currency. The Board may agree with any Member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

CALLS OR DEBTS MAY BE DEDUCTED FROM DIVIDENDS

131. The Company may deduct from any dividend or other moneys payable in respect of any share all sums of money (if any) presently payable on account of calls or otherwise in relation to the share by the holder or by one or more joint holders of such share or by the person or persons entitled by transmission to such share.

DISTRIBUTION IN SPECIE

132. A general meeting declaring a dividend or bonus may, upon the recommendation of the Board, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the Board may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and determine that cash shall be paid to any Member or person entitled by transmission

upon the footing of the value so fixed in order to adjust the rights of Members and persons entitled by transmission and may vest assets in trustees.

METHOD OF PAYING A DIVIDEND

- 133.1 Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or to the address of the person entitled to such share (or, if two or more persons are registered as joint holders of the share or are entitled to such share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons) or to such person and such address as such Member or person or persons may in writing direct.
- 133.2 Every such cheque or warrant shall be made payable to the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may in writing direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. If such cheque or warrant has been or shall be alleged to have been lost, stolen or destroyed, the Board may, at the request of the person entitled to such cheque or warrant, issue a replacement cheque or warrant subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit.
- 133.3 Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented by such cheque or warrant.
- 133.4 In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means and to or through such person as the holder or joint holders may in writing direct and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such direction.

RECEIPTS FROM JOINT HOLDERS

134. If two or more persons are registered as joint holders of any share or are entitled jointly to a share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, any one of them may give effectual receipts for any dividend or other money payable or property distributable on or in respect of the share.

SCRIP DIVIDENDS

135. The Board may, with the prior sanction of an ordinary resolution of the Company, offer the holders of, and persons entitled by transmission to, Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid up, instead of cash in respect of such dividend or dividends (or part of such dividend or dividends to be determined by the Board) as are specified by any such resolution. The following provisions shall apply:-
- 135.1 the said resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared or resolved in respect of a specified period but such period may not end later than the conclusion of the annual general meeting falling in the fifth calendar year following the calendar year in which falls the meeting at which such resolution is passed, provided that the Board may in its absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things

and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination;

- 135.2 the entitlement of each Ordinary Shareholder (or person entitled by transmission to Ordinary Shares) to new Ordinary Shares shall be determined by the Board so that the Relevant Value of such new Ordinary Shares shall be as nearly as possible equal to (but not in excess of) the cash amount (disregarding any tax credit) that such shareholders or persons would have received by way of dividend. For this purpose "Relevant Value" shall be calculated by reference to the average of the middle market quotations for the Company's Ordinary Shares on the London Stock Exchange, as derived from the Daily Official List, (where the shares are admitted to the Official List by the London Stock Exchange) or the average of the highest and lowest prices for bargains transacted in such shares, as derived from the Appendix to the Daily Official List, in either case on the day when the Ordinary Shares are first quoted "ex" the relevant dividend and on the four subsequent dealing days, adjusted (if need be) as the Auditors may consider appropriate; or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the Auditors as to the amount of the Relevant Value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditors may rely on advice or information from brokers or other sources of information as they think fit;
- 135.3 the Board may specify a minimum number of Ordinary Shares in respect of which the right of election may be exercised. The basis of allotment shall be such that no Ordinary Shareholder or person entitled by transmission may receive a fraction of an Ordinary Share and the Board may make such provision as it thinks fit for any fractional entitlements including provisions whereby the benefit of fractional entitlements in whole or in part is disregarded or accrues to the Company and/or under which the benefit of fractional entitlements is accumulated on behalf of any Ordinary Shareholder or person entitled to an Ordinary Share by transmission without entitlement to interest on terms that the relevant amount may subsequently be applied to the allotment by way of bonus or cash subscription on behalf of such Ordinary Shareholder or person entitled by transmission of fully paid Ordinary Shares (or in payment to such Ordinary Shareholder or person entitled by transmission in cash). Any such allotment shall be made in accordance with Article 135.6 below as if the amount applied were part of the cash amount of the dividend which the Member or person entitled by transmission would otherwise have received;
- 135.4 the Board may exclude from any offer any holders of Ordinary Shares or persons entitled to Ordinary Shares by transmission where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them;
- 135.5 on or as soon as practicable after announcing that it is to declare or recommend any dividend, the Board, if it intends to offer an election in respect of that dividend, shall also announce that intention, and shall, after determining the basis of allotment, if it decides to proceed with the offer, notify the holders of, or persons entitled by transmission to, Ordinary Shares in writing of the right of election and specify the procedure (including any form of election) determined by the Board to be followed and the place at which, and the latest time by which (being at least 21 days after the despatch of the notice), duly completed forms of election must be lodged in order to be effective. The Board may also issue forms of election mandate under which holders of, or persons entitled by transmission to, Ordinary Shares may elect to receive Ordinary Shares instead of cash both in respect of the relevant dividend and in respect of future dividends not yet declared or resolved (and accordingly in respect of which the basis of allotment shall not have been determined) until such form of election mandate is revoked in accordance with its terms;

