

The Peninsular and Oriental Steam Navigation Company

INCORPORATED BY ROYAL CHARTER ON 31 DECEMBER 1840

Charters

**IN FORCE AS AT
10 AUGUST 2006**

Original Charter

VICTORIA, BY THE GRACE OF GOD OF THE UNITED KINGDOM OF GREAT BRITAIN AND IRELAND QUEEN DEFENDER OF THE FAITH TO ALL TO WHOM THESE PRESENTS SHALL COME GREETING.

Whereas the several persons hereinafter named and others have united together for the purpose of establishing and maintaining a communication by means of steam navigation or otherwise between this Country and the East Indies the Island of Ceylon China and other places in the East AND ALSO for maintaining a communication by the means aforesaid between this Country and Spain and Portugal and the principal ports and places in the Mediterranean Sea And for those purposes have already expended and invested or agreed to pay the sum of Two hundred and fifty thousand pounds and upwards in acquiring certain Steam Vessels and other effects and propose to open a subscription for raising a capital of One million pounds sterling including the costs of the said ships and effects And such persons have humbly besought us to grant to them and any other subscribers of such Capital our Charter of Incorporation which we are minded to do on the conditions and subject to the restrictions hereinafter mentioned NOW KNOW YE that as well on the prayer aforesaid as of our especial grace certain knowledge and mere motion we have given granted constituted and appointed and by these presents for us our heirs and successors do give grant constitute and appoint that Arthur Anderson Richard Bourne Francis Carleton Joseph Christopher Ewart James Hartley Brodie McGhie Willcox Charles Wye Williams and Peter John de Zulueta Esquires and all other persons who have so agreed to become Subscribers of not less than Fifty pounds each towards the Capital herein after mentioned together with such and so many other persons or bodies politic or corporate as shall become Subscribers of or towards the said Capital as after mentioned or who shall from time to time become Proprietors of any part of such Capital shall so long as they shall continue to be proprietors of any such shares (but no longer) be one body politic and Corporate in deed and in name by the name of "THE PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY" and by that name shall and may sue and be sued implead and be impleaded in all Courts whether of Law or Equity and within our realm or otherwise and shall have continual succession with a common seal which may be changed or altered at their pleasure [*The rest of the Original Charter has been superseded on 21 December 1966 by Supplemental Charter*]

IN WITNESS whereof we have caused these our Letters to be made Patent Witness ourselves at our Palace of Westminster this thirty first day of December in the fourth year of our reign. [31 December 1840]

By Writ of Privy Seal,
EDMUNDS.

SUPPLEMENTAL CHARTER

INDEX

ARTICLE		PAGE
1	Interpretation	2
2	Power for the Company to change its name	3
3	Powers of the Company	4
4	Definition of members of the Company	6
5	Register of members to be kept by the Company	6
6	Use of Seal abroad	7
7	Existing capital of the Company	8
8	Rights of the Preferred and Deferred Stock and Stock of any other class	8
9	Preferred and Deferred Stocks to be on an equal footing as to voting	8
10		
(1) & (2)	Power to increase capital	8
10(3)	As to the mode and terms of the issue of unissued Stock	9
10(4)	As to the position of unissued Stock before it is fully paid up	9
10(5)	New Stock to be offered to the holders of Deferred Stock rateably	9
10A	Power to reduce capital	10
11	Purchase of Stock by the Company	13
11A	Financing of redemption and purchase of Stock	15
12(1)	Power for Company to borrow	17
12(2)	Method of borrowing	17
12(3)	Security	17
12(4)	Savings	17
13	As to Annual General Meetings	18
14	Dividends only to be paid out of profits	18
15	Calculation of dividends	18
16	Power for Directors to pay interim dividends	19
17	Dividends in specie	19
18	Variation of rights attached to any class of Stock	19
19	Capitalisation of Reserves, etc.	19
20	Adoption of Regulations in Schedule	20
21	Power for Company to alter its Regulations	20
22	As to revocation of existing Charters	20
23	Charter to be supplementary to Original Charter	21
24(1)	Power to alter Charters	21
24(2)	Protection where class rights involved	21
25	Power to revoke Charter if the Company fails to observe its provisions	21
26	Validity of Charter to be judicially recognized	22
	The Schedule - The Regulations	23

Supplemental Charter*

ELIZABETH THE SECOND BY THE GRACE OF GOD OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND OF OUR OTHER REALMS AND TERRITORIES QUEEN, HEAD OF THE COMMONWEALTH, DEFENDER OF THE FAITH: TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING!

Whereas by a Charter under the Great Seal of the Realm dated the thirty-first day of December in the year of our Lord One thousand eight hundred and forty (hereinafter called “the Original Charter”) Her Majesty Queen Victoria granted, constituted and appointed that the several persons therein named and all other persons who had agreed to become Subscribers of not less than Fifty pounds each towards the capital thereafter mentioned, together with such and so many other persons or bodies politic or corporate as should become Subscribers of or towards the said capital or who should from time to time become proprietors of any part of such capital, should, so long as they should continue to be such proprietors, be one body politic and corporate in deed and in name by the name of “The Peninsular and Oriental Steam Navigation Company” (hereinafter referred to as “the Company”) and by that name should and might sue and be sued, implead and be impleaded, in all Courts whether of Law or Equity and within Her Majesty’s Realm or otherwise and should have continual succession with a common seal, which might be changed or altered at their pleasure, for the purpose of establishing and maintaining a communication by means of steam navigation or otherwise between this Country and the East Indies, the Island of Ceylon, China, and other places in the East, and also for maintaining a communication by the means aforesaid between this Country and Spain and Portugal and the principal ports and places in the Mediterranean Sea on the terms and conditions and subject to the restrictions therein mentioned:

AND WHEREAS by ten several Supplemental Charters dated respectively the twenty-third day of December One thousand eight hundred and forty-five, the thirteenth day of April One thousand eight hundred and fifty-four, the seventh day of February One thousand eight hundred and sixty-seven, the seventeenth day of March One thousand eight hundred and seventy-six, the nineteenth day of January One thousand eight hundred and eighty-seven, the second day of December One thousand eight hundred and eighty-nine, the sixth day of June One thousand eight hundred and ninetynine, the eighth day of September One thousand nine hundred and three, the twenty-eighth day of August One thousand nine hundred and twenty-two and the ninth day of February One thousand nine hundred and forty-four, the

* The text of the Supplemental Charter incorporates the alterations allowed by Her Majesty in Council on 15 July 1992 and on 22 June 1999

constitution of the Company has from time to time been modified in manner appearing from the said several Supplemental Charters:

AND WHEREAS by its humble Petition the Company has represented unto Us that it would be conducive to the best interests of the Company and its members if the constitution of the Company were to be revised and simplified, and if the rights attached to the Stock in the capital of the Company were to be revised and modified, and also if the Company were to be empowered by Special Resolution (subject to proper protection being given in relation to the rights from time to time attached to the several classes of Stock in the capital of the Company) to alter, amend or add to the Charters or any of them for the time being applicable to the Company subject to the allowance by Us, Our Heirs or Successors of any such Special Resolution:

AND WHEREAS it has been further represented unto Us that for the purposes hereinbefore referred to all the aforesaid Charters should be revoked, except as regards the provisions of the original Charter incorporating the Company which are to remain extant, and that a new Charter should be granted to the Company:

AND WHEREAS We having taken the said Petition into Our Royal consideration are pleased for the purposes aforesaid to grant to the Company a Supplemental Charter:

NOW THEREFORE KNOW YE THAT We of Our especial grace, certain knowledge and mere motion have granted and declared and by these Presents for Us, Our Heirs and Successors are graciously pleased to grant and declare as follows:-

1. In this Our Charter unless the context otherwise requires the following expressions shall have the meanings set against them:-

“The Regulations” shall mean the Regulations set forth in the Schedule hereto, or such other Regulations of the Company as shall for the time being be in force.

“The Directors” shall mean such number (being not less than three) of the Directors for the time being of the Company as under the Regulations shall have power to act for the Company.

“Special Resolution” and “Extraordinary Resolution” shall mean respectively such a resolution as would, if the Company were a company within the meaning of the Companies Act 1985, be a special or an extraordinary resolution within the meaning of such Act or any statutory modification or re-enactment thereof for the time being in force.

“Preferred Stock” shall mean the existing preferred stock of the Company, and such other preferred stock as shall be issued under the

provisions of this Our Charter having the same rights as are for the time being conferred on the existing preferred stock.

“Deferred Stock” shall mean the existing deferred stock of the Company and such other deferred stock as shall be issued under the provisions of this Our Charter having the same rights as are for the time being conferred on the existing deferred stock.

“Stock” shall mean the stock in the capital of the Company or any class or classes thereof as the case may require.

“Paid” shall include credited as paid.

“Debenture” shall include debenture stock, bonds and any other securities of a company whether constituting a charge on the assets of such company or not.

“Subsidiary” shall have the meaning assigned to it by the Companies Act 1985 or any statutory modification or re-enactment thereof for the time being in force.

Furthermore in this Our Charter, words importing the singular number only shall include the plural number, and vice versa, words importing the masculine gender only shall include the feminine gender and words importing persons shall include corporations.

2. (1) The Company may by Special Resolution and with the approval of the Board of Trade testified in writing under the hand of one of its Secretaries or Assistant Secretaries from time to time hereafter change its name (subject however to the provisions of paragraph (3) of this Article).

(2) No change in the name of the Company made under the provisions of this Article shall affect any rights or obligations of the Company, or render defective any legal proceedings instituted, or to be instituted, by or against the Company, and any legal proceedings may be continued or commenced by or against the Company by its new name that might have been continued or commenced by or against the Company by its former name.

(3) The Company shall within fourteen days after the passing of any Special Resolution under this Article forward to the Clerk of Our Most Honourable Privy Council a copy of such Special Resolution under the common seal of the Company together with a copy of the document signifying the approval of the Board of Trade to the change of name set out in such Special Resolution, and the Clerk of Our said Privy Council shall forthwith cause particulars thereof to be entered in the Books of Our said Privy Council.

