No: 30800

The Companies Acts 1985 and 1989

A PUBLIC COMPANY LIMITED BY SHARES

Articles of Association

of

The Heavitree Brewery plc

(as adopted by Special Resolution passed on 5 April 2000)

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1 Preliminary

1.1 The regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) and in any Table A applicable to the Company under any former enactment shall not apply to the Company.

1.2 In these Articles, the words and expressions set out in the first column below shall bear the respective meanings set opposite them:

the Act	the Companies Act 1985 and every other Act for the time being in force and affecting companies;
these Articles	these Articles of Association as from time to time altered;
the Auditors	the auditors for the time being of the Company;
the Board or the Directors	the Board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened meeting of Directors at which a quorum is present;
Business Day	a day which is not a Saturday, Sunday, Christmas Day, Good Friday or bank holiday in England under the Banking and Financial Dealings Act 1971;
debenture	debenture or debenture stock;
the London Stock Exchange	London Stock Exchange Limited;
Office	the registered office for the time being of the Company;
paid	paid or credited as paid;

Seal	the common seal of the Company;
Securities Seal	an official seal kept by the Company by virtue of Section 40 of the Act; and
the Uncertificated Securities Regulations	the Uncertificated Securities Regulations 1995 (SI 1995 No 3272) including any modification thereof or any regulation in substitution therefor made under Section 207 of the Companies Act 1989 and for the time being in force.

1.3 In these Articles, the expression "Adjusted Capital and Reserves" means at any material time a sum equal to the aggregate of:

(a) the amount paid up on the issued share capital of the Company; and

(b) the amount standing to the credit of the capital and revenue reserves of the Company and its subsidiaries (including any share premium account or capital redemption reserve) after adding thereto or deducting therefrom any balance to the credit or debit of profit and loss account;

all based on a consolidation of the then latest available audited balance sheets of the Company and its subsidiaries but after:

(c) excluding any sums set aside for taxation less any sums properly added back in respect thereof;

(d) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription monies payable in respect thereof (not being monies payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);

(e) making such adjustments as may be appropriate in respect of any distributions declared recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits carned up to and including the date of the latest audited balance sheet of the company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;

(f) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;

(g) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, making all such adjustments as would be appropriate if such transaction had been carried into effect; and

(h) excluding minority interests in subsidiaries.

The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned and for the purposes of their computation the Auditors may at their discretion make such further or other adjustments (if any) as they think fit.

1.4 References in these Articles to statutory provisions shall be construed as referring to those provisions as amended or re-enacted and from time to time in force; and, save for the words and expressions defined in Article 1.2, any words or expressions defined in the Act shall bear the same meaning (if not inconsistent with the subject or context) as therein given to them but excluding any statutory modification thereof not in force at the date of adoption by the Company of these Articles.

1.5 Where for any purpose an Ordinary Resolution of the Company is required, a Special or Extraordinary Resolution shall also be effective; and, where for any purpose an Extraordinary Resolution of the Company is required, a Special Resolution shall also be effective.

2 Share Capital

2.1 The share capital of the Company as at the date of the adoption of these Articles is £1,200,000 divided into 11,695 11½ per cent. Cumulative Preference Shares of £1 each ("the Original Preference Shares") and 2,260,964 Ordinary Shares, 3,892,365 "A" Limited Voting Ordinary Shares and 17,612,771 Unclassified Shares all of 5p each. The said Ordinary and "A" Limited Voting Ordinary Shares shall, save as otherwise provided by these Articles, rank *pari passu* as a single and uniform class of shares, and are sometimes together referred to herein as "Ordinary Share Capital".

2.2 The rights, as regards participation in the profits and assets of the Company, attaching to these shares shall be as follows.

(A) The holders of the Original Preference Shares shall be entitled (*pari passu* with any payment of dividend on any Additional First Preference Shares for the time being in issue but in priority to any payment of dividend on any other class of shares) to a fixed cumulative preferential dividend at the rate of 11½ per cent. per annum to be paid, if and so far as in the opinion of the Directors the profits of the Company justify such payments, half-yearly on 30 April and 31 October in every year in respect of the half-years ending on those days respectively. Subject thereto and to any special rights which may be attached to any other class of shares, the profits of the Company available for dividend and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Share Capital.

(B) On a return of assets on a winding up the assets of the Company available for distribution among the members shall be applied first (but *pari passu* with any payments falling to be made in respect of any Additional First Preference Shares for the time being in issue) in repaying to the holders of the Original Preference Shares the amounts paid up on such shares together with the premium hereinafter mentioned and together also with a sum equal to the amount of any arrears or deficiency of the fixed dividend thereon, to be calculated down to the date of the return of capital and to be payable irrespective of whether or not such dividend has been declared or earned. The balance of such assets, subject to any special rights which may be attached to any other class of shares, shall be applied in repaying to the holders of the Ordinary Share Capital the amounts paid up on such shares and subject thereto shall belong to and be distributed among such holders

rateably according to the number of such shares held by them respectively.

(C) The premium hereinbefore mentioned in respect of each of the Original Preference Shares shall be calculated as follows.

(1) The said premium shall (subject as hereinafter provided) be a sum per share equal to the excess (if any) over the nominal amount paid up on such shares of the average of the respective means of the daily nominal quotations shown by the Daily Official List of The London Stock Exchange during the period of six months immediately preceding the relevant date (or that part of the said period during which the said shares shall have been so listed) after first deducting from the mean on each day a sum equal to any arrears or accruals of the fixed dividend (whether earned or declared or not) on such share up to that day but so that in respect of any day on which such shares are quoted *ex* any dividend such dividend shall be treated as if it had been paid. If during the whole of the said period the said shares shall not have been listed on The London Stock Exchange, no premium shall be payable. If the nominal amount of such shares shall, by reason of consolidation or sub-division or otherwise, be greater or less than £1 the said premium shall be increased or reduced proportionately.

(2) If the said premium shall not be a multiple of 1p per share it shall be adjusted upwards to the nearest multiple of 1p per share.

(3) The said premium shall be determined as soon as possible after the relevant date by the Auditors who for such purpose may make such adjustments as they deem appropriate to take account of any consolidation or sub-division or capitalisation issue or other material alteration in share capital during the period mentioned in paragraph (1) above. The determination of the Auditors shall be final and binding on all persons concerned.

(4) The expression "relevant date" shall mean (in the case of a return of assets on a winding up by the Court otherwise than subsequently to the passing of an effective resolution of the Company in General Meeting for winding up) the date of the presentation of the petition for winding up and (in any other case) the date thirty days before the despatch of the notice convening the General Meeting at which the resolution for winding up was proposed.

2.3 The Company may from time to time create and issue further Preference Shares (in these Articles called "Additional First Preference Shares" and together with the Original Preference Shares called "the First Preference Shares") ranking as regards participation in the profits and assets of the Company *pari passu* with (but not in priority to) the Original Preference Shares. Any such Additional First Preference Shares may carry as regards participation in the profits and assets of the Company either rights identical in all respects with the Original Preference Shares or with any other series of the First Preference Shares previously created or rights differing therefrom in that:

(a) the rate of dividend may differ;

(b) the Additional First Preference Shares may rank for dividend as from such date as may be provided by the terms of issue thereof and the half-yearly dates for the payment of dividend may differ;

(c) the premium payable on a return of capital may differ or there may be no such premium;

(d) the Additional First Preference Shares may be redeemable on such terms and conditions (subject as aforesaid) as may be prescribed by the terms of issue thereof; and

(e) the Additional First Preference Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the company after the First Preference Shares;

provided that no Additional First Preference Shares shall be issued unless at the time of such issue and in relation thereto the Auditors shall have certified in writing to the Company that immediately following such issue the aggregate of the nominal amount of the issued First Preference Shares would not exceed an amount equal to one-half of the Adjusted Capital and Reserves.