- 135.6 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 the said election has been duly made ("the Elected Ordinary Shares") and instead additional Ordinary Shares shall be allotted to the holders of, or persons entitled by transmission to, the Elected Ordinary Shares on the basis of allotment determined as mentioned above; for such purpose the Board shall capitalise out of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account), whether or not the same is available for distribution as the Board determines, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of, or persons entitled by transmission to, the Elected Ordinary Shares on such basis. A resolution of the Board capitalising any part of the reserve or fund mentioned above shall have the same effect as if such capitalization had been sanctioned by an ordinary resolution of the Company;
- 135.7 the additional Ordinary Shares so allotted shall be allotted as of the record date for the dividend in respect of which the right of election has been offered and shall rank *pari passu* in all respects with the fully paid up Ordinary Shares then in issue, save only that the shares so allotted will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date or any earlier record date;
- 135.8 the Board shall apply to the London Stock Exchange for the additional Ordinary Shares so allotted to be admitted to the Official List; and
- 135.9 the Board shall have power to do all acts and things as they consider necessary or expedient to give effect to this Article.

DIVIDENDS NOT TO BEAR INTEREST

136. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

UNCLAIMED DIVIDENDS

- 137.1 The Company shall be entitled to cease sending cheques or warrants through the post or to employ other means of payment for dividends or other amounts payable in cash on or in respect of a share if either warrants or cheques sent in accordance with these Articles in respect of any such share have been returned undelivered or left uncashed or that means of payment has failed on at least two consecutive occasions or, following one such occasion, the Company has made reasonable enquiries which have failed to establish any new address of the Member concerned (or other persons entitled to such share) and in either case the Company has not, since the last such occasion, received indication of the existence or whereabouts of the Member concerned (or other person entitled to such share).
- 137.2 All unclaimed dividends may be invested or otherwise made use of at the Board's discretion for the benefit of the Company until claimed. Any dividend unclaimed for a period of 12 years from the date when it became due for payment shall be forfeited and shall revert to the Company. The payment of any unclaimed dividend into a separate account shall not constitute the Company a trustee of such dividend.

RESERVES

138. The Board may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums as it thinks proper as a reserve or reserves, which shall, at the discretion of the Board, be applicable for meeting depreciation or contingencies or for special dividends or bonuses or for equalising dividends or for repairing improving or maintaining any property of the Company or for any other purpose to which the profits of the Company may properly be 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 divide the reserve into special funds as it thinks fit and may consolidate into one fund any special funds or parts of the such funds into which the reserve may have been divided as it thinks fit. Any sum which the Board may carry to reserve out of the unrealised profits of the Company shall not be mixed with any reserve to which profits available for distribution have been carried. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to divide.

CAPITALISATION OF PROFITS

139. The Board may with the authority of an ordinary resolution of the Company:-
- 139.1 subject as provided below, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- 139.2 appropriate the sum resolved to be capitalised to the Members or persons entitled to a share by transmission in proportion to the nominal amounts of the shares (whether or not fully paid up) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid up and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those Members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to Members or persons entitled to a share by transmission credited as fully paid up;
- 139.3 resolve that any shares so allotted to any Member or person entitled to a share by transmission in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- 139.4 make such provision by the issue of fractional securities or by authorising any person to sell or transfer any fractions or by resolving that the distribution should be as nearly as may be practicable in the correct proportions but not exactly so or by ignoring fractions or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions;
- 139.5 authorise any person to enter on behalf of all the Members or persons entitled to a share by transmission concerned into an agreement with the Company providing for the allotment

to them respectively, credited as fully paid up, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such Members or persons entitled to a share by transmission; and

- 139.6 generally do all acts and things required to give effect to such resolution as mentioned above.

EMPLOYEES' SHARE SCHEMES

- 140.1 Where pursuant to an employees' share scheme (within the meaning of Section 743 of the 1985 Act) the Company has granted options to subscribe for Ordinary Shares on terms which provide (inter alia) for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to the provisions of the Statutes, the Board may, on the exercise of any of the options concerned and payment of the subscription price which would have applied had such adjustment been made, capitalise any profits or reserves (including share premium account and capital redemption reserve) to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and to apply such amount in paying up such balance and to allot shares fully paid up accordingly.