3. (1) The Company shall have power:-

(a) to carry on in all or any of their respective branches all or any of the businesses of ship owners, forwarding agents, carriers by

land and water and barge owners, proprietors of docks and piers, wharfingers, warehousemen, refrigerating storekeepers, ice merchants, colliery proprietors, owners of oil properties, oil merchants, mechanical engineers, hotel and restaurant keepers, underwriters and insurers of ships, goods and other property, and any other business which may seem likely, directly or indirectly, to promote the business of the Company;

- (b) to purchase, take on lease, or hire, or otherwise acquire, construct, alter, hold, work and maintain any wharves, piers, floating or other docks, railways, tramways, warehouses, refrigerating stores and works, hotels, restaurants, ice factories, coal mines, oil wells, oil properties, coaling stations, engineering and repairing workshops and factories, and any other works which may be deemed subsidiary to the business of the Company in any part of the world, or any interest in any such works or things;
- (c) to provide air transport services and to carry out all other forms of aerial work, whether on charter terms or otherwise, in any part of the world and in particular, but without prejudice to the generality of the foregoing, to carry on the businesses of aerial surveyors and crop sprayers, testers of radar equipment and navigational equipment of every kind, proprietors of training schools for air-crew, ground-crew and other personnel connected with air transport, and other forms of aerial work and to provide and maintain aircraft of all kinds, airfields, hangars, workshops, garages, sheds, offices, buildings and accommodation of all kinds suitable for or for use in connection with air transport services and other forms of aerial work;
- (d) to manufacture, design and construct, buy, sell, supply, hire, let on hire, service, repair, warehouse and deal in aircraft of all kinds and the engines, equipment and component parts thereof, and all kinds of plant, apparatus and machinery suitable for or for use in connection with aircraft or with any of the operations aforesaid;
- (e) to purchase or otherwise acquire any lands, easements, or hereditaments of any tenure or any other real or immovable or any personal or moveable property which may from time to time be deemed requisite for any of the purposes of the said businesses or any of them;
- (f) to acquire and undertake the whole or any part of the business and assets of any person or company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company;

- (g) to improve, manage, develop, exchange, grant rights or privileges in respect of, turn to account, sell, lease, mortgage or otherwise deal with or dispose of all or any part of the property, rights, assets and undertaking of the Company upon such terms and for such consideration as may be thought fit, and in particular for shares, stock, debentures or other interests in any company;
- (h) to enter into partnership or any arrangement for sharing profits, interchange of traffic, joint working, joint adventure, or cooperation, with any person or company carrying on or about to carry on any business which the Company is authorised to carry on;
- (i) to subscribe for or otherwise acquire, and hold shares, stock or debentures of any other company having objects altogether or in part similar to those of the Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company;
- (j) to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served, the Company or any company which is a Subsidiary of or associated with the Company or any such Subsidiary or a predecessor in business of the Company or of any such Subsidiary, and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them and to subscribe and guarantee money for any charitable or benevolent object, or for any exhibition or for any public, general or useful object;
- (k) to guarantee payment or performance of any debts, contracts or obligations or the payment of any dividends or to become security for any purpose whatsoever;
- (l) to invest and deal with any moneys of the Company not immediately required for the purposes of its business in such manner and upon such terms and conditions as may be thought fit;
- (m) to do all such other acts and things as are or may be deemed incidental or conducive to the exercise of any of the said powers.

(2) All or any of the powers, acts and things authorised by this Article may be exercised and done in any part of the world. In construing this Article the word “company” shall (except where it refers to the Company) be deemed to include any partnership or other association of persons, whether incorporated or not and whether domiciled in Our United Kingdom or elsewhere.

4. The members of the Company are and shall be such persons as for the time being are or shall be entered as members on the Principal Register or any Local Register as respectively hereinafter defined, provided that no person shall by reason of his being a holder of any debenture of the Company be or be deemed to be a member of the Company.

5. (1) The Company shall cause to be maintained a register of members (in this Our Charter called “the Principal Register”) and there shall be entered therein the following particulars:-

- (a) the names and addresses of the members of the Company other than those whose names are entered in any Local Register which may be kept pursuant to the provisions of this Article;
- (b) a statement of the class and amount of Stock held by each such member;
- (c) the date at which the name of any person is entered therein as a member or on transfer of his name from a Local Register;
- (d) the date at which the name of any such member is removed from the Principal Register by reason of his name being entered in any such Local Register;
- (e) the date at which any such member ceases to be a member.

(2) (A) The Company may cause to be maintained in any territory situate outside Our United Kingdom in which it transacts business a register of members resident in that territory (in this Our Charter called a “Local Register”).

(B) The Stock registered in a Local Register shall be distinguished from the Stock registered in the Principal Register, and no transaction with respect to any Stock registered in a Local Register shall during the continuance of that registration be registered in any other register.

(C) Each Local Register shall be a separate and distinct register from the Principal Register, and it shall be kept in the manner in which the Principal Register is required to be kept.

(D) The Company shall:-

- (i) transmit to its head office for the time being a copy of every entry in each Local Register as soon as may be after the entry is made; and
- (ii) cause to be kept at the place where the Principal Register is kept a duplicate of each Local Register duly entered up from time to time: provided always that no such duplicate shall for any of the purposes of this Our Charter be deemed to be part of the Principal Register.

(E) The Company may discontinue to keep any Local Register for the time being kept by it and thereupon all entries in such register shall be transferred to some other Local Register kept by the Company in the same territory or to the Principal Register.

(F) Subject to the provisions of this Our Charter and of the Regulations, the Directors may make and vary such bye-laws as they think fit respecting the keeping of Local Registers.

(3) The Principal Register and any Local Register may be kept either by making entries in bound books or by recording the matters in question in any other manner and, where any such register is not kept by making entries in a bound book but by some other means, adequate precautions shall be taken for guarding against falsification and for facilitating its discovery.

6. (1) The Company may have for use in any territory district or place not situate in Our United Kingdom an official seal which shall be a facsimile of the common seal of the Company with the addition on its face of the name of every territory, district or place, where it is to be used.

(2) A deed, stock certificate or other document to which an official seal is duly affixed shall bind the Company as if it had been sealed with the common seal of the Company.

(3) In each case where the Company has an official seal for use in any such territory, district or place it may, by writing under its common seal, authorise any person appointed for the purpose in that territory, district or place to affix the official seal to any deed, stock certificate or other document to which the Company is party in that territory, district or place.

(4) The authority of any such agent shall, as between the Company and any person dealing with the agent, continue during the period, if any, mentioned in the instrument conferring the authority, or if no period is there mentioned, then until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.

(5) The person affixing any such official seal shall, by writing under his hand, certify on the deed or other instrument to which the seal is affixed the date on which and the place at which it is affixed.

7. The capital of the Company at the fifteenth day of July One thousand nine hundred and ninety-two* is £863,797,855 Stock, divided into £3,344,000 Preferred Stock, £57,266,514 6.75 per cent. (net) Convertible Redeemable Preferred Stock, £66,638,327 5.5 per cent. (net) Redeemable Non-Cumulative Preferred Stock, £560,519,817 Deferred Stock and £176,029,197 unclassified Stock, of which the £176,029,197 unclassified Stock is unissued and the remaining Stock has been issued and is fully paid.

8. Subject to the provisions of this Our Charter:-

- (a) the Preferred Stock and the Deferred Stock shall confer on the holders thereof such rights as are specified in the Regulations; and
- (b) Stock in the capital of the Company of any other class for the time being issued shall confer on the holders thereof such rights as are specified in or pursuant to the Regulations or in or pursuant to any resolution creating or authorising the issue of such Stock.

9. For all purposes of voting at any General Meeting of the Company every registered holder of any amount of Preferred Stock shall stand on an equal footing with every registered holder of the like amount of Deferred Stock, and no regulation shall be made by the Company to the contrary, and every regulation to the contrary, if made, shall be void and of no effect.

10. (1) The Company may by resolution of a General Meeting from time to time increase the capital of the Company by the creation of Stock of such amount as the Company may think fit.

(2) Without prejudice to any rights previously conferred on the holders of any class of Stock (which rights shall not be varied or abrogated except with such sanction as is specified in Article 18 hereof):-

- (i) any of the £176,029,197 unclassified Stock which is unissued at the fifteenth day of July One thousand nine hundred and ninety-two and any new Stock created under this Article may

The text of the Supplemental Charter incorporates the alterations allowed by Her Majesty in Council on 15 July 1992
22 June 1999

*
As at 21 May 1997 the capital of the Company was £863,670,514, divided into £3,344,000 Preferred Stock, £57,139,173 6.75 per cent. (net) Convertible Redeemable Preferred Stock, £66,638,327 5.5 per cent. (net) Redeemable Non-Cumulative Preferred Stock, £610,250,179 Deferred Stock and £126,298,835 unclassified Stock, of which the £126,298,835 unclassified Stock was unissued and the remaining Stock had been issued and was fully paid. The rights attaching to the 6.75 per cent. (net) Convertible Redeemable Preferred Stock and the 5.5 per cent. (net) Redeemable Non-Cumulative Preferred Stock are set out in Annexes 1 and 2 respectively to this document.

be issued with such preferred, deferred or other rights or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company in General Meeting may from time to time determine or, subject to and in default of any such determination, as the Directors shall determine; and

- (ii) any Stock issued after the fifteenth day of July One thousand nine hundred and ninety-two may with the sanction of a Special Resolution be issued on the terms that it is to be redeemed or is liable to be redeemed at the option of the Company or the stockholder: provided that any such Stock may not be redeemed unless it is fully paid. Any such Special Resolution shall alter the Regulations in such a manner as to provide for the terms and manner of redemption.

(3) Any of the existing unissued Stock and any such new Stock may be issued as fully or partly paid as the consideration or part of the consideration for the purchase or acquisition by the Company of any property, rights, or assets which it is hereby authorised to acquire; and any such Stock may be issued either together or separately, and at such times and at such respective prices (either at, above, or below par), and upon such terms and conditions as to payment of the calls or instalments thereon, and forfeiture in case of non-payment of any such call or instalment, and as to the transfer of such Stock before the same shall be fully paid up, as the Company may from time to time determine.

(4) The Company may by the terms and conditions of the issue of any unissued Stock make such provision as it may think fit for the payment of dividend, and either at a fixed or varying rate, on such Stock before the price of issue thereof is fully paid, or for such Stock to rank for dividend as from a particular date, but, except in so far as may from time to time be otherwise provided by such terms, conditions or provisions, no person shall be registered as, or be deemed to be, a member of the Company in respect of any Stock unless and until the price of issue thereof has been fully paid.

(5) Subject to any other provision of this Our Charter and except in so far as in the opinion of the Directors such Stock may be required for or towards the payment of the consideration for any property, rights or assets to be purchased or acquired by the Company all Stock which the Company or the Directors may determine to issue after the date of this Our Charter shall (unless the Company in General Meeting shall otherwise resolve) be offered in the first place to the registered holders of Deferred Stock as nearly as the circumstances admit in proportion to the nominal amount of the Deferred Stock which at the date of the offer they respectively hold, but any Stock so offered as aforesaid and not accepted and any part of such Stock which in the opinion of the Directors cannot (by reason of the ratio which such Stock bears to the Deferred Stock held by persons entitled to such offer) be conveniently offered under the foregoing provisions of this paragraph may be

disposed of by the Directors in such manner and upon such terms and conditions as the Directors may determine.