2.4 Except as hereinbefore provided the issue of further shares ranking as regards participation in the profits or assets of the Company in any respect in priority to or *pari passu* with the First Preference Shares shall be deemed to be a variation of the special rights attached to such shares.

2.5 If at any time all the First Preference Shares in issue are not identical in all respects then each series of First Preference Shares which are in all respects identical shall (subject as hereinafter provided) be deemed to constitute a separate class of shares for the purposes of the next following Article which shall have effect as regards the First Preference Shares subject to the following provisions.

(A) The variation of the rate of dividend payable on a single series or of the premium payable thereon or (if such series is redeemable) of the provisions of the Articles of Association as to the redemption thereof or (if such series is convertible) of the terms of conversion thereof shall not be deemed to be a modification of the special rights attached to any other series if the Auditors shall have certified in writing that if upon the date of such variation the shares in question were cancelled and re-issued subject to such variation the re-issue would not infringe the provisions of Article 2.3.

(B) If any proposed variation or abrogation of rights affects each or more than one series and the Directors shall be of the opinion that there is no conflict of interests between holders of any of the series so affected all such series shall be deemed to constitute a single class in respect of which a single consent or sanction is required.

(C) If any proposed variation or abrogation of rights affects each or more than one series and the Directors shall be of the opinion that there is or might be a conflict of interests between the holders of one series or group of series so affected and other series or group of series so affected each series or group of series so affected which in the opinion of the Directors should be treated separately shall be deemed to constitute a separate single class in respect of which a separate consent or sanction is required.

2.6 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class of with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of

the Company and to proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class (but so that if at an adjourned meeting a quorum as above defined is not present any two holders of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

2.7 The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by these Articles or by the terms of issue thereof 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 some or all respects *pari passu* therewith but in no respect in priority thereto.

2.8 The Company may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe. All new shares shall (unless the Company shall in General Meeting otherwise determine) be subject to the provisions of these Articles with reference to allotment, transfer, transmission and otherwise.

2.9 The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or been agreed to be taken, by any person, and diminish the amount of its share capital by the nominal amount of the shares so cancelled; and

(c) sub-divide its shares, or any of them, into shares of smaller amount (subject nevertheless to the provisions of the Act), and so that the resolution whereby any share is sub-divided may determine that, as regards each share so sub-divided, one or more of the shares resulting from such sub-division may have any such preferred or other special rights, or may have such deferred rights, or be subject to any such restrictions as compared with the others, as the Company has power to attach to unissued or new shares.

2.10 Upon any consolidation of fully paid shares into shares of larger amount the Directors may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and, in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder, may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale; and for such purpose may appoint some person to transfer the consolidated share to the purchaser. Provided that the necessary unissued shares are available, the Directors may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share, issue to each such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to the related consolidation); and the amount required to pay up such shares shall be appropriated at their discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium

account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.

2.11 The Company may by Special Resolution reduce its share capital and any capital redemption reserve and any share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

2.12 Subject to the provisions of the Act (and, unless the trust deed or terms of issue of any convertible securities of the Company already so provide, the approval of the intended proposals by the holders thereof sanctioned by an Extraordinary Resolution passed at a separate meeting of such holders), the Company may purchase or enter into a contract under which it will or may purchase any of its own shares (including any redeemable shares).

3 Issues of Shares

3.1 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine); and, subject to the provisions of the Act, the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

3.2 Subject to the provisions of these Articles and of the Act relating to authority, pre-emption rights and otherwise, and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors, who may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

3.3 In extension of the powers conferred upon them by Article 3.2, the Directors are generally authorised, pursuant to and in accordance with Section 80 of the Act, to exercise for each Prescribed Period all the powers of the Company to allot, and to make offers or agreements to allot, relevant securities up to the Prescribed Amount in nominal amount for such purposes as the Directors think fit: provided that the aggregate nominal amount of equity securities allotted or agreed to be allotted wholly for cash during such period otherwise than in connection with a Rights Issue shall not exceed five per cent. of the aggregate of the nominal amount of the Ordinary Share Capital in issue at the beginning of that Prescribed Period.

3.4 Pursuant to and within such authority the Directors are empowered, during the first Prescribed Period and during any other period (not exceeding five years on any occasion) for which this power may be renewed by Special Resolution, to allot, or make offers or agreements to allot, equity securities as if Section 89(1) of the Act did not apply to any such allotment.

3.5 By virtue of such authority and such power the Directors may make offers or agreements prior to the expiry of such authority which would or might require the making of allotments after the expiry thereof.

3.6 For the purposes of this Article 3:

(a) "Rights Issue" means an offer of securities open for a period determined by the Directors to holders of Ordinary Share Capital on the register on a specified record date in

proportion to their then holdings of such shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory);

(b) "Prescribed Period" means in the first instance the period of five years expiring on 4 April 2005 and shall include any other period (not exceeding five years on any occasion) for which the authority conferred by Article 3.3 is renewed or extended by Ordinary Resolution stating the Prescribed Amount for such period; and

(c) the "Prescribed Amount" shall for the first Prescribed Period be £102,555 and for any other Prescribed Period shall be stated in the relevant Ordinary Resolution, or in either case any increased amount determined by Ordinary Resolution.

3.7 The Company may exercise the powers of paying commissions conferred by the Act to the full extent thereby permitted. The Company may also, on any issue of shares, pay such brokerage as may be lawful. Subject to the provisions of the Act, any such commission or brokerage may be satisfied by the payment of cash, the allotment of fully or partly paid shares, the grant of options or warrants to call for an allotment of shares or any combination of such methods.

3.8 The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person, and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

3.9 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

4 Certificates

4.1 Every person whose name is entered in the Register of Members (except a stock exchange nominee in respect of whom the Company is not required to complete and deliver a certificate) shall be entitled without payment to one certificate for all his shares of each class, or, upon payment of such fee (if any) for every certificate after the first as the Directors shall from time to time determine, to several certificates, each for one or more of his shares.

4.2 Every certificate shall be issued within five Business Days after the lodgement with the Company of the transfer of the related shares, not being a transfer which the Company is for any reason entitled to refuse to register and does not register, unless the conditions of issue of such shares otherwise provide. In the case of an allotment of shares subject to a right of renunciation, one or more certificates for such shares shall be issued within one month of the latest date for such renunciation. Every certificate shall be under the Seal or the Securities Seal or shall be executed in accordance with Section 36A(4) of the Act; shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates and shall state:

(a) the name of any external registrars appointed by the Company; and

(b) the address at which transfers of shares should be lodged.

4.3 The Company shall not be bound to register more than four persons as the joint holders of any share or shares and, in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

4.4 Where a member transfers part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding without charge.

4.5 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 shall thereupon be issued in lieu without charge.