- 140.2 The provisions of Article 139 relating to the capitalisation of profits shall apply mutatis mutandis to this Article (but as if the authority of an ordinary resolution was not required).

INSPECTION OF ACCOUNTING RECORDS

141. The Board shall cause accounting records to be kept as required by the Statutes. The accounting records shall be kept at the Office or (subject to the Statutes) at such other place as the Board thinks fit and shall at all times be open to inspection by officers of the Company. No Member shall (as such) have any right of inspecting any accounting record or other document of the Company except as conferred by the Statutes or authorised by the Board or by ordinary resolution of the Company.

PREPARATION AND LAYING OF ACCOUNTS AND REPORTS

142. The Board shall cause annual accounts and Directors' and Auditors' reports to be prepared and laid before the Company in general meeting in accordance with the Statutes.

PUBLICATION OF ACCOUNTS AND REPORTS

- 143.1 A copy of the Company's accounts (together with a copy of the Directors' and Auditors' reports and every document required by the Statutes to be annexed to the accounts) shall be sent to every Member and holder of debentures of the Company and to the Auditors not less than 21 clear days before the general meeting at which they are to be laid.
- 143.2 The requirements under this Article shall be deemed satisfied in relation to any Member or holder of debentures or other person entitled to receive notice of general meetings by sending to that Member or holder of debentures or other person entitled to receive notice of general meetings, where permitted by the Statutes, a summary financial statement prepared in the form and containing the information prescribed by the Statutes.

143.3 This Article shall not require a copy of any documents referred to in this Article to be sent to more than one of the joint holders or to any person of whose address the Company is not aware but any member or holder of debentures to whom a copy of such document has not been sent shall be entitled to receive a copy free of charge on application to the Office.

NOTICES

144. Any notice to be given to or by any person pursuant to these articles shall be in writing, except that a notice calling a meeting of the board need not be in writing.

145.

(1) The Company may (without prejudice to Articles 148 and 149) give any notice or deliver any document or information to a Member either:

- (A) personally; or
- (B) by sending it by post in a prepaid envelope addressed to the Member at his registered address or postal address given pursuant to Article 145(4) or by leaving it at that address; or
- (C) by giving it in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not revoked that agreement); or
- (D) subject to the provisions of the Statutes, by making it available on a website, provided that the requirements in Article 145(2) are satisfied.

(2) The requirements referred to in Article 145(1)(D) are that:-

- (A) the Member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the Member has been asked by the Company to agree that the Company may send or supply notices, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the Member is therefore taken to have so agreed (and has not revoked that agreement);
- (B) the Member is sent a notification of the presence of the notice, document or information on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("notification of availability");
- (C) in the case of a notice of meeting, the notification of availability states that it concerns a notice of a company meeting, specifies the place, time and date of the meeting, and states whether it will be an annual general meeting; and
- (D) the notice, document or information continues to be published on that website, in the case of a notice of meeting, throughout the period beginning with the date of the notification of availability and ending with the conclusion of the meeting and in all other cases throughout the period specified by any applicable provision of the Acts, or, if no such period is

specified, throughout the period of 28 days beginning with the date on which the notification of availability is sent to the Member, save that if the notice, document or information is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

- (3) In the case of joint holders of a share:-
 - (A) it shall be sufficient for all notices, documents and other information to be given, sent or supplied to the joint holder whose name stands first in the Register in respect of the joint holding (the "first named holder") and notice so given shall be sufficient notice to all the joint holders; and
 - (B) the agreement of the first named holder that notices, documents and information may be given, sent or supplied in electronic form or by being made available on a website shall be binding on all the joint holders.
 - (4) A Member whose registered address is not within the United Kingdom and who gives to the Company an address (not being an electronic address) within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address but otherwise no such Member shall be entitled to receive any notice, documents or information from the Company.
 - (5) For the avoidance of doubt, the provisions of this Article 145 are subject to Article 55.
 - (6) The Company may at any time and at its sole discretion choose to give, send or supply notices, documents and information only in hard copy form to some or all Members.
146. A Member present either in person or by proxy, or in the case of a corporate Member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

RECORD DATE FOR SERVICE

147. Any notice or other document (including a share certificate) may be served or delivered by the Company by reference to the Register as it stands at any time not more than 15 days before the date of service or delivery. No change in the Register after that time shall invalidate that service or delivery. Where any notice or other document is served on or delivered to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.
148. Subject to the Statutes, where, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting, notice of the meeting shall be sufficiently given if given by advertisement on the same day in one leading national newspaper published in the United Kingdom. The Company shall send a copy of the notice to Members and other persons entitled to receive it by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