(6) Any of the powers conferred on the Company by paragraphs (3), (4) and (5) of this Article may be exercised by the Directors in respect of any unissued Stock at such times and in such manner as they may deem expedient, subject nevertheless in the case of new Stock created after the date of this Our Charter to such restrictions or directions, if any, as may be given or imposed by the resolution of the General Meeting creating such Stock.

10A. (1) (A) Subject to the following provisions of this Article and without prejudice to any other provision of this Our Charter, the Company may by Special Resolution reduce the capital of the Company in any way.

(B) The Company may in like manner reduce the amount standing to the credit of its share premium account or capital redemption reserve; and for the purposes of the following provisions of this Article the share premium account and capital redemption reserve shall be treated as if they were paid-up Stock.

(C) A Special Resolution under this Article shall not be effective unless, not less than 21 days prior to the meeting at which it is proposed to be passed, the Company shall have given notice of the proposal to pass such resolution by advertisement in not less than two newspapers circulating nationally in Our United Kingdom.

(D) A Special Resolution to reduce the capital of the Company is in this Article referred to as a “resolution for reducing capital”.

(E) The notice convening a General Meeting of the Company for the purpose of considering a resolution for reducing capital shall contain or be accompanied by an explanation of the purpose of the proposed reduction and the manner in which it is to be carried out.

(F) The powers conferred by this Article shall not be exercisable until the Company shall have executed an undertaking, in the form of a deed poll expressed to be in favour of all persons who shall for the time being be Qualifying Creditors (as defined in this Article) in relation to any resolution for reducing capital, by which the Company undertakes to those persons to observe and comply with the provisions of this Article.

(2) Effect shall not be given to any resolution for reducing capital which involves extinguishing or reducing the liability on any Stock or paying off any paid-up Stock unless:-

- (a) the Company has procured that a Banking Institution guarantee the discharge by the Company of the liabilities of the Company to Qualifying Creditors (but so that the aggregate liability of the relevant Banking Institution under such a guarantee may be limited to an amount equal to the lesser of (i) the amount by

which the paid-up Stock is reduced and (ii) an amount equal to the aggregate amount owed to Qualifying Creditors, and may be expressed to terminate after the expiration of a specified period of time ending after all debts and claims of Qualifying Creditors shall have become immediately due and payable);

- (b) an amount of distributable profits equal to the amount of the Stock paid off or, as the case may be, the amount of the liability extinguished or of the reduction of liability, is transferred to a special reserve subject to paragraph (4) of this Article; or
- (c) the proposed reduction forms part of a compromise or arrangement to which section 425 of the Companies Act 1985 applies and the court, being satisfied that the protection for Qualifying Creditors provided by the Company is equivalent to the protection which would have been provided for such creditors in the case of a reduction of capital confirmed by the court under section 135 of that Act, sanctions the compromise or arrangement.

(3) Effect shall not be given to any resolution for reducing capital which involves cancelling any paid-up Stock unless:-

- (a) the terms on which the cancellation is to be effected are such that new Stock is to be issued, paid-up or credited as paid-up in whole or in part, at or before the time when the cancellation takes effect and the aggregate of the amounts to be paid-up or credited as paid-up on such new Stock and of any amounts to be credited to the share premium account of the Company in respect of the issue of such new Stock is at least equal to the amount of paid-up Stock so cancelled;
- (b) the amount of paid-up Stock so cancelled does not exceed an amount required to write off the accumulated net losses of the Company shown in the audited accounts of the Company which at the date of the resolution approving the reduction have most recently been laid before the Company in general meeting;
- (c) there is transferred to a special reserve, subject to paragraph (4) of this Article, an amount of distributable profits equal to the aggregate of:-
 - (i) the credit arising on the reduction or cancellation, to the extent to which such credit exceeds the accumulated net losses of the Company shown in the audited accounts of the Company which at the date of the resolution for reducing capital have most recently been laid before the Company in general meeting; and

- (ii) any sum arising by reason of the release of any provision made by the Company and taken into account in those audited accounts;
- (d) the Company has procured that a Banking Institution guarantee the discharge by the Company of the liabilities of the Company to Qualifying Creditors (subject to the limits referred to in paragraph (2)(a) of this Article); or
- (e) the proposed reduction forms part of a compromise or arrangement to which section 425 of the Companies Act 1985 applies and the compromise or arrangement is sanctioned by the court under that section as described in paragraph (2)(c) of this Article.

(4) An amount credited to a special reserve under paragraph (2) or paragraph (3) of this Article may be capitalised in accordance with Article 19 of this Our Charter but shall not otherwise be treated as profits of the Company available for dividend for the purposes of Article 14 of this Our Charter for so long as there remains outstanding any debt or claim of a person who is a Qualifying Creditor in relation to the reduction in respect of which that amount was so credited: provided that the Company may from time to time reduce the amount standing to the credit of such a special reserve:-

- (a) by an amount equal to any increase, after the date on which the special reserve is created, in the paid-up Stock or share premium account of the Company resulting from an issue of new Stock for cash or other consideration or from a capitalisation of distributable profits;
- (b) by any amount by which the aggregate amount standing to the credit of the special reserve, taken together with any amount referred to in (a) above, exceeds the amount of the Company's liabilities for the time being to Qualifying Creditors.

(5) For the purposes of this Article:-

- (a) "Banking Institution" means:-
 - (i) an institution which is an authorised institution or a European authorised institution within the meaning of the Banking Act 1987;
 - (ii) an institution which is authorised to accept deposits in Our United Kingdom by virtue of an authorisation granted by a regulatory authority in Our United Kingdom under any enactment which may modify, re-enact or replace that Act;

- (iii) an institution which is authorised or permitted to accept deposits in Our United Kingdom pursuant to any regulation or enactment which may modify, re-enact or replace the Banking Coordination (Second Council Directive) Regulations 1992, any applicable regulation of the European Community or any other enactment or regulation made for the purpose of giving effect to a directive of the European Community;
- (b) “Qualifying Creditor” means, in relation to a resolution for reducing capital, a person who:-
 - (i) has, at the date on which effect is given to the resolution, a debt or claim outstanding against the Company which, if that date had been the commencement of the winding-up of the Company, would have been admissible to proof in the winding-up; and
 - (ii) has not expressly consented to effect being given to the resolution for reducing capital or expressly waived his right to be treated as a Qualifying Creditor.

11. (1) Without prejudice to any rights conferred on the holder of any class of Stock before the fifteenth day of July One thousand nine hundred and ninety-two (which rights shall not be varied or abrogated except with such sanction as is specified in Article 18 hereof), the Company may, subject to the following provisions of this Article, purchase any fully paid Stock (including any redeemable Stock).

(2) The Company may not purchase any Stock under this Article except:-

- (a) in the case of a market purchase (as defined in paragraph (7) of this Article) pursuant to an authority conferred in accordance with paragraph (4) of this Article;
- (b) in the case of any other purchase, by or pursuant to a contract the terms of which have been approved, before the contract is entered into, by a Special Resolution in accordance with paragraph (5) of this Article.

(3) The reference in paragraph (2)(b) of this Article to a contract includes a contract subject to conditions and a contract which does not amount to a contract to purchase Stock but under which the Company may become entitled or obliged to purchase Stock.

(4) Authority to make market purchases of Stock shall be conferred by resolution of the Company in General Meeting. Such a resolution shall:-

- (a) specify the maximum nominal amount of Stock authorised to be purchased;
- (b) specify a date on which the authority is to expire, being a date not more than 18 months from the date of the passing of the resolution; and
- (c) determine both the maximum and the minimum prices which may be paid for any Stock purchased under the authority.

For purposes of sub-paragraph (c) above either or both of the maximum and minimum prices may be determined either by specifying a particular sum or by providing a basis or formula for calculating the amount of the price in question, provided that any such basis or formula does not involve reference to any person's discretion or opinion.

(5) The following requirements shall apply to a Special Resolution approving the terms of a proposed contract for the purposes of paragraph (2)(b) of this Article:-

- (a) the resolution shall not be effective for the purposes of this Article if any member of the Company holding Stock to which the proposed contract relates votes in favour of it on a show of hands or, on a poll, exercises any of the votes conferred by such Stock in favour of it and, in either case, it would not have been passed if he had not done so;
- (b) a copy of the proposed contract or (if it is not in writing) a written memorandum of its terms, in either case including or accompanied by a list of the names of members holding Stock to which the proposed contract relates, must be made available for inspection by members of the Company at the head office of the Company for the time being for not less than 15 days ending with the date of the meeting at which the resolution is passed, and at the meeting itself; and
- (c) the resolution must provide that the approval conferred by it is valid only if the proposed contract is entered into on or before a specified date not more than 18 months from the date of the passing of the resolution.

(6) The Company may make or complete a purchase of Stock after the date specified for the purposes of paragraph (4)(c) or (5)(c) of this Article provided that such purchase is pursuant to a contract entered into on or before that date.

(7) For the purposes of this Article a purchase of Stock of any class in the capital of the Company is a market purchase if it is effected on an investment exchange which is a recognised investment exchange other than an

overseas investment exchange within the meaning of the Financial Services Act 1986 and either:-

- (a) Stock of that class is listed on that investment exchange; or
- (b) the Company has been afforded facilities for dealings in Stock of that class to take place on that investment exchange without prior permission for individual transactions from the authority governing that investment exchange and without limit as to the time during which those facilities are to be available.

11A. (1) The provisions of this Article apply to:-

- (a) the redemption of any Stock which after the fifteenth day of July One thousand nine hundred and ninety-two may be issued under Article 10 hereof on terms that it is, or is at the option of the Company or of the holder to be liable, to be redeemed; and
- (b) the purchase of any Stock under Article 11 hereof.

(2) (A) Stock may be redeemed or purchased only out of distributable profits or out of the proceeds of a fresh issue of Stock made for the purposes of the redemption or purchase.

(B) Subject to sub-paragraph (C) below, any premium payable on redemption or purchase shall be paid out of distributable profits.

(C) In the case of any redeemable Stock issued at a premium, any premium which under the terms of issue is payable on redemption may be paid out of the proceeds of a fresh issue of Stock made for the purposes of the redemption up to an amount equal to:-

- (i) the aggregate of the premiums received by the Company on the issue of the Stock redeemed; or
- (ii) the current amount of the share premium account of the Company (including any sum transferred to that account in respect of premiums on the new Stock);

whichever is the less; and in that case the amount of the share premium account of the Company shall be reduced by a sum corresponding (or by sums in the aggregate corresponding) to the amount of any payment made under this sub-paragraph out of the proceeds of the issue of the new Stock.