4.6 Any share certificate, and any certificate for debentures of the Company, which has been approved for sealing or execution by the Directors or a committee of the Directors need not (save to the extent that the terms and conditions for the time being relating to any debentures of the Company otherwise require) be signed or counter-signed by any person. Any such certificate which has been so approved for sealing or execution may, if the Directors so determine, bear signatures affixed by some mechanical system or process or, if such certificate is to be sealed, the name of the Company's issuing agents.

4.7 If a share certificate be defaced, damaged or worn out, or is alleged to have been lost, stolen or destroyed, it may be replaced upon the request of the holder subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses incurred by the Company in investigating evidence as the Directors think fit. In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

5 Transfers of Shares

5.1 Subject to the provisions of Article 7, all transfers of shares shall be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the Register of Members in respect thereof.

5.2 The Directors may decline to recognise any instrument of transfer, unless:

(a) the instrument of transfer duly stamped is deposited at the Office or such other place as the Directors may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer: provided that, in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of a share certificate will only be necessary if a certificate has been issued in respect of the share in question;

(b) the instrument of transfer is in respect of only one class of share; and

(c) the instrument of transfer is in favour of not more than four transferees.

The Directors may also refuse to register a transfer if in their opinion (and with the concurrence of the London Stock Exchange) exceptional circumstances so warrant.

5.3 If the Board refuse to register a transfer they shall, within whichever is the earlier of:

(a) the time required by the listing rules of the London Stock Exchange from time to time; or

(b) two months after the date on which the transfer was lodged with the Company;

send to the transferee notice of the refusal.

5.4 The registration of transfers of shares, or of any class of shares, may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that the Register of Members shall not be closed for more than 30 days in any year.

5.5 No fee will be charged by the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage, death, stop notice or power of attorney or other document, or any instructions, relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members relating to or affecting the title to any shares.

5.6 All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in any case of fraud) be returned to the person depositing the same.

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

(a) this Article 5.7 shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or any other liability which would not attach to the Company in the absence of this Article 5.7; and

(c) references herein to the destruction of any document include references to the disposal thereof in any manner.

6 Transmission of Shares

6.1 In the case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only

surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

6.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon supplying to the Company such evidence as to his title as may from time to time be required by the Directors, and subject as hereinafter provided, elect either (a) by giving written notice to the Company, to be registered himself as holder of the share or (b) to transfer such share to some other person. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.

6.3 Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall (upon supplying to the Company such evidence as the Directors may reasonably require as to his title) be entitled to receive and may give a discharge for all benefits arising or accruing on or in respect of the share, but he shall not be entitled in respect of that share to receive notices of or to attend or vote at General Meetings of the Company or at any separate meeting of the holders of any class of shares in the Company nor, save as aforesaid, to any of the rights or privileges of a member, until he shall have become a member in respect of the share: provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if within 60 days the notice is not complied with such person shall be deemed to have elected to be registered as a member in respect thereof and shall be registered accordingly.

7 Uncertificated Shares

7.1 Notwithstanding any other provisions of these Articles, any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form, and converted from uncertificated form to certificated form and *vice versa*, in accordance with the Uncertificated Securities Regulations and practices instituted by the operator of the relevant system. The provisions of these Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:

(a) the holding of shares in uncertificated form;

(b) the transfer of title to shares by means of a relevant system; or

(c) any provision of the Uncertificated Securities Regulations.

7.2 Without prejudice to the generality and effectiveness of Article 7.1:

(a) Articles 4, 5.1, 5.6 and 12.4(c) shall not apply to uncertificated shares and Article 5.3 shall apply in relation to such shares as if the reference therein to the date on which the transfer was lodged with the Company were a reference to the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the facilities and requirements of the relevant system;

(b) without prejudice to Article 5.2, the Board may also refuse to register a transfer of uncertificated shares in such other circumstances as may be permitted or required by the Uncertificated Securities Regulations and the relevant system;

(c) references in these Articles to a requirement on any person to execute or deliver an instrument of transfer or certificate or other document which shall not be appropriate in the case of uncertificated shares shall, in the case of uncertificated shares, be treated as references to a requirement to comply with any relevant requirements of the relevant system and any relevant arrangements or regulations which the Board may make from time to time pursuant to Article 7.2(j);

(d) for the purposes referred to in Article 6.2, a person entitled by transmission on death or bankruptcy to a share in uncertificated form who elects to have some other person registered shall either:

(i) procure that instructions are given by means of the relevant system to effect transfer of such uncertificated share to that person; or

(ii) change the uncertificated share to certificated form and execute an instrument of transfer of that certificated share to that person;

(e) the Company shall enter on the Register of Members the number of shares which are held by each member in uncertificated form and in certificated form, and shall maintain the Register of Members in the former case as is required by the Uncertificated Securities Regulations and the relevant system and, unless the Board otherwise determines, holdings of the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings;

(f) a class of share shall not be treated as two classes by virtue only of that class comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles or the Uncertificated Securities Regulations which applies only in respect of certificated shares or uncertificated shares;

(g) for the purposes referred to in Article 2.7, the Board may in respect of uncertificated shares authorise some person to transfer and/or require the holder to transfer the relevant shares in accordance with the facilities and requirements of the relevant system;

(h) for the purposes of Articles 21.9, any payment in the case of uncertificated shares may be made by means of the relevant system and, without prejudice to the generality of the foregoing, such payment may be made by the sending by the Company or any person on its behalf of an instruction to the operator of the relevant system to credit the cash memorandum account of the holder or joint holders of such shares or, if permitted by the Company, of such person as the holder or joint holders may in writing direct, and for such purposes the making of a payment in accordance with the facilities and requirements of the relevant system shall be a good discharge to the Company;

(i) subject to the Act the Board may issue shares as certificated shares or as uncertificated shares in its absolute discretion and Articles 3.1, 3.2, 21.11 and 21.14 shall be construed accordingly;

(j) the Board may make such arrangements or regulations (if any) as it may from time to time in its absolute discretion think fit in relation to the evidencing and transfer of uncertificated shares and otherwise for the purpose of implementing and/or supplementing the provisions of this Article 7.1 and the Uncertificated Securities Regulations and the facilities and requirements of the relevant system and such

arrangements and regulations (as the case may be) shall have the same effect as if set out in this Article 7;

(k) for the purposes referred to in Articles 9.4 and 23, the Company may in respect of uncertificated shares give any notice or other document by means of the relevant system (subject always to the provisions of the Uncertificated Securities Regulations and to the facilities and requirements of the relevant system); and

(l) the Board may resolve that a class of shares is to become a participating security and may at any time determine that a class of shares shall cease to be a participating security.

7.3 Where any class of shares in the capital of the Company is a participating security and the Company is entitled under the provisions of the Act or the rules made and practices instituted by the operator of any relevant system or under these Articles to dispose of, forfeit, enforce a lien or sell or otherwise procure the sale of any shares which are held in uncertificated form, such entitlement (to the extent permitted by the Uncertificated Securities Regulations and the rules made and practices instituted by the operator of the relevant system) shall include the right:

(a) to request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form; and/or

(b) to require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by notice in writing to change his holding of such uncertificated shares into certificated form within such period as may be specified in the notice prior to completion of any disposal, sale or transfer of such shares, or direct the holder to take such steps, by instructions given by means of a relevant system or otherwise, as may be necessary to sell or transfer such shares; and/or

(c) to appoint any person to take such other steps, by instruction given by means of a relevant system or otherwise, in the name of the holder of such shares as may be required to effect a transfer of such shares, and so that such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned; and/or

(d) to transfer any uncertificated shares which are the subject of any exercise by the Company of any such entitlement by entering the name of the transferee in the Register of Members in respect of that share as a transferred share; and/or

(e) otherwise to rectify or change the Register of Members in respect of that share in such manner as may be appropriate; and/or

(f) to take such other action as may be necessary to enable those shares to be registered in the name of the person to whom the shares have been sold or disposed of or as directed by him.