149. Subject to the Statutes, any notice, document or information to be given, sent or supplied by the Company to the Members or any of them, not being a notice to which Article 148 applies, shall be sufficiently given, sent or supplied if given by advertisement in at least one leading national newspaper published in the United Kingdom.
150. Any notice, document or information given, sent or supplied by the Company or the Members or any of them:-
- (A) by post, shall be deemed to have been received 24 hours after the time at which the envelope containing the notice or document was posted unless it was sent by second class post or there is only one class of post, in which case it shall be deemed to have been received 48 hours after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was sent;
 - (B) by advertisement, shall be deemed to have been received on the day on which the advertisement appears;
 - (C) in electronic form, shall be deemed to have been received 24 hours after it was sent. Proof that a notice, document or information in electronic form was sent in accordance with the Institute of Chartered Secretaries and Administrators' Guidance (in issue at the time the relevant notice, document or information was sent) shall be conclusive evidence that the notice, document or information was sent;
 - (D) by making it available on a website, shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this article or, if later, the date on which it is first made available on the website.
151. Any notice, document or information may be given by the Company to the person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law by sending or delivering it in any manner authorised by these Articles for the giving of notice to a Member addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy or other event giving rise to transmission had not occurred (whether or not the Company has notice of the death, bankruptcy or other event).

POWER TO STOP SENDING NOTICES TO UNTRACED SHAREHOLDERS

- 152a. If on two consecutive occasions notices, documents or information sent or supplied to a Member have been returned undelivered or, following one such occasion, the Company has made reasonable enquiries which have failed to establish any new address for the Member concerned, such Member shall not afterwards be entitled to receive any subsequent notices, documents or information from the Company until he shall have communicated with the Company and supplied to the Office a new registered address or a postal address within the United Kingdom or (without prejudice to Article 145(4)) shall have informed the Company, in such manner as may be specified by the Company, of an electronic address for the service of notices, documents or information.

VALIDATION OF DOCUMENTS IN ELECTRONIC FORM

152b. Where a document is required under these Articles to be signed by a Member or any other person, if the document is in electronic form, then in order to be valid the document must either:

- (A) incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Company), of that member or other person, in such form by the directors may approve, or
- (B) be accompanied by such other evidence as the directors may require in order to be satisfied that the document is genuine.

The Company may designate mechanisms for validating any such document and a document not validated by the use any such mechanisms shall be deemed as having not been received by the Company. In the case of any document or information relating to a meeting, an instrument of proxy or invitation to appoint a proxy, any validation requirements shall be specified in the relevant notice of meeting in accordance with Articles 54 and 77.

WINDING UP

153. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by law, divide among the Members and persons entitled to a share by transmission in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Members and persons entitled to a share by transmission or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members and persons entitled to a share by transmission as he may with the like sanction determine but no Member or person entitled to a share by transmission shall be compelled to accept any assets upon which there is a liability.

DESTRUCTION OF DOCUMENTS

154. The Company may destroy:-

- 154.1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- 154.2 any dividend mandate or any variation or cancellation of such dividend mandate or any notification of change of name or address at any time after the expiry of two years from the date that such mandate, variation, cancellation or notification was recorded by the Company;
- 154.3 any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration;
- 154.4 all paid dividend warrants and cheques at any time after the expiry of one year from the date of actual payment of such dividend warrants or cheques;
- 154.5 all instruments of proxy which have been used for the purpose of a poll at any time after the expiry of one year from the date of such use save that, in the case of proxies which are used for the purpose of a poll at an adjourned meeting as well as at the original meeting, such period of one year shall commence on the date of the last such use;

154.6 all instruments of proxy which have not been used for the purpose specified in Article 154.5 at any time after one month from the end of the meeting (or any adjournment of such meeting) to which the instrument relates; and

154.7 any other document on the basis of which any entry in the Register is made, at any time after the expiry of six years from the date on which an entry in the Register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of a document so destroyed was duly and properly made, that every share certificate so destroyed was a valid certificate duly and properly cancelled, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every other document destroyed pursuant to this Article was a valid and effective document in accordance with the recorded particulars of such document in the books or records of the Company and that every paid dividend warrant and cheque so destroyed was duly paid. Provided always that:-

154.8 the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;

154.9 nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as mentioned above or in any case where the conditions set out above are not fulfilled; and

154.10 references in this Article to the destruction of any document include references to its disposal in any manner and references to any document include any records kept otherwise than in legible form.

EMPLOYEES

155. The Board may by resolution exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

INDEMNITY

156.1 Subject to the provisions of the Statutes, the Company may:

156.1.1 indemnify any person who is or was a director, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or

156.1.2 purchase and maintain insurance for any person who is or was a director against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

156.2 For the purposes of this article "associated company" has the same meaning as in section 309A of the 1985 Act.