(3) Stock redeemed or purchased shall be cancelled and shall not be available for reissue or resale.

(4) In this Article “distributable profits” of the Company means:-

- (a) its accumulated realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated realised losses, so far as not previously written off in a reduction or reorganisation of capital duly made;

or, if less:-

- (b) the amount by which the aggregate of the assets of the Company less the aggregate of its liabilities (including for this purpose any provision for liabilities or charges within paragraph 89 of Schedule 4 to the Companies Act 1985) exceeds the aggregate of:-
 - (i) the amounts paid up on the issued Stock;
 - (ii) the amount standing to the credit of the share premium account;
 - (iii) the amount standing to the credit of the capital redemption reserve; and
 - (iv) the amount standing to the credit of any other reserve which the Company is prohibited from distributing by any enactment or by any provision of this Our Charter or of the Regulations;

provided that the foregoing provisions of this paragraph are without prejudice to any enactment or rule of law restricting the sums out of which, or the cases in which, the Company may make a distribution of assets to its members.

(5) For the purposes of this Article the amount of the distributable profits of the Company at any time shall be determined by reference to accounts of the Company in such manner as would be provided by sections 270 to 276 of the Companies Act 1985 if the Company were a public company within the meaning of that Act.

(6) (A) Where any Stock is redeemed or purchased under this Article wholly out of distributable profits, an amount equal to the nominal amount of the Stock so redeemed or purchased shall be transferred to a reserve called the capital redemption reserve.

(B) Where any Stock is redeemed or purchased wholly or partly out of the proceeds of a fresh issue of Stock and the aggregate amount of those proceeds is less than the aggregate nominal amount of the Stock redeemed or purchased, an amount equal to the difference shall be transferred to the capital redemption reserve.

(C) The capital redemption reserve shall, subject to Article 19 and any other express provision of this Our Charter, be treated as if it were paid-up Stock.

12. (1) The Company may from time to time borrow or raise any sum or sums of money for the purposes of the Company.

(2) The Company may borrow or raise any such sums of money as aforesaid in such manner and upon such terms and conditions in all respects as may be thought fit and in particular, but without prejudice to the generality of the foregoing, upon or by the issue of debentures at a discount, premium or otherwise and with any special rights or privileges as to redemption by any means and with any other special rights or privileges of whatsoever nature.

(3) The Company may secure or provide for the repayment of any moneys borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any moneys for the time being remaining uncalled upon the Stock in the capital of the Company or by any other security.

(4) The provisions of this Article shall be without prejudice to:-

(a) the rights of the holders of the Debenture Stocks secured or to be secured by certain Trust Deeds namely:-

(i) a Trust Deed dated the seventeenth day of August, One thousand eight hundred and ninety-four and made between the Company of the one part and Sir Thomas Sutherland Sir Robert George Wyndham Herbert and Peter Williams of the other part;

(ii) a Trust Deed dated the sixth day of May, One thousand nine hundred and two and made between the same parties and in the same order as the said Trust Deed dated the seventeenth day of August, One thousand eight hundred and ninety-four;

(iii) a Trust Deed dated the first day of April, One thousand nine hundred and forty-three and made between the Company of the one part and The Chartered Bank of India Australia and China of the other part; and

(iv) a Trust Deed dated the twenty-fourth day of November, One thousand nine hundred and fifty-five and made between the Company of the one part and Royal Exchange Assurance of the other part;

(b) the right of the Company to create and issue further Debenture Stock constituted and secured by any further deed or deeds executed under and in accordance with either of the said Trust Deeds of the first day of April, One thousand nine hundred and forty-three and the twenty-fourth day of November, One thousand nine hundred and fifty-five;

(c) the right of the Company to issue any Debenture Stock under and in accordance with any of the said Trust Deeds of the seventeenth day of August, One thousand eight hundred and ninety-four, the sixth day of May, One thousand nine hundred and two and the first day of April, One thousand nine hundred and forty-three or any such further deed or deeds, in substitution for any Debenture Stock purchased in pursuance of any such deeds;

(d) the right of the Company to reissue Debenture Stock under and in accordance with the said Trust Deed of the first day of April, One thousand nine hundred and forty-three or any such further deed or deeds.

13. An Annual General Meeting of the members of the Company shall be held once in every year at such time and place as shall be prescribed pursuant to the provisions of the Regulations, and the Directors shall lay before every such Annual General Meeting such balance sheet and accounts in relation to the affairs of the Company as may from time to time be prescribed by law or by the Regulations.

14. No dividend, or other payment in the nature of a dividend, shall be paid on any Stock except out of the profits of the Company, and the profits for the time being available for dividend shall be ascertained and settled in such manner as may from time to time be prescribed by the Regulations.

15. Subject to the provisions of paragraph (4) of Article 10 and of Articles 17 and 19 of this Our Charter all dividends on Stock of any class for the time being issued shall be apportioned and paid proportionately to the amounts paid (otherwise than in advance of calls) on the Stock during any portion or portions of the period in respect of which the dividend is paid; but if any Stock is issued on terms providing that it shall rank for dividend as from a particular date (whether past or future) such Stock shall rank for dividend accordingly.

16. Notwithstanding anything herein contained, it shall be lawful for the Directors from time to time to pay to the members or any class of members on account of the next forthcoming dividend such interim dividends as in their judgment the position of the Company justifies, and also pay the fixed dividend payable on any Preferred Stock or on any other Stock issued with preferred rights half-yearly or otherwise whenever the position of the Company in the judgment of the Directors justifies that course.

17. (1) The Company may satisfy any dividend by the distribution of assets or of Stock credited as fully paid, or offer to members the right to receive such assets or Stock in lieu of the whole or part of any dividend, in such manner as may be prescribed by or under the Regulations, and the Directors shall have such powers for the purposes of or in connection with any such distribution or offer as may be so prescribed.

(2) The Company may, in such manner, on such terms and subject to such conditions as may be prescribed by or under the Regulations, offer to members the right or opportunity to acquire shares or other interests in

any company which is for the time being a Subsidiary of or otherwise associated with the Company on terms that any sums receivable or other rights held by a member in respect of any such shares or interests held by him shall be so receivable or held wholly or partly in lieu of any sums receivable or rights held by him in respect of any Stock in or other securities of the Company held by him in respect of which such offer is accepted, and the Directors shall have such powers for the purposes of or in connection with any such offer, or any right or interest acquired pursuant to any such offer, as may be so prescribed. The rights and privileges attached to any class of Stock for the time being issued shall not be treated as varied or abrogated by the making of such an offer to the holders of Stock of that class.

18. (1) All or any of the rights or privileges (whether as to dividend, capital or otherwise) attached to any class of Stock for the time being issued may be varied or abrogated in any manner with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the Stock of such class. To every such separate meeting all the provisions of the Regulations applicable to General Meetings of the Company shall apply *mutatis mutandis*, but so that the necessary quorum shall (subject to the provisions of the Regulations as to an adjourned meeting) be thirty members of the class personally present.

(2) The rights of the holders of any class of Stock (unless otherwise expressly provided by the terms of issue of that class or the terms on which the Stock of the class is for the time being held) shall be deemed not to be varied by the issue of Stock ranking *pari passu* with that class.

19. The Company may capitalise any sums not required for the payment of, or provision for, the fixed cumulative dividend on the Preferred Stock (or any other fixed preferential dividend on any other class of Stock) and forming part of the undivided profits of the Company (whether or not available for distribution) or standing to the credit of the share premium account, capital redemption reserve or any other reserve (whether or not distributable) and direct the appropriation of the sum so capitalised to and among the holders of Stock who would have been entitled to it if distributed by way of dividend, and in the same proportions, in such manner as may be prescribed by or under the Regulations, and the Directors shall have such powers for the purposes of or in connection with any such capitalisation as may be so prescribed: Provided that the share premium account, the capital redemption reserve and any profits or reserves which are not available for distribution may for the purposes of this Article only be applied in paying up unissued Stock of the Company to be issued to such holders credited as fully paid.

20. The Regulations set forth in the Schedule hereto shall, as from the date of this Our Charter, take and have effect in lieu of, and shall be substituted for, the Regulations of the Company in force immediately prior to such date and shall bind the Company and the members thereof for the time being to the same extent as if each such member had subscribed his name and

affixed his seal thereto, and there were in such Regulations contained a covenant by such member to conform to all the said Regulations.

21. (1) The Company may in General Meeting from time to time by Special Resolution alter all or any of the said Regulations set forth in the Schedule hereto, or make new Regulations to the exclusion of or in addition to all or any of the said Regulations, and any Regulations so made shall be deemed to be Regulations of the Company, and of the same validity as if they had been originally contained in the Regulations set forth in the said Schedule hereto, and shall be subject in like manner to be altered or modified by any such subsequent resolution. Provided that any such altered or new Regulations shall to the extent that they are repugnant to or inconsistent with any of the provisions of this Our Charter be void and of no effect.

(2) The Company shall within fourteen days after the passing of any Special Resolution under this Article forward to the Clerk of Our Most Honourable Privy Council a copy of such Special Resolution under the common seal of the Company and the Clerk of Our said Privy Council shall forthwith cause particulars thereof to be entered in the Books of Our said Privy Council.

22. (1) The Original Charter (save in so far as by the same Her Majesty Queen Victoria granted, constituted and appointed that the several persons therein named and all other persons who had agreed to become Subscribers of not less than fifty pounds each towards the capital thereafter mentioned, together with such and so many other persons or bodies politic or corporate as should become Subscribers of or towards the said capital or who should from time to time become proprietors of any part of such capital, should, so long as they should continue to be such proprietors, be one body politic and corporate in deed and in name by the name of "The Peninsular and Oriental Steam Navigation Company" and by that name should and might sue and be sued implead and be impleaded in all Courts, whether of Law or Equity, within Her Majesty's Realm or otherwise, and should have continual succession with a common seal which might be changed or altered at their pleasure, and save in so far as not hitherto repealed or revoked by any of the Supplemental Charters) is hereby revoked.

(2) Each of the aforesaid Supplemental Charters in so far as the same have not heretofore been revoked by any of the said Charters subsequent thereto are hereby revoked.

(3) The said revocation shall not affect any act or thing heretofore done under any Charter so revoked.

23. This Our Charter shall be considered as supplemental to the Original Charter so far as the same remains in force, and the Original Charter (so far as aforesaid) and this Our Charter shall be construed as one instrument.