7.4 For the purposes of this Article 7:

(a) words and expressions shall have the same respective meanings as in the Uncertificated Securities Regulations;

(b) references herein to an uncertificated share or to a share (or to a holding of shares) being in uncertificated form are references to that share being an uncertificated unit of a security, and references to a certificated share or to a share being in certificated form are references to that share being a unit of a security which is not an uncertificated unit; and

(c) "cash memorandum account" means an account so designated by the operator of the relevant system.

8 Untraced Shareholders

8.1 The Company shall be entitled to sell at the best price reasonably obtainable therefor any share held by a member, or any share to which a person is entitled by transmission, if all the following stipulations are complied with in relation thereto:

(a) during a period of 12 years within which at least three dividend payments in respect of the shares in question have become payable, no cheque or warrant sent by the Company in the manner prescribed by these Articles has been cashed and no communication has been received by the Company from the member or person concerned;

(b) the Company has, at the expiration of such period of 12 years, by advertisement in both a national daily newspaper and in a newspaper circulating in the area of the address at which service of notices upon such member or person may be effected in accordance with these Articles, and by notice in writing to the London Stock Exchange if shares of the class concerned are listed thereon, given notice of its intention to sell such share; and

(c) the Company has not during a further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.

8.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share, and such instrument shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, such share. The Company shall be liable to account without interest to the member or other person entitled to such share for the net proceeds of such sale and shall be deemed to be his debtor and not a trustee for him in respect of the same.

9 General Meetings

9.1 The Company shall once in each year hold a General Meeting as its Annual General Meeting in addition to any other General Meetings in that year. Not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Subject as aforesaid and to the provisions of the Act, the Annual General Meeting shall be held at such time and place as the Directors may determine. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

9.2 The Directors may whenever they think fit, and shall on requisition in accordance with the Act, proceed to convene an Extraordinary General Meeting for a date not later than seven weeks after receipt of the requisition.

9.3 Subject to the provisions of the Act, an Annual General Meeting shall be called on not less than 20 Business Days' notice and a General Meeting at which a Special Resolution is to be proposed shall

be called by 21 days' notice at the least, and all other General Meetings shall be called by 14 days' notice at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held: provided that a General Meeting, notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and

(b) in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal amount of the shares giving that right;

and provided also that accidental omission to give notice (or any document intended to accompany any notice) to, or non-receipt of notice (or any document intended to accompany any notice) by, any person entitled thereto shall not invalidate the proceedings at any General Meeting.

9.4 Every notice calling a General Meeting shall be in writing and shall specify the place, the day and the time of meeting, and in the case of an Annual General Meeting shall specify the meeting as such. Notices shall be given as provided by these Articles to all the members, other than those who under the provisions of these Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the Directors and to the Auditors and (where required by the Act) former auditors of the Company.

9.5 In every notice convening a General Meeting of the Company or a meeting of any class of its members there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him, and that a proxy need not also be a member.

9.6 Every such notice sent to a member shall be accompanied by a form of proxy (with or without provision for its return prepaid) either in blank or nominating in the alternative any one or more of the Directors or the chairman of the meeting or any other person or persons. Every such form of proxy shall:

(a) provide for two-way voting on all resolutions intended to be proposed at the related meeting (except procedural resolutions);

(b) state that a member is entitled to appoint a proxy of his own choice and provide a space for the insertion of the name of such proxy; and

(c) state that, if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes.

9.7 Where, by any provision contained in the Act, special notice is required of a resolution, the resolution shall not be effective unless notice of the intention to move it has been given to the Company not less than 28 days (or such shorter period as the Act permits) before the meeting at which it is moved, and the Company shall give to the members notice of any such resolution as required by and in accordance with the provisions of the Act.

9.8 Any corporation which is a member of the Company may, 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, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company (save that such person may not, by virtue of this Article, appoint a proxy of the corporation); and such corporation shall, for the purpose of these Articles, be deemed to be present in person at such meeting if a person so authorised is present thereat. The Company may, but shall not be bound to, require any person so authorised to provide evidence of his authority.

10 Proceedings at General Meetings

10.1 The Chairman (if any) of the Board of Directors, or in his absence the Deputy or Vice-Chairman (to be chosen, if there be more than one, by agreement amongst them or, failing agreement, by order of appointment) shall preside as chairman at every General Meeting of the Company. If there be no such chairman or Deputy or Vice-Chairman, or if at any meeting none be present within five minutes after the time appointed for holding the meeting, or if none of them be willing to act as chairman, the Directors present shall choose some Director present to be chairman. If no Director be present, or if all the Directors present decline to take the chair, the members present shall choose some member present to be chairman of the meeting.

10.2 No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as in these Articles otherwise provided, two members present in person or by proxy and entitled to vote at the meeting shall be a quorum for all purposes.

10.3 If within 15 minutes from the time appointed for a General Meeting a quorum is not present, the meeting, if convened on the requisition of or by members, shall be dissolved. In any other case it shall stand adjourned to such other day, and at such time and place, as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine, and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the meeting shall be dissolved.

10.4 The chairman shall take such action as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of meeting; and his decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such nature. In particular:

(a) he may invite any person to attend and speak whom he considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting; and

(b) he may exclude from the meeting any member or other person who does not submit to, or fails to pass, appropriate security provisions.

10.5 The chairman of any General Meeting at which a quorum is present may, with the consent of such meeting (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the original meeting. When a

meeting is adjourned indefinitely, the time and place for the adjourned meeting shall be determined by the Directors. When a meeting is adjourned for 30 days or more or indefinitely, seven days' notice at least of the adjourned meeting shall be given in like manner as in the case of the original meeting.

10.6 The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place where it appears to him that:

(a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; or

(b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

10.7 Save as hereinbefore expressly provided, it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

10.8 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the related substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment or to correct a patent error) may in any event be considered or voted upon.

10.9 At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before, or upon the declaration of the result of, the show of hands a poll is demanded:

(a) by the chairman of the meeting; or

(b) by not less than five members present in person or by proxy and having the right to vote at the meeting; or

(c) 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.

Unless a poll be so demanded, 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 book containing the minutes of the proceedings of General Meetings of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

10.10 If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct (including the use of voting papers), and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall), in the event of a poll, appoint scrutineers (who need not be members) and may fix some place and time for the purpose of declaring the result of the poll.

10.11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall (whether or not - and, if so, regardless of how - he has already voted) be entitled to a casting vote.

10.12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time and place as the chairman of the meeting shall direct not being more than 30 days from the date of the meeting or the adjourned meeting at which the poll was demanded. No notice need be given of a poll not taken forthwith.