24. (1) The Company may in General Meeting from time to time (subject as in paragraph (2) of this Article contained) by Special Resolution

alter, amend or add to the Original Charter and this Our Charter or either of such Charters, and such alteration, amendment or addition shall, when allowed by Us, Our Heirs or Successors in Council in manner provided for by paragraph (2) of this Article, become effectual, so that the Original Charter and this Our Charter shall thenceforward continue and operate as though it had been originally granted and made accordingly. This provision shall apply to the Original Charter and this Our Charter as altered, amended or added to in manner aforesaid.

(2) No alteration, amendment or addition to the Original Charter or this Our Charter shall take effect until it has been submitted to and allowed by Us, Our Heirs or Successors in Council, provided always that, in any case where any such proposed alteration, amendment or addition involves varying or abrogating all or any of the rights or privileges (whether as to dividend, capital or otherwise) attached to any class of Stock for the time being issued, the same shall not become effectual unless, prior to its allowance by Us, Our Heirs or Successors in Council as aforesaid, it has been sanctioned by an Extraordinary Resolution passed at a separate meeting of the holders of the Stock of the class concerned as provided by Article 18 of this Our Charter.

25. Provided always and We do hereby declare that if at any time it is made to appear to Us, Our Heirs or Successors, on representation of the President of the Board of Trade for the time being or otherwise, that default has been made by the Company in the observance and performance of any of the provisions, conditions or directions in this Our Charter contained, then and in every such case it shall be lawful for Us, Our Heirs or Successors in Council to revoke the Original Charter and this Our Charter and every or any matter and thing therein contained, or privilege or right thereby conferred, either absolutely or under such terms and provisions as We or They think fit, and without any further or other proceeding whatsoever, and the said Charter, matter, thing, privilege, or right shall, subject to such terms or provisions (if any), and so far only as by law permitted, be absolutely void and of no effect whatsoever, provided nevertheless that the power of revocation so hereby reserved shall not have or be construed to have the effect of preventing or barring any proceeding by *scire facias* or otherwise according to law to annul or repeal the Original Charter and this Our Charter.

26. And We do for Us, Our Heirs and Successors, grant and declare that the Original Charter so far as the same remains in force and this Our Charter, or the enrolment thereof, shall be in all things valid and effectual in law according to the true intent and meaning of the same, and shall be taken, construed and adjudged in the most favourable and beneficial sense and for the best advantage of the Company, as well in Our Courts of Record as elsewhere by all Judges, Justices, Officers, Ministers and other Subjects whatsoever of Us, Our Heirs or Successors, any non-recital or mis-recital, uncertainty or imperfection notwithstanding.

IN WITNESS WHEREOF We have caused these Our Letters to be

[21 December
1996]

made Patent.

WITNESS Ourselves at Westminster the twenty-first of December and in the fifteenth year of Our Reign.

By Warrant under the Queen's Sign Manual.

(Sgd.) COLDSTREAM.

THE SCHEDULE ABOVE REFERRED TO.

**REGULATIONS* OF
THE PENINSULAR AND ORIENTAL STEAM
NAVIGATION COMPANY**

**These Regulations were adopted by the Company by Special Resolution passed on 10 August 2006 and came into effect on that date.*

Preliminary

1 Interpretation

In these Regulations (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

the “ Act ”	The Companies Act 1985
the “ Charters ”	Such, and such provisions, of the existing and future Charters of the Company as shall for the time being be in force.
“ these Regulations ”	These Regulations and other Regulations of the Company as from time to time in force.
“ Office ”	The head office of the Company for the time being.
“ Register ”	The register of members of the Company.
“ Transfer Office ”	The place where the Register is situate for the time being.
“ Seal ”	The Common Seal of the Company.
the “ United Kingdom ”	The United Kingdom of Great Britain and Northern Ireland.
“ month ”	Calendar month.
“ year ”	Calendar year.

** These Regulations were adopted by the Company by Special Resolution passed on 10 August 2006 and came into effect on that date.*

“financial year”	The period in respect of which any profit and loss account laid before the Company in General Meeting is made up, whether that period is a year or not.
“in writing”	Written or produced by any substitute for writing or partly one and partly another including electronic communication.
“paid”	Paid or credited as paid.

The expressions **“debenture”** and **“debenture holder”** shall respectively include “debenture stock” and “debenture stockholder”.

The expression **“Secretary”** shall include any person appointed by the Directors to perform any of the duties of the Secretary including, but not limited to, a joint, assistant or deputy Secretary.

The expression **“officer”** shall include a Director, manager and the Secretary, but shall not include an auditor.

The expression **“stockholders’ meeting”** shall include both a General Meeting and a meeting of the holders of any class of stock of the Company.

The expressions **“communication”** and **“electronic communication”** shall have the same respective meanings as in the Electronic Communications Act 2000, the latter including, without limitation, e-mail, facsimile, CD-Rom, audio tape and telephone transmission and (in the case of electronic communication by the Company in accordance with Regulation 105.1) publication on a web site.

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

Except where the context otherwise requires, any reference to issued shares of any class (whether of the Company or of any other company) shall not include any shares of that class held as treasury shares.

In these Regulations the **“Deferred Scheme”** means the scheme of arrangement dated 20 December 2005 between the Company and the holders of its Deferred Stock (as defined in the Scheme) under section 425 of the Act in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and (save as defined in this Regulation) expressions defined in the Scheme shall have the same meanings in these Regulations.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporated associations.

References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in

force (whether coming into force before or after the adoption of these Regulations).

Subject as aforesaid any words or expressions defined in the Charters shall (if not inconsistent with the subject or context) bear the same meanings in these Regulations.

A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Regulations.

2 Business

Any branch or kind of business which by the Charters is authorised to be undertaken by the Company as subsidiary to its principal business may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

3 Office

The Office shall be at such place in the United Kingdom as the Directors shall from time to time appoint.

4 Stock

Subject to the provisions of the Charters:-

(1) the Deferred Stock shall, subject to the rights of the holders of any other class of Stock for the time being issued, confer on the holders thereof:-

(a) the right to receive the surplus of the profits of the Company which it shall be determined to distribute by way of dividend according to the amounts paid on the Deferred Stock held by them respectively;

(b) the right in a liquidation to the repayment of the capital paid on the Deferred Stock held by them respectively; and

(c) the further right in a liquidation to have the balance remaining, after the capital shall have been so repaid, distributed among them in proportion to the nominal amount of Deferred Stock held by them respectively.

(2) Stock of any other class for the time being issued shall confer on the holders thereof such rights, and shall be subject to such restrictions, as shall have been or shall be determined by the Company in General Meeting or by the Directors under the Charters, subject to any variation or abrogation which may from time to time be effected with such sanction as is prescribed by the Charters.

5 **Renunciation of allotment**

The Directors may at any time after the allotment of any Stock but before any person has been entered in the Register as the holder:

- (a) recognise a renunciation thereof by the allottee in favour of some other person and accord to any allottee of Stock a right to effect such renunciation; and/or
- (b) allow the rights represented thereby to be one or more participating securities,

in each case upon and subject to such terms and conditions as the Directors may think fit to impose.

6 **Trust etc. interests not recognised**

Except as required by law, no person shall be recognised by the Company as holding any stock 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 stock, or any interest in any fractional part of Stock, or (except only as by these Regulations or by law otherwise provided) any other right in respect of any Stock, except an absolute right to the entirety thereof in the holder.

7 **No public offer of Stock**

The Company may not offer Stock, debentures or other securities of the Company to the public.

Stock Certificates

8 **Issue of Stock certificates**

Every person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the Register in respect of Stock in certificated form shall upon the issue or transfer to him of such Stock be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully-paid shares) within five business days after lodgement of the transfer or (in the case of a transfer of partly-paid shares) within two months after lodgement of the transfer.

9 **Form of Stock certificate**

Every Stock certificate shall be executed by the Company in such manner as the Directors may decide (which may include use of the Seal and/or manual or facsimile signatures by one or more Directors) and shall specify the number and class of Stock to which it relates and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

10 **Joint holders**

In the case of Stock held jointly by several persons in certificated form the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

11 **Replacement of Stock certificates**

- 11.1 Any two or more certificates representing Stock of any one class held by any member may at his request be cancelled and a single new certificate for such Stock issued in lieu without charge.
- 11.2 If any member shall surrender for cancellation a Stock certificate representing Stock held by him and request the Company to issue in lieu two or more Stock certificates representing such Stock in such proportions as he may specify, the Directors may, if they think fit, comply with such request.
- 11.3 If a Stock certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Stock may be issued to the holder upon request 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 of the Company in connection with the request as the Directors may think fit.
- 11.4 In the case of Stock held jointly by several persons any such request may be made by any one of the joint holders.

Calls on Stock

12 **Power to make calls**

The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their Stock (whether on account of the nominal value of the Stock or, when permitted, by way of premium) but subject always to the terms of allotment of such Stock. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

13 **Liability for calls**

Each member shall (subject to being given at least 14 days' notice in writing specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his Stock. The joint holders of a Stock shall be jointly and severally liable to pay all calls in respect thereof. A call may be wholly or partly revoked or postponed as the Directors may determine.

14 Interest on overdue amounts

If a sum called in respect of Stock is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 per cent per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

15 Other sums due on Stock

Any sum (whether on account of the nominal value of the Stock or by way of premium) which by the terms of allotment of a Stock becomes payable upon allotment or at any fixed date shall for all the purposes of these Regulations be deemed to be a call duly made and payable on the date on which by the terms of allotment the same becomes payable. In case of non-payment all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

16 Power to differentiate between holders

The Directors may on the allotment of Stock differentiate between the holders as to the amount of calls to be paid and the times of payment.

17 Payment of calls in advance

The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the Stock or by way of premium) uncalled and unpaid upon the Stock held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the Stock in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate as the member paying such sum as the Directors may agree.

Forfeiture and Lien

18 Notice on failure to pay a call

18.1 If a member fails to pay in full any call or instalment of a call on or before the due date for payment thereof, the Directors may at any time thereafter serve a notice in writing on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

18.2 The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in

the event of non-payment in accordance therewith the Stock on which the call has been made will be liable to be forfeited.

19 Forfeiture for non-compliance

If the requirements of any such notice as aforesaid are not complied with, any Stock in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Stock and not actually paid before forfeiture. The Directors may accept a surrender of any Stock liable to be forfeited hereunder.

20 Disposal of forfeited Stock

A Stock so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer forfeited or surrendered Stock to any such other person as aforesaid.

21 Holder to remain liable despite forfeiture

A person whose Stock have been forfeited or surrendered shall cease to be a member in respect of the Stock. He shall, in the case of Stock held in certificated form, surrender to the Company for cancellation the certificate for such Stock. He shall nevertheless remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the Stock with interest thereon at 15 per cent per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment. The Directors may at their absolute discretion enforce payment without any allowance for the value of the Stock at the time of forfeiture or surrender or for any consideration received on their disposal. They may also waive payment in whole or in part.

22 Lien on partly-paid Stock

The Company shall have a first and paramount lien on all Stock (not being fully-paid Stock) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Stock and the Directors may waive any lien which has arisen and may resolve that any Stock shall for some limited period be exempt wholly or partially from the provisions of this .

23 Sale of Stock subject to lien

The Company may sell in such manner as the Directors think fit any Stock on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of

14 days after a notice in writing demanding payment of the sum presently payable and giving notice of intention to sell the Stock in default of payment shall have been given to the holder for the time being of the Stock or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.

24 Proceeds of sale of Stock subject to lien

The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the amount in respect whereof the lien exists so far as the same is then payable and any residue shall, upon surrender (in the case of Stock held in certificated form) to the Company for cancellation of the certificate for the Stock sold and subject to a like lien for sums not presently payable as existed upon the Stock prior to the sale, be paid to the person entitled to the Stock at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the Stock sold to, or in accordance with the directions of, the purchaser.

25 Evidence of forfeiture

A statutory declaration that the declarant is a Director or the Secretary and that Stock has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Stock. Such declaration shall (subject to the relevant share transfer being made, if the same be required) constitute a good title to the Stock. The person to whom the Stock is sold, re-allotted or disposed of shall not be bound to see to the application of the consideration (if any). The title of such person to the Stock shall not be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the Stock.

Transfer of Stock

26 Form of transfer

All transfers of Stock which are in certificated form may 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 and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the Stock concerned until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer which are registered may be retained by the Company.

27 Balance certificate

Where some only of the Stock comprised in a Stock certificate are transferred the old certificate shall be cancelled and, to the extent that the balance is to

be held in certificated form, a new certificate for the balance of such Stock issued in lieu without charge.

28 Right to refuse registration

- 28.1** The Directors may decline to recognise any instrument of transfer relating to Stock in certificated form unless it is in respect of only one class of Stock and is lodged (duly stamped if required) at the Transfer Office accompanied by the relevant Stock certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In the case of a transfer of Stock in certificated form by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgement of Stock certificates will only be necessary if and to the extent that certificates have been issued in respect of the Stock in question.
- 28.2** The Directors may, in the case of Stock in certificated form, in their absolute discretion and without assigning any reason therefor refuse to register any transfer of Stock (not being fully-paid Stock).
- 28.3** The Directors may also refuse to register an allotment or transfer of Stock (whether fully-paid or not) in favour of more than four persons jointly.
- 28.4** If the Directors refuse to register an allotment or transfer of Stock they shall, within two months after the date on which the letter of allotment or instrument of transfer was lodged with the Company, send to the allottee or transferee notice in writing of the refusal.

29 No fee on registration

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

30 Closure of Register

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine and either generally or in respect of any class of Stock

Transmission of Stock

31 Persons entitled on death

In case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the Stock, but nothing in this Regulation shall release the estate of a deceased

member (whether sole or joint) from any liability in respect of any Stock held by him.

32 Election by persons entitled by transmission

A person becoming entitled to a Stock in consequence of the death or bankruptcy of a member or otherwise by operation of law may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Stock either be registered himself as holder of the Stock upon giving to the Company notice in writing to that effect or transfer such Stock to some other person. All the limitations, restrictions and provisions of these s relating to the right to transfer and the registration of transfers of Stock shall be applicable to any such notice or transfer as aforesaid as if the notice or transfer were a transfer made by the member registered as the holder of any such Stock.

33 Rights of persons entitled by transmission

Save as otherwise provided by or in accordance with these Regulations, a person becoming entitled to a Stock in consequence of the death or bankruptcy of a member or otherwise by operation of law (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Stock) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the Stock except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to stockholders' meetings until he shall have been registered as a member in respect of the Stock.

General Meetings

34 Annual and Extraordinary General Meetings

An Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

35 Convening of General Meetings

35.1 The Directors may whenever they think fit, and shall on the requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up Stock as at the date of the deposit carries the right of voting at General Meetings of the Company, forthwith proceed duly to convene an Extraordinary General Meeting of the Company.

35.2 The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of

several documents in like form each signed by one or more requisitionists.

- 35.3** If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.
- 35.4** A meeting convened under this Regulation by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Directors.
- 35.5** Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists, and any sum so repaid shall be retained out of any sums due or to become due by way of fees or other remuneration in respect of their services to such of the Directors as were in default.
- 35.6** For the purposes of this Regulation the Directors shall, in the case of a meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by these Regulations.

Notice of General Meetings

36 Notice of General Meetings

An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and any other Extraordinary General Meeting by 14 days' notice in writing 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 and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these Regulations entitled to receive such notices from the Company Provided that the Company may determine that only those persons entered on the Register at the close of business on a day determined by the Company, such day being no more than 21 days before the day that notice of the meeting is sent, shall be entitled to receive such a notice and Provided also 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 value of the Stock giving that right.

37 Contents of notice of General Meetings

- 37.1** Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.
- 37.2** The notice shall specify the general nature of the business to be transacted at the meeting; and if any resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.
- 37.3** In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- 37.4** For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend or vote at the meeting.

Proceedings at General Meetings

38 Chairman

At any General Meeting the Chairman of the Directors, failing whom a Deputy Chairman, failing whom any Director present and willing to act and, if more than one, chosen by the Directors present at the meeting, shall preside as chairman. If no Director is present within five minutes after the time appointed for holding the meeting and willing to act as chairman, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.

39 Quorum

No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. One member present in person or by proxy and entitled to vote shall be a quorum for all purposes.

40 Lack of quorum

If within five minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, or if during the meeting a quorum ceases to be present, the

meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such day, 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.

41 Adjournment

The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors.

42 Notice of adjourned meeting

When a meeting is adjourned for 30 days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in accordance, *mutatis mutandis*, with Regulations 36 and 37. Otherwise it shall not be necessary to give any such notice.

43 Amendments to resolutions

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 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 to correct a patent error) may in any event be considered or voted upon.

44 Written resolutions

A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a stockholders' meeting at which he was present shall be as effectual as if it had been passed at a stockholders' meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

Polls

45 Demand for poll

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

- (a) the chairman of the meeting; or

- (b) not less than five members present in person or by proxy and entitled to vote; or
- (c) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) a member or members present in person or by proxy and holding Stock in the Company conferring a right to vote at the meeting being Stock on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Stock conferring that right.

45.2 A demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

46 Procedure on a poll

A poll shall be taken in such manner (including by use of ballot or voting papers or electronic means, or any combination thereof) as the chairman of the meeting may direct, and the result of the 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) appoint scrutineers (who need not be members) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

47 Voting on a poll

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

48 Timing of poll

A poll demanded on the choice 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 (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

Votes of Members

49 Votes attaching to shares

Subject to Regulation 37.4 and to any special rights or restrictions as to voting attached by or in accordance with these Regulations to any class of Stock, 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 each separate and complete £1 nominal of Stock of which he is the holder.

50 Votes of joint holders

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

51 Chairman's casting vote

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

52 Restriction on voting in particular circumstances

No member shall, unless the Directors otherwise determine, be entitled in respect of any Stock held by him to vote either personally or by proxy at a stockholders' meeting or to exercise any other right conferred by membership in relation to stockholders' meetings if any call or other sum presently payable by him to the Company in respect of that Stock remains unpaid.

53 Validity and result of vote

53.1 No objection shall be raised as to the qualification of any voter or the admissibility of any vote except at the meeting or adjourned meeting at which the vote is tendered. Every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

53.2 Unless a poll is taken a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

Proxies and Corporate Representatives

54 Proxy need not be a member

A proxy need not be a member of the Company.

55 Form of proxy

The appointment of a proxy must be in writing in any usual or common form or in any other form which the Directors may approve and:

(a) in the case of an individual must either be signed by the appointor or his attorney or comply with Regulation 104; and

(b) in the case of a corporation must be either given under its common seal or be signed on its behalf by an attorney or a duly authorised officer of the corporation or comply with Regulation 104.

The signature on such appointment need not be witnessed. Where appointment of a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a copy thereof certified notarially or in some other way approved by the Directors must (failing previous registration with the Company) be submitted to the Company, failing which the appointment may be treated as invalid.

56 Deposit of form of proxy

The appointment of a proxy must be received at such address or one of such addresses (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no address is so specified, must be left at the Transfer Office) not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The appointment shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An appointment relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

57 Rights of proxy

A proxy shall have the right to demand or join in demanding a poll but no further right to speak at the meeting, except with the permission of the chairman of the meeting.

58 Revocation of proxy

A vote cast or demand for a poll made by proxy shall not be invalidated by the previous death or insanity of the member or by the revocation of the appointment of the proxy or of the authority under which the appointment was made unless notice in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

59 Corporations acting by representatives

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 shareholders' meeting. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these s be deemed to be present in person at any such meeting if a person so authorised is present thereat.

Directors

60 Number of Directors

Subject as hereinafter provided the Directors shall not be less than three nor more than ten in number. The Company may by Ordinary Resolution from time to time vary the minimum number and/or maximum number of Directors.

61 Share qualification

A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

62 Directors' fees

The ordinary remuneration of the Directors other than the Chairman and any salaried directors shall from time to time be determined by the Directors except that such remuneration shall not exceed £500,000 per annum in aggregate or such higher amount as may from time to time be determined by Ordinary Resolution of the Company and shall (unless such resolution otherwise provides) be divisible among 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 has held office.

63 Other remuneration of Directors

Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee of the Directors, 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, commission or otherwise or may receive such other benefits as the Directors may determine.

64 Directors' expenses

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or shareholders' meetings or otherwise in connection with the business of the Company.