10.13 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman; 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. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the chairman, the meeting shall continue as if the demand had not been made. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

11 Votes of Members

11.1 Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every £1 in nominal amount of the shares of which he is the holder. The First Preference Shares shall not entitle the holder (a) to vote upon any resolution (other than a resolution for winding up the Company or reducing its share capital or a resolution varying or abrogating any of the special rights attached to such shares or a resolution to sanction any matter or thing which by virtue of these Articles requires the consent or sanction of the holders of the First Preference Shares) unless at the date of the notice convening the meeting at which such resolution is to be proposed the dividend on such shares is six months in arrears (and so that for this purpose the dividend shall be deemed to be payable half-yearly on the dates and in respect of the periods hereinbefore mentioned) or (b) to attend at any General Meeting unless the business of the meeting includes the consideration of a resolution upon which such holders are entitled to vote. The "A" Limited Voting Ordinary Shares shall on a poll carry one vote for every £10 in nominal amount.

11.2 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 of the holders stand in the Register of Members in respect of the share.

11.3 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

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

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

11.6 Any person (whether a member or not) may be appointed to act as a proxy. The instrument appointing a proxy shall be in writing in any usual or common form, or such other form as may be approved by the Directors, and shall be signed by the appointor or by his attorney duly authorised in writing, or if the appointor is a corporation shall be either under its common seal or under the hand of a duly authorised officer or attorney of the corporation. The Directors may, but shall not be bound to, require evidence of the authority of such officer or attorney. An instrument of proxy need not be witnessed.

11.7 The instrument appointing a proxy together with (unless the Directors waive such requirement) the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, shall be deposited at the Office, or at such other place in the United Kingdom as may be specified for that purpose in the notice calling the meeting or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. The like time limit shall also apply to the cancellation or revocation of any such instrument. Subject to Article 11.2, where more than one instrument of proxy is delivered in respect of the same shares, that delivered latest shall prevail; if it is not clear which was delivered latest, none shall be valid. An instrument appointing a proxy to vote at any meeting and deposited as aforesaid shall, unless the contrary is stated thereon, be valid to empower the proxy so appointed to vote on any poll taken or demanded at such meeting or at any adjournment of such meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution, except on a poll demanded at a meeting or an adjourned meeting in cases where the original meeting was held within 12 months from such date.

11.8 An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll but shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting.

11.9 A vote given in accordance with the terms of an instrument of proxy or by the duly authorised representative of a corporate member, or a poll demanded by proxy or by the duly authorised representative of a corporate member, shall be valid notwithstanding (in the case of a proxy) the previous death or mental disorder of the principal or the revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed or (in the case of a duly authorised representative of a corporate member) the revocation of his appointment, provided that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office or (in the case of an instrument of proxy) such other place at which it was required to be deposited under Article 11.7 three hours at least before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

12 Disclosure of Interests

12.1 Section 212 of the Act ("Section 212") shall be deemed to be incorporated into these Articles and accordingly to apply as between the Company and each member. If a notice is given under Section 212 ("a Section 212 notice") to a person appearing to be interested in any shares a copy shall at the same time be given to the holder of those shares but the accidental omission to do so or the non-receipt by the member shall not prejudice the operation of the provisions of this Article 12. The provisions of this Article 12 shall be without prejudice to the provisions of Section 216 of the Act, and in particular the Company shall be entitled to apply to the court under Section 216(1) whether or not these provisions apply or have been applied.

12.2 If a member or any person appearing to be interested in any shares held by a member has been duly served with a Section 212 notice and is in default for the relevant period (as defined in Article 12.8) from such service in supplying to the Company the information thereby required, the provisions of Articles 12.3 and 12.4 shall apply. The restrictions imposed by those paragraphs in relation to any shares shall continue until a relevant event occurs in relation to those shares and shall lapse when it does so. For this purpose, a "relevant event" is either of the following:

(a) due compliance, to the satisfaction of the Company, with the notice under Section 212; or

(b) receipt by the Company of notice that the shareholding has been sold to an unconnected third party pursuant to an arm's-length transfer (as defined in Article 12.6).

Any dividends withheld pursuant to Article 12.4 shall be paid to the member as soon as practicable after the restrictions contained in that Article lapse.

12.3 If the member has a holding of less than 0.25 per cent. of any class of shares, then, subject to Article 12.5 and unless the Directors otherwise determine, the member shall not be entitled in respect of the shares concerned to attend or vote at a General Meeting either personally or by proxy.

12.4 If the member has a holding of at least 0.25 per cent. of any class of shares, then, subject to Article 12.5 and unless the Directors otherwise determine, the member shall not be entitled in respect of the shares concerned:

(a) to attend or vote at a General Meeting either personally or by proxy, or to exercise any other right conferred by membership in relation to meetings of the Company; or

(b) to receive any dividend (including shares issued in lieu of dividend) in respect of such shares; or

(c) to transfer or agree to transfer any of such shares, or any rights therein.

12.5 The restrictions in Articles 12.3 and 12.4 shall be without prejudice to the right of either the member holding the shares concerned or, if different, the beneficial owner of those shares to effect or agree to sell those shares to a *bona fide* unconnected third party by way of an arm's-length transfer.

12.6 For the purposes of this Article 12, an "arm's-length transfer" in relation to any shares shall include a transfer pursuant to:

(a) a sale of those shares on a recognised investment exchange (as defined in the Financial Services Act 1986) or on any stock exchange outside the United Kingdom on which the shares are normally traded; or

(b) 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.

12.7 For the purposes of this Article 12, the Company shall be entitled to treat any person as appearing to be interested in any shares if:

(a) the member holding such shares or any person who is or may be interested in such shares either fails to respond to a Section 212 notice (or has given to the Company a notification pursuant to a Section 212 notice which in the opinion of the Directors fails to establish the identities of those interested in the shares) and if (after taking into account such notification and any other relevant notification pursuant to a Section 212 notice) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; or

(b) that person (not being the member) is interested in those shares for the purposes of Section 212.

12.8 For the purposes of this Article 12, the "relevant period" shall be, in a case falling within Article 12.3, 28 days and, in a case falling within Article 12.4, 14 days.

13 Directors

13.1 Subject as hereinafter provided, the Directors shall be not less than three in number. The Company may by Ordinary Resolution from time to time vary the minimum number and may also determine and from time to time vary a maximum number of Directors.

13.2 A Director shall not be required to hold shares in the Company but nevertheless shall be entitled to attend and speak at any General Meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.

13.3 The aggregate ordinary remuneration of the Directors shall not exceed £100,000 per annum (or such higher sum as may from time to time be determined by an Ordinary Resolution) and shall be divided between the Directors as they may agree or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he held office. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees of the Directors or General Meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

13.4 Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, lump sum, percentage of profits or otherwise as the Directors may determine.

14 Directors: Appointment and Retirement

14.1 Subject to the provisions of these Articles, at the Annual General Meeting in every year one-third of the Directors for the time being (excluding any retiring by reason of Article 14.6) or, if their number is not three or an integral multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation, provided that:

(a) if in any year the number of Directors shall be two, one of such Directors shall retire; and

(b) if in any year there shall be only one Director, that Director shall retire.

A Director retiring at a meeting as aforesaid shall, if he is not re-appointed, remain in office until the meeting appoints someone in his place or, if it does not do so, until the end of that meeting.