65 Pensions and insurance

- 65.1** The Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have been Directors of or who are or have been employed by, or who are serving or have served the Company or any company which is a Subsidiary of or associated with the Company or any such Subsidiary or a predecessor in business of the Company or of any such Subsidiary and to the wives, widows, children and other relatives and dependants of any such persons, may make payments towards insurance and may set up, establish, support and maintain pension, superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them.
- 65.2** Without prejudice to the provisions of Regulation 108, the Directors shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company or of any other company which is a Subsidiary of or associated with the Company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company 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 or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company or pension fund.
- 65.3** No Director or former Director shall be accountable to the Company or the members for any benefit provided pursuant to this Regulation and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.
- 65.4** In addition to any other remuneration to which they are or may become entitled under these Regulations, the Directors shall be paid and retain out of the funds of the Company all costs, charges, and expenses which they may incur or become liable to in the course of the discharge of their duties as Directors, including all travelling expenses incurred by them on journeys undertaken by them on behalf of the Company.
- 65.5** A Director of the Company may continue to be or may become a director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or

otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

- 65.6** If any Director shall, in the opinion of the Directors, at their request perform or agree to perform any duties or render or agree to render any services which shall in the like opinion be outside the ordinary scope of his duties as a Director of the Company, the Directors may, either in addition to or in substitution for any other remuneration of such Director under these Regulations, give or agree to give special remuneration to such Director by paying to him a fixed sum out of the funds of the Company, or by any other means which the Directors may deem proper.

66 Appointment of Salaried Directors

- 66.1** The Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Charters and these Regulations) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.
- 66.2** The appointment of any Director to the office of Chairman or Deputy Chairman or Managing or Joint Managing or Deputy or Assistant Managing Director 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.
- 66.3** 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 state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

67 Powers of Salaried Directors

The Directors may entrust to and confer upon any Director holding any executive 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.

Appointment and Retirement of Directors

68 Retirement

The Directors shall not be subject to retirement by rotation.

69 Re-election of retiring Director

The Company at the meeting at which a Director retires under any provision of these Regulations may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director (if eligible for re-election) or some other person eligible for election. In the absence of such a resolution the retiring Director shall nevertheless be deemed to have been re-elected except in any of the following cases:

- (a) where at such meeting a resolution for the re-election of such Director is put to the meeting and lost, or it is expressly resolved not to fill the office being vacated;
- (b) where such Director is ineligible for re-election or has given notice in writing to the Company that he is unwilling to be re-elected; or
- (c) where a resolution to elect such Director is void by reason of contravention of the next following .

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

70 Election of two or more Directors

A resolution for the election of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it. Any resolution moved in contravention of this provision shall be void.

71 Nomination of Director for election

No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a 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 date appointed for the meeting there shall have been lodged at the Office notice in writing signed 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 election and also notice in writing signed by the person to be proposed of his willingness to be elected.

72 Election or appointment of additional Director

The Company may by Ordinary Resolution elect, and without prejudice thereto the Directors shall have power at any time to appoint, any person to be a Director either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Regulations. Any person

so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for election.

73 **Vacation of office**

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

- (a) if he shall become prohibited by law from acting as a Director;
- (b) if he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (c) if he shall have a bankruptcy order made against him or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (d) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (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 shall be absent from meetings of the Directors for six months without leave and the Directors shall resolve that his office be vacated;
- (f) if a notice in writing is served upon him, signed by all his co-Directors for the time being, to the effect that his office as Director shall on receipt of such notice *ipso facto* be vacated, 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) in the case of a director other than the Chairman and any director holding an executive office, if the Directors shall resolve to require him to resign in accordance with paragraph (b) above and within 30 days of being given notice of such resolution, he shall fail to do so.

74 **Removal of Director**

The Company may in accordance with and subject to the provisions of the Charters and these Regulations by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these Regulations or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and elect another person in place of a Director so removed from office.

Meetings and Proceedings of Directors

75 Convening of meetings of Directors

75.1 Subject to the provisions of these Regulations the Directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. Any Director may waive notice of any meeting and any such waiver may be retroactive.

75.2 The Directors shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and a quorum in that event shall be two Directors so linked. Such a meeting shall be deemed to take place where the largest group of Directors participating is assembled or, if there is no such group, where the chairman of the meeting then is.

76 Quorum

The quorum necessary for the transaction of business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

77 Chairman

77.1 The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

77.2 If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment or otherwise as resolved by the Directors.

78 Casting vote

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

79 Number of Directors below minimum

The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Regulations the continuing Directors or Director may act for the purpose of filling such vacancies or of summoning General Meetings, 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.

80 Written resolutions

A resolution in writing signed by all the Directors entitled to vote thereon shall be as valid and effectual as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form each signed by one or more Directors.

81 Validity of proceedings

All acts done by any meeting of Directors, or of any committee or sub-committee of the Directors, or by any person acting as a Director or as a member of any such committee or sub-committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified 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 or sub-committee and had been entitled to vote.

Directors' Interests

82 Directors may have interests

Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any contract, transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- (c) may (or any firm of which he is a partner, employee or member may) act in a professional capacity for the Company (other than as Auditor) and be remunerated therefor; and
- (d) shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he derives from any such contract,

transaction or arrangement or from any such office or employment or from any interest in any such body corporate or for such remuneration and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

83 Restrictions on voting

- 83.1** Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of interests in Stock or debentures or other securities of, or otherwise in or through, the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote.
- 83.2** 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 any resolution concerning 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 by 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 other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (b) any proposal concerning an offer of Stock or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (c) any proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise, provided that he (together with persons connected with him within the meaning of Section 346 of the Act) does not have an interest (as that term is used in Sections 198 to 211 of the Act) in one per cent or more of the issued equity share capital of any class of such body corporate (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this to be a material interest in all circumstances);
 - (d) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
 - (e) any proposal concerning (i) insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors, or (ii) indemnities in favour of

Directors, or (iii) the funding of expenditure by one or more Directors on defending proceedings against him or them, or (iv) doing anything to enable such Director or Directors to avoid incurring such expenditure.

- 83.3** Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph 94.2(c) above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 83.4** If a question arises at any time as to the materiality of a Director's interest or as to his entitlement to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fairly disclosed.

84 Directors' interests - general

For the purposes of the two preceding Regulations:

- (a) 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;
- (b) an interest of a person who is connected (within the meaning of Section 346 of the Act) with a Director shall be treated as an interest of the Director; 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.

Committees of the Directors

85 Appointment and constitution of committees

The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees. Any such committee shall, unless the Directors otherwise resolve, have power to sub-delegate to sub-committees any of the powers or discretions delegated

to it. Any such committee or sub-committee shall consist of one or more Directors and (if thought fit) one or more other named person or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee or sub-committee, any reference in these s to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee or sub-committee. Any committee or sub-committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee or sub-committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee or sub-committee.

86 Proceedings of committee meetings

The meetings and proceedings of any such committee or sub-committee consisting of two or more persons shall be governed *mutatis mutandis* by the provisions of these Regulations regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Regulation.

Powers of Directors

87 General powers

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 Charters or by these Regulations required to be exercised by the Company in General Meeting subject nevertheless to any provisions of these Regulations and of the Charters, and to such regulations as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this shall not be limited or restricted by any special authority or power given to the Directors by any other .

88 Appointment of attorney

The Directors may from time to time and at any time appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these s) and for such period and subject to such conditions as they may think fit, and any such appointment 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.

89 Signature on cheques etc.

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.

90 Borrowing powers

Subject to the provisions of the Charters, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Alternate Directors

91 Alternate Directors

- 91.1** Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors or unless the appointee is another Director, shall have effect only upon and subject to being so approved.
- 91.2** The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director, otherwise than by retirement at a General Meeting at which he is re-elected.
- 91.3** An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these s shall apply as if he (instead of his appointor) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees of the Directors the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which his appointor is a

member. An alternate Director shall not (save as aforesaid) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these s, nor shall he be deemed to be the agent of his appointor.

- 91.4** An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

Secretary

92 Secretary

The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any 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. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Deputy and/or Assistant Secretaries.

The Seal

93 The Seal

- 93.1** The Directors may from time to time change the Seal, and may make such provision for its custody as they may think fit. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors or a committee of the Directors, and in the presence of at least one Director and of the Secretary who shall sign every instrument to which the Seal shall be so affixed in their presence, provided that a certificate for Stock, debenture Stock or representing any other form of security need not be signed or countersigned if the method or system of affixing the Seal thereto shall be controlled by (or the certificate shall have been approved for sealing by) the Directors, Auditors, Transfer Auditors or Bankers of the Company.
- 93.2** The Company may exercise the powers conferred by the Charters with regard to having an official seal for use abroad and such powers shall be vested in the Directors.
- 93.3** Any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument which makes it clear on its face that it is intended to have effect as a deed

shall be so signed without the authority of the Directors or of a committee authorised by the Directors in that behalf.

Authentication of Documents

94 Authentication of documents

Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed at a stockholders' meeting or at a meeting of the Directors or any committee, and any book, record, document or account relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any book, record, document or account is 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 any such resolution, or an extract from the minutes of any such meeting, 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 any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

Reserves

95 Dividends and Reserve Fund

- 95.1** Dividends and interim dividends may from time to time be declared and paid on the Stock in accordance with the provisions of the Charters, but no dividend shall be of a larger amount than shall be recommended by the Directors.
- 95.2** The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they may from time to time think proper as a reserve or suspense fund. All sums so set aside and every reserve or other similar fund belonging to the Company (such sums and funds being in these Regulations collectively referred to as "the reserve fund") shall, at the discretion of the Directors, be applicable for meeting any contingencies or any depreciation in any of the Company's assets, for the gradual liquidation of any debt or liability of the Company, or for repairing, improving, or maintaining any property of the Company, or for distribution by way of dividend or bonus, or for any other purpose, which the Directors in their discretion may deem to be for the advantage of the Company. Provided that only such parts of the reserve fund, as shall from time to time, in the opinion of the Directors, represent undivided profits properly available for dividend shall be distributed by way of dividend or bonus.
- 95.3** The Directors may invest any moneys representing any part of the reserve fund in any manner authorised by these Regulations, or they may

employ all or any of such moneys in the business of the Company without being bound to keep such moneys separate from the other assets of the Company. The Directors may divide the reserve fund into such special funds as they may deem expedient. The income of the reserve fund may, at the discretion of the Directors, be treated as profits of the Company or be dealt with in such other manner as the Directors may think fit.