14.2 Subject to the provisions of the Act and of these Articles, the Directors to retire by rotation in every year shall include (so far as necessary to obtain the number required) any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those Directors who have been longest in office since their appointment or last election but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who as at the date of the relevant Annual General Meeting has been in office for more than three years since his appointment or last election or who was elected or last elected at the Annual General Meeting preceding by three years the relevant Annual General Meeting, and who in either case is not otherwise to retire by reason of Articles 14.1 and 14.2, shall also retire by rotation. Subject as aforesaid, a retiring Director shall be eligible for re-appointment.

14.3 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by appointing a person thereto, and in default the retiring Director, if willing to act, shall be deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill the vacancy, or a resolution for the re-appointment of such Director shall have been put to the meeting and lost, or such Director shall have given notice in writing to the Company that he is unwilling to be re-elected, or where the default is due to the moving of a resolution in contravention of Article 14.5.

14.4 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for appointment, be eligible for appointment to the office of Director at any General Meeting unless, not less than seven nor more than 42 days (inclusive of the date on which the notice is given) before the day appointed for the meeting, there shall have been given to the Company notice in writing by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of Directors, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

14.5 At a General Meeting a motion for the appointment of two or more persons as Directors by a single resolution shall not be proposed unless a resolution that it shall be so proposed has been first agreed to by the meeting without any vote being given against it, and for the purposes of this Article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

14.6 The Directors shall have power at any time, and from time to time, to appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed any maximum number determined by or in accordance with these Articles. Subject to the provisions of the Act and of these Articles, any Director so appointed shall hold office only until the conclusion of the next following General Meeting, and shall be eligible for election at that meeting. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting and, if not re-appointed at such General Meeting, he shall vacate office at the conclusion thereof.

14.7 Subject to the provisions of Article 14.6, the Company may at any time, and from time to time, by Ordinary Resolution appoint any person who is willing to act to be a Director either to fill a vacancy or as an additional Director and, without prejudice to the provisions of the Act, may by Ordinary Resolution remove a Director (including a Director holding executive office) before the expiration of his period of office, but so that such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company.

14.8 The office of a Director shall be vacated in any of the following events, namely:

(a) if (but in the case of a Director holding any executive office subject to the terms of any contract of service between him and the Company) he resigns his office by instrument in writing signed by the resigning Director and authenticated in such manner as the other Directors may accept (provided that the resigning Director shall deposit the original signed instrument at the Office as soon as reasonably practicable but failure or delay in his so doing shall not prejudice the validity of the resignation) or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;

(b) if he becomes bankrupt or has a receiving order made against him or makes any arrangement or composition with his creditors generally or applies to the Court for an interim order under Section 253 of the Insolvency Act 1986;

(c) if, in the opinion of the majority of Directors other than the Director concerned and in the written opinion of a suitably qualified medical expert, he becomes of unsound mind;

(d) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the grounds (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;

(e) if he is absent from meetings of the Directors for six successive months without leave, and the Directors resolve that his office be vacated;

(f) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company; or

(g) if he ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director.

15 Directors: Executive Office

15.1 The Directors may from time to time appoint any one or more of their body to be holder of any executive office for such period (subject to the provisions of the Act) and on such terms and with or without such title or titles (including but not limited to Chairman, Deputy Chairman, Vice-Chairman, Managing Director, Chief Executive and Joint, Deputy or Assistant Managing Director or Chief Executive) as they think fit. The Directors may also at any time remove such person from any such office.

15.2 A Director appointed to any such office shall receive such remuneration (whether by way of salary, commission, participation in profits, provision for retirement or insurance benefit, or partly in one way and partly in another, or otherwise) as the Directors may determine.

15.3 The appointment of any Director to the office of Chairman or Deputy or Vice-Chairman or Managing Director or Chief Executive or Joint Managing or Deputy or Assistant Managing Director or Chief Executive shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

15.4 The appointment of any Director to any other executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly so state; such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

15.5 The Directors may entrust to and confer upon any Director appointed to any such office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

15.6 Subject to the provisions of the Act, the Directors may from time to time, and at any time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of director (whether as executive, group, divisional, departmental, deputy, assistant, local, advisory director or otherwise) as the Directors may determine and may define, limit vary and restrict the powers, authorities and discretions of persons so appointed and may determine their remuneration and duties, and subject to any contract between him and the Company may remove from such post any person so appointed. A person so appointed shall not be a Director of the Company for any of the purposes of these Articles or of the Act, and accordingly shall not be a member of the Board of Directors, nor shall he be entitled to be present at any meeting of the Board except at the request of the Board and if present at such request he shall not be entitled to vote thereat.

16 Directors: Proceedings

16.1 Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall (whether or not - and, if so, regardless of how - he has already voted) be entitled to a casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom.

16.2 A Director who is unable to attend any meeting of the Directors may authorise any other Director to vote for him at the meeting, and in that event the Director so authorised shall have a vote for each

Director by whom he is so authorised in addition to his own vote. Any such authority must be by instrument signed by the authorising Director and authenticated in such manner as the other Directors may accept. The authorising Director shall deposit the original signed instrument at the Office or deliver it to a meeting of the Directors as soon as reasonably practicable, but failure or delay in his doing so shall not prejudice the validity of the authorisation.

16.3 The quorum necessary for the transaction of the business of the Directors may be determined from time to time by the Directors, and unless so determined at any other number shall be two. Any Director who attends a meeting of Directors by telephone or other conference facility shall be deemed to be personally present at such meeting for all the purposes of these Articles and shall be counted in the quorum accordingly. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

16.4 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their body, but if and so long as the number of Directors is reduced below the minimum number determined by or in accordance with these Articles, or below the number determined by or pursuant to these Articles as the quorum of Directors, the continuing Directors or Director may act for the purpose of filling such vacancies in their body or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

16.5 The Directors may, from their number, from time to time elect and remove a Chairman and, if thought fit, one or more Deputy Chairmen or Vice-Chairmen and determine the period for which they are to hold office. The Chairman, or in his absence the Deputy Chairman (to be chosen, if there be more than one, by agreement amongst themselves or, failing agreement, by lot), or in the absence of any Deputy Chairman the Vice-Chairman (to be chosen, if there be more than one, as aforesaid), shall preside at all meetings of the Directors, but if no such Chairman, Deputy Chairman or Vice-Chairman be elected, or if at any meeting neither the Chairman nor any Deputy Chairman or Vice-Chairman be willing to preside or none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

16.6 A resolution in writing, signed or approved (including by telefax) by all the Directors for the time being entitled to receive notice of a meeting of Directors or of a committee of Directors, shall be as effective as a resolution passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened and held, and may consist of several documents in the like form each signed by one or more of the Directors.

16.7 The Directors may delegate any of their powers or discretions to one or more committees, provided that more than one half of the members of each such committee shall consist of Directors. Any committee so formed shall in the exercise of the powers so delegated conform with any regulations which may from time to time be imposed by the Directors. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations imposed by the Directors under this Article, provided that no resolution of any such committee shall be effective unless a majority of the members of the committee present are Directors.

16.8 All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director or as a member of any such committee, shall, notwithstanding that it be afterwards

discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, 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 the committee and had been entitled to vote.

17 Directors' Interests

17.1 A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office, remuneration and otherwise as the Directors may determine. Any Director may act by himself or his firm in a professional capacity (other than that of auditor) for the Company and he or his firm shall be entitled to remuneration for such professional services.

17.2 Save as provided by the Act, no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any other office or place of profit, or as vendor, purchaser or otherwise; nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way, whether directly or indirectly, interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement, by reason of such Director holding that office or of the fiduciary relationship thereby established.

17.3 Any Director may continue to be or become a director or other officer or member of or otherwise interested, as a member or otherwise, in any other company promoted by the Company or any subsidiary undertaking thereof or in which the Company or any subsidiary undertaking thereof may be interested or in which the Company or any subsidiary undertaking thereof has decided not to take any shareholding or other interest whatsoever, and no such Director shall be accountable for any remuneration or other benefits whatsoever received by him as a director or other officer or member of or from his interest in any such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company, in such manner in all respects as they think fit but subject to the like restrictions as are contained in Article 17.5.

17.4 A Director who is in any way, whether directly or indirectly, interested or deemed by the Act to be interested in a contract, transaction or arrangement or a proposed contract, transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 317 of the Act.

17.5 Save as herein provided, a Director shall not vote on or in respect of any contract or arrangement or any other proposal in which he has any interest which is to his knowledge a material interest otherwise than by virtue of his interests in shares or debentures or other securities or rights of or otherwise in or through the Company. However a Director shall be entitled to vote in respect of any contract or arrangement or any other proposal in which he has any interest which is not material. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

17.6 Subject to the provisions of the Act a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of a resolution relating to any of the following matters, namely:

(a) the giving of any security, guarantee or indemnity in respect of:

(i) money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or

(ii) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(b) any proposal whereby the Company or any of its subsidiary undertakings is to offer securities under an offer in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(c) any proposal relating to any other company in which he does not to his knowledge hold an interest in shares (as that expression is defined for the purposes of Part VI of the Act) representing one per cent or more of either any class of the equity share capital of such company or the voting rights in such company;

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

(e) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of, or of persons including, Directors of the Company.

17.7 Where proposals are under consideration concerning the appointment (including determining or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately, and in such case each of the Directors concerned shall, if not debarred from voting because of the limit on shareholding specified in Article 17.6(c), be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

17.8 If any question shall arise at any time as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall (subject to the Act) be referred to the chairman of the meeting (or, where such question shall arise concerning such chairman, to such other Director present at the meeting as the Directors present, other than such chairman, shall by majority vote appoint) and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned has not been fairly disclosed.

17.9 For the purposes of this Article 17:

(a) the interest of any person who is connected with a Director (within the meaning of Section 346(2) of the Act) shall be taken to be the interest of that Director;

(b) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract, transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such contract, transaction or arrangement of the nature and extent so specified; and

(c) an interest (whether of his or of such a connected person) of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

17.10 The Directors may establish, maintain, participate in or contribute to, or procure the establishment and maintenance of, participation in or contribution to, any pension, annuity, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances, benefits and emoluments to, any persons who are or were at any time in the employment or service of the Company, or any of its predecessors in business, or of any company which is a subsidiary undertaking of the Company or is allied to or associated with the Company, or with any such subsidiary undertaking, or who may be or have been Directors or officers of the Company, or of any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and also establish, subsidise and subscribe to any institutions, associations, societies, clubs, trusts or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid, or of any such persons as aforesaid, and make payments for or towards the insurance of any such persons as aforesaid, and (subject to the provisions of the Act) establish and contribute to any scheme for the acquisition of shares in the Company or its holding company (whether or not an employees' share scheme) and (subject as aforesaid) lend money to the Company's employees to enable them to acquire such shares, and subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object, and do any of the matters aforesaid either alone or in conjunction with others. Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the Company and to the proposal being approved by Ordinary Resolution, any Director shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance, benefit or emolument.

18 Directors: General Powers

18.1 The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the Company by Special Resolution; but no regulation made by the Company by Special Resolution shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given to the Directors by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

18.2 The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may define their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

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

18.4 To the extent permitted by the Act, the Company may cause to be kept in any territory a branch Register of Members resident therein, and the Directors may (subject to the provisions of the Act) make and vary such regulations as they think fit as regards the keeping of any such register.

18.5 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or 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 Directors shall from time to time by resolution determine.

19 Directors: Borrowing Powers

19.1 Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertakings, property and uncalled capital, 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.

19.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control or influence exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards the subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all monies borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company and also such consent or sanction on the part of the holders of the First Preference Shares as is required for a variation of the special rights attached to such shares exceed an amount equal to the Adjusted Capital and Reserves.

19.3 For the purposes of the foregoing limit the following provisions shall apply:

(a) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed monies of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):

(i) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;

(ii) the outstanding amount of the acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank of accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;

(iii) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;

(iv) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed monies (not being shares or debentures which or borrowed monies the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or partly secured by any member of the Group; and

(v) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed monies falling to be taken into account;

(b) monies borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) or whole or in part any other borrowed monies falling to be taken into account and intended to be applied for such purposes within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;

(c) any amounts borrowed by any member of the Group from bankers or others for the purposes of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed monies;

(d) monies borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion, thereof equal to the minority proportion, and monies borrowed and owing to a partly-owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion: and for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of the partly-owned subsidiary which is not attributable to the Company; and

(e) borrowed monies of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be converted into sterling by reference to the rate of exchange used for the conversation of such currency in the latest audited balance sheet of the relevant member of the Group or, if the relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve.

19.4 No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

20 Administrative Provisions

20.1 The Directors shall cause minutes to be made:

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and

(c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees of Directors.

All such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next following meeting, shall be evidence of the proceedings.

20.2 Subject as required by the Act, any register, index, minute book or accounting records required by these Articles or by law to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against, and for facilitating the discovery of, falsification.

20.3 Subject to the Act the Secretary (or, if thought fit, Joint Secretaries) of the Company shall be appointed by the Directors on such terms and for such period as they may think fit, and the Directors may also appoint one or more assistant or deputy Secretaries. Any Secretary or assistant or deputy Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

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

20.5 The Directors shall provide for the safe custody of the Seal and the Securities Seal and neither shall be used except by the authority of a resolution of the Directors or of a committee of the Directors authorised in that behalf by the Directors. The Directors may from time to time make such regulations as they see fit (subject to the provisions of these Articles in relation to share and debenture certificates) determining the persons and the number of such persons who shall sign every instrument to which the Seal or the Securities Seal is affixed, and until otherwise so determined (and subject as aforesaid) every such instrument shall be signed by one Director and shall be countersigned by the Secretary or by a second Director.

20.6 The Company may have an official seal for use abroad under the provisions of the Act where and as the Directors shall determine, and the Company may by writing under the Seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the Seal, the reference shall, so far as may be applicable, be deemed to include any such official seal as aforesaid.

20.7 The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

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

21 Reserves, Dividends and Capitalisation

21.1 The Directors may from time to time before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company (including any premiums received upon the issue of debentures or other securities or rights of the Company), and carry to reserve, such sums as they think proper as a reserve or reserves. Such sums shall, at the discretion of the Directors, be applicable for any 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 (including, but subject to the provisions of the Act, the shares of the Company or its holding company, if any) as the Directors may from time to time think fit. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it prudent not to divide.