- 95.4** The finding of the Directors as to the amount or amounts of profits available for dividends payable to or divisible among the different classes of members shall be conclusive.
- 95.5** (1) Until otherwise directed by a member, any dividend or other moneys payable by the Company to such member in respect of any Stock may be paid by cheque or warrant sent by post to the registered address of the holder of the Stock (in this Regulation referred to as the "holder") or any person entitled to the Stock by reason of the death or bankruptcy of the holder or otherwise by operation of law (in this Regulation referred to as the "person entitled") or, if two or more persons are the holders or are jointly entitled, to the registered address of the person who is first named in the register of members in respect of such holding or to such person and to such address as the holders or the persons entitled may in writing direct.
- (2) Any such dividend or other money may also be paid by any other method including direct debit, bank or other funds transfer system.
- (3) Every such cheque or warrant so sent or payment by such other method so made shall be made payable to or to the order of the holder or person entitled or to or through such other person as the holder or person entitled may in writing direct.
- (4) Payment of a cheque or warrant by the bank on which it was drawn, the transfer of the funds by the bank instructed to make the same, shall be a good discharge to the Company. The Company shall have no responsibility for any sums lost or delayed in the course of payment by a method properly selected by the Board pursuant to this Regulation, or where it has acted on any directions given by the holder or person entitled. Any joint holder or person jointly entitled may give receipts for any dividend or other moneys payable in respect of the Stock.
- 95.6** The Directors may deduct from any dividend payable to any member in respect of any Stock on which the Company has a lien, all such sums of money (if any) as may be due and payable by him to the Company on any account.
- 95.7** No unpaid dividend shall bear interest as against the Company.
- 95.8** All unclaimed dividends may be invested or otherwise employed by the Directors for the benefit of the Company until claimed. If the Company pays any unclaimed dividend or other moneys payable on or in respect of a share into a separate account, such payment shall not constitute the Company a Trustee in respect thereof and any dividend which remains

unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

95.9 (1) The Company may from time to time and at any time, by resolution passed in General Meeting upon the recommendation of the Directors, direct that a dividend or other payment in the nature of a dividend shall be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares, Stock or securities of any other company.

(2) The Directors may, with the prior sanction of a resolution of the Company in General Meeting, offer to members the right to receive fully paid Stock wholly or partly in lieu of a dividend, and shall appropriate to the relevant members who have accepted such an offer such amounts out of the profits of the Company, or out of the share premium account, capital redemption reserve or any other reserve (whether or not distributable), as may be necessary and apply the amounts so appropriated in paying up in full unissued Stock and issuing such Stock to such members in the relevant proportions.

95.10 The Company may from time to time and at any time by resolution passed in General Meeting upon the recommendation of the Directors capitalise any sum or sums not required for the payment of, or provision for, the fixed cumulative preferential dividend on the Preferred Stock (or any other fixed preferential dividend on any other class of Stock) and for the time being forming part of (a) any undivided profits of the Company standing to the credit of the profit and loss account or (b) any reserve of the Company (including any sum or sums which arise or have arisen as the result or by virtue of any sale or revaluation of the assets of the Company or any part of such assets and including any sum standing to the credit of share premium account, capital redemption reserve or any other undistributable reserve) and direct the appropriation of the sum or sums so capitalised to and among the holders of the Deferred Stock in the proportions in which they would have been entitled thereto if distributed by way of dividend, on the footing that such holders become entitled thereto as capital, and that such capitalised sum or sums be applied either in paying up the amounts, if any, for the time being unpaid on any Stock held by them respectively or in paying up in full unissued Stock or debentures of the Company on behalf of such holders aforesaid, and that the Stock or debentures so paid up shall be distributed as capital amongst such holders in the proportions aforesaid. Provided that the share premium account, the capital redemption reserve and any profits or reserves which are not available for distribution may for the purposes of this Regulation only be applied in paying up unissued Stock to be issued to such holders credited as fully paid.

95.11 The Directors may settle any difficulty or matter arising in connection with any distribution to be made as they think expedient and in particular (but without limiting the generality of the foregoing) may:-

(a) settle fractional entitlements by the issue of fractional certificates, by the sale of Stock or debentures representing

entitlements to fractions and the distribution of the net proceeds of sale in due proportions among the persons otherwise entitled to such fractions, by payments in cash, by any combination of the foregoing or in any other manner which they think expedient;

(b) fix the value for distribution of the whole or any part of any assets, Stock or debentures;

(c) in order to adjust the rights of the parties, make cash payments to any members on the footing of the value fixed under paragraph (b) above;

(d) vest any Stock, debentures or assets in trustees upon such trusts for all or any of the persons entitled to share in the distribution as the Directors may think expedient;

(e) authorise any person on behalf of all the members concerned to enter into an agreement with the Company providing for the issue to them respectively, credited as fully paid, of any Stock or debentures to which they are entitled upon such a distribution, and so that any agreement made under such an authority shall be binding on all the members concerned.

Accounts

96 Accounting records

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the relevant sections of the Companies Act 1985 shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person 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.

97 Copies of accounts for members

A copy of every balance sheet and profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than 21 days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of General Meetings from the Company under the provisions of the Act, the Charters or of these Regulations Provided that this Regulation shall not require a copy of these documents to be sent to any member to whom a summary financial statement is sent in accordance with the Act nor to more than one of joint holders nor to any person of whose postal address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the

Office. To the extent permitted by the Statutes and agreed by the member, the documents referred to in this Regulation may be sent by electronic communication.

Auditors

98 Auditors shall be appointed and their duties regulated in accordance with sections 384 to 394 of the Act or any statutory modification or re-enactment thereof for the time being in force.

99 Validity of Auditor's acts

Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

100 Auditor's right to attend General Meetings

An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

Notices

101 Service of notices

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

101.2 Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it by post in a pre-paid cover addressed to such member at his registered address, or by delivering it to such address addressed as aforesaid.

101.3 Any document or notice which, in accordance with these Regulations, may be sent by the Company by electronic communication shall, if so sent, be deemed to be received at the expiration of 24 hours after the time it was sent. Proof (in accordance with the formal recommendations of best practice contained in the guidance issued by the Institute of Chartered Secretaries and Administrators) that an electronic communication was sent by the Company shall be conclusive evidence of such sending.

101.4 Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of 24 hours (or, where second-class mail is employed, 48 hours) after the time when the

cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

- 101.5** The accidental failure to send, or the non-receipt by any person entitled to, any notice of or other document relating to any meeting or other proceeding shall not invalidate the relevant meeting or other proceeding.

102 Joint holders

Any notice in writing given to that one of the joint holders of Stock whose name stands first in the Register in respect of the Stock shall be sufficient notice to all the joint holders in their capacity as such.

103 Deceased and bankrupt members

A person entitled to Stock in consequence of the death or bankruptcy of a member or otherwise by operation of law, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the Stock, and upon supplying also a postal address for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said member would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Stock. Save as aforesaid any notice or document delivered or sent to any member in pursuance of these Regulations shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any Stock registered in the name of such member as sole or first-named joint holder.

104 Signature of documents

Where under these Regulations a document requires to be signed by a member or other person then, if in the form of an electronic communication, it must to be valid incorporate the electronic signature or personal identification details (which may be details previously allocated by the Company) of that member or other person, in such form as the Directors may approve, or be accompanied by such other evidence as the Directors may require to satisfy themselves that the document is genuine. The Company may designate mechanisms for validating any such document, and any such document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

105 Electronic communication

- 105.1** Any member may notify the Company of an address for the purpose of his receiving electronic communications from the Company, and having done so shall be deemed to have agreed to receive notices and other documents from the Company by electronic communication of the kind to

which the address relates. In addition, if a member notifies the Company of his e-mail address, the Company may satisfy its obligation to send him any notice or other document by:

- (a) publishing such notice or document on a web site; and
- (b) notifying him by e-mail to that e-mail address that such notice or document has been so published, specifying the address of the web site on which it has been published, the place on the web site where it may be accessed, how it may be accessed and (if it is a notice relating to a shareholders' meeting) stating (i) that the notice concerns a notice of a company meeting served in accordance with the Act, (ii) the place, date and time of the meeting, (iii) whether the meeting is to be an annual or extraordinary general meeting and (iv) such other information as the Charters may prescribe.

105.2 Any amendment or revocation of a notification given to the Company under this Regulation shall only take effect if in writing, signed by the member and on actual receipt by the Company thereof.

105.3 An electronic communication shall not be treated as received by the Company if it is rejected by computer virus protection arrangements.

106 Statutory requirements as to notices

Nothing in any of the preceding five Regulations shall affect any requirement of the Charters that any particular offer, notice or other document be served in any particular manner.

107 The Deferred Scheme

- (A) Notwithstanding any other provision of these Regulations, if the Company issues any Deferred Stock other than to the Offeror (as defined in the Deferred Scheme) ("the Offeror") or its nominee(s) after the Voting Record Time (as defined in the Deferred Scheme) and prior to the Scheme Record Time (as defined in the Deferred Scheme), such Deferred Stock shall be issued subject to the terms of the Deferred Scheme and the holders of such Deferred Stock shall be bound by the Deferred Scheme accordingly.
- (B) A transfer of Loan Note Elected Stock executed pursuant to Clause 3(2) of the Deferred Scheme need not be accompanied by the certificate for such stock and Regulation 26 shall take effect subject to this Regulation.
- (C) Subject to the Deferred Scheme becoming effective, if Deferred Stock is issued to any person (a "New Member") (other than under the Deferred Scheme or to the Offeror or its nominee(s)) on or after the Deferred Capital Reduction Date (the "Post-Scheme Stock"), it will be immediately transferred to the Offeror (the "Purchaser") (or as it may direct) in consideration of and conditional on the payment to the New Member of 520 pence in cash for each unit of such Deferred Stock.

- (D) On any reorganization of, or material alteration to, the Deferred Stock of the Company (including, without limitation, any subdivision and /or consolidation), the value of the cash payment per unit of Deferred Stock to be paid under paragraph (B) of this Regulation shall be adjusted by the Directors in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Regulation to Deferred Stock shall, following such adjustment, be construed accordingly.
- (E) To give effect to any transfer required by paragraph (C) of this Regulation, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Stock to the Purchaser and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Stock in the Purchaser or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Stock as the Purchaser may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Stock unless so agreed by the Purchaser and the attorney may execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the purchaser price of the Post-Scheme Stock and may register the Purchaser as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Stock. The Purchaser shall send a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Stock within five business days of the time on which the Post-Scheme Stock is issued to the New Member.

108 Indemnity

Without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

109 **Overriding provisions**

Any member holding, or any members together holding, Stock carrying not less than 90 per cent of the votes which may for the time being be cast at a General Meeting of the Company may at any time and from time to time:

- (a) appoint any person to be a Director (whether to fill a vacancy or as an additional Director);
- (b) remove from office any Director howsoever appointed 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;
- (c) by notice to the Company require that no unissued shares shall be issued or agreed to be issued or put under option without the consent of such member or members;
- (d) restrict any or all powers of the Directors in such respects and to such extent as such member or members may by notice to the Company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing served on the Company and signed by the member or members. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of such member or members has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.

To the extent of any inconsistency this Regulation shall have overriding effect as against all other provisions of these Regulations.

110 **Inconsistency**

To the extent any of these Regulations are repugnant to or inconsistent with the Charters, such Regulations shall be deemed void and of no effect.