21.2 The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in General Meeting may declare dividends accordingly, but no dividend shall exceed the amount recommended by the Directors. No dividends shall be payable otherwise than in accordance with the Act and out of the profits of the Company available for that purpose.

21.3 Subject to the rights of holders, if any, of shares with special rights as to dividends, all dividends shall be declared and paid *pro rata* to the nominal amounts of the shares in respect whereof the dividend is paid, except that, if any share is issued on terms providing that it shall carry any particular rights as to dividend, such share shall rank for dividend accordingly.

21.4 If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

21.5 Subject to the provisions of the Act or as otherwise required by law, where any asset, business or property is bought by the Company as from a past date, whether such date be before or after the incorporation of the Company, the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased *cum* dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue; and it shall not be obligatory to capitalise the same or any part thereof.

21.6 The Company may cease to send any cheque or warrant through the post for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques or warrants have been returned undelivered or remain uncashed (or if, following one such failure of encashment, reasonable enquiries have failed to establish any new address of the holder of the related shares or, in the case of joint holders, of any of them) but, subject to the provisions of these Articles, shall recommence sending cheques or warrants in respect of dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

21.7 The Directors may retain the dividends payable upon shares in respect of which any person is, under the provisions in these Articles as to the transmission of shares, entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

21.8 All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the payment of any such dividend into a separate account or the investment of such dividend shall not constitute the Company a trustee in respect thereof. No dividend or other moneys payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share. Any dividend which has remained unclaimed for a period of 12 years from its due date of payment shall at the expiration of that period be forfeited and cease to remain owing by the Company and shall thenceforth belong to the Company absolutely.

21.9 Any dividend or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first on the register in respect of the shares, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder(s) otherwise direct, be made payable to the registered holder or, in the case of joint holders, to the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk. 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 (as the case may be) 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 directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.

21.10 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 or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

21.11 A General Meeting declaring a dividend on shares of any class may, upon the recommendation of the Directors, direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares, debentures or other securities or rights of any other company, and the Directors shall give effect to such resolution. Where any difficulty arises in regard to the distribution the Directors may settle the same as they think expedient, and in particular (a) may issue fractional certificates (b) may determine the value for distribution of such specific assets or any part thereof (c) may resolve that cash payments shall be made to any members upon the basis of the value so determined in order to adjust the rights of members (d) may vest any specific assets in trustees upon trust for the persons entitled to the dividend as may seem expedient to the Directors and (e) generally may make such arrangements for the allotment, acceptance and sale of such specific assets or fractional certificates or any part thereof and otherwise as they think fit.

21.12 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

21.13 Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares as at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights as between transferors and transferees of any such shares in respect of such dividend.

21.14 The Directors may, with the sanction of an Ordinary Resolution, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sums to the holders of Ordinary Share Capital on the Register of Members at the close of business on the date of the resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Share Capital and applying such sum on their behalf in paying up in full unissued Ordinary Share Capital (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on such basis (including provisions whereby fractional entitlements are disregarded or rounded up or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

22 Accounts and Auditors

22.1 The Directors shall cause accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Act to be kept and preserved in accordance with the Act. The accounting records shall be kept at the Office, or (subject to the provisions of the Act) at such other place as the Directors think fit, and shall always be open to inspection by the officers of

the Company. No member, as such, shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors or by the Company in General Meeting.

22.2 The Directors shall from time to time, in accordance with the provisions of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are specified in the Act.

22.3 A copy of every balance sheet and profit and loss account (including every document required by law to be comprised therein or annexed thereto) which is to be laid before the Company in General Meeting and of the Directors' and Auditors' reports shall not less than 21 days before the date of the meeting be sent to every member and to every holder of debentures of the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Act or these Articles provided that:

(a) this Article shall not require copies of such documents to be sent to any person to whom, by virtue of Section 238(2) of the Companies Act 1985, the Company is not required to send the same, nor to any person of whose address the Company is not aware nor to more than one of the joint holders of any shares or debentures, but any member or holder of debentures to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Office; and

(b) instead of these documents there may be sent a copy of such summary financial statement as may be permitted, in such form as may be specified and subject to such conditions as may be required, by law to be sent to the members of, and holders of debentures of, the Company.

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

22.5 The Auditors shall be entitled to attend any General Meeting and to receive notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns them as Auditors.

23 Notices

23.1 Any notice or document (including a share certificate) may be served by the Company on any member either personally or by sending it through the post in a prepaid cover addressed to such member at his address as appearing in the Register of Members. No change in such Register after that time shall invalidate such service. If such notice or document is sent by post, first-class mail must (where available) be used in the case of an address within the European Union, and airmail in any other case.

23.2 Any member described in the Register of Members by an address not within the European Union who shall from time to time give to the Company an address within the European Union at which notices may be served upon him shall be entitled to have notices served upon him at such address, but save as aforesaid no member other than a member described in the Register of Members by an

address within the European Union shall be entitled to receive any notice from the Company.

23.3 If on two consecutive occasions notices have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Company a new registered address or address within the European Union for the service of notices.

23.4 In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register of Members in respect of the joint holding: provided that, where such first-named joint holder has no registered address within the European Union and has not supplied an address within the European Union for the service of notices, the Company may give such notice to another joint holder who has, or has supplied, such an address. Notice so given shall be sufficient notice to all joint holders.

23.5 Any member present, either in person or by proxy, at any meeting of the Company shall for the purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

23.6 Save as otherwise provided by the Act or by these Articles, any notice shall be exclusive of the day on which it is served, or deemed to be served, and of the day for which it is given. Any notice or other document, if served by post, shall be deemed to have been served 24 hours after the time when the letter, envelope, card or cover containing the same is posted and in proving such service it shall be sufficient to prove that the letter, envelope, card or cover containing the notice or document was properly addressed, postage prepaid, and duly posted. A notice to be given by advertisement shall be deemed to have been served at noon on the day on which the advertisement appears.

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

23.8 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least one national daily newspaper, and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable. The Directors may also in like manner, where they consider that exceptional circumstances so warrant, give any general notice to shareholders (or any class of them) or debenture holders by advertisement rather than by post.

23.9 Notices of meetings of the members of the Company and other documents shall be sent to those members who appear on the Register of Members on a day selected by the Directors not being earlier than the day 14 days before the date of the notice or the date the document is sent ("the

Relevant Date"). If shares are issued or transfers are registered after the Relevant Date to persons not on the register of members at the Relevant Date, such persons shall nevertheless be entitled, if members at the date of the meeting, to attend and vote at the meeting to which the notice relates. The issue or transfer of, or the registration of any transfer of, shares after the Relevant Date shall not affect the validity of the notice of meeting.

24 Insolvency

24.1 The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up or placed in administration.

24.2 If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of an Extraordinary Resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of one kind or of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares in respect of which there is a liability.

25 Indemnity

25.1 To the extent not avoided by and so far as may be consistent with the provisions of the Act, every Director or other officer and auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation thereto, and in particular (but without prejudice to the generality of the foregoing) against any liability incurred by him in defending any proceedings, whether civil or criminal, in relation to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court from liability in relation to the affairs of the Company.

25.2 The Company may purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund or employee benefits trust in which any employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to the Company or any such other company, subsidiary undertaking, pension fund or employee benefits trust; and, to such extent as may be permitted by law, otherwise to indemnify or to exempt any such person against or from any such liability.