

No. 1470151

*The Companies Acts 1948 to 1983  
and The Companies Act 1985*

COMPANY LIMITED BY SHARES

## **Memorandum**

*(Amended by Special Resolution passed on 2nd January, 1981)*

AND

NEW

## **Articles of Association**

*(Adopted by Special Resolution passed on 2nd January, 1981  
and amended pursuant to Special Resolutions passed on  
3rd February, 1981, 18th May, 1982, 29th April, 1985, 12th May, 1987,  
10th May, 1988, 10th May, 1989 and 16th August, 1989)*

OF

# **BRITISH AEROSPACE PUBLIC LIMITED COMPANY**

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Incorporated the 31st day of December, 1979.

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LINKLATERS & PAINES,  
BARRINGTON HOUSE  
59-67 GRESHAM STREET,  
LONDON EC 2V 7JA.

COMPANIES HOUSE  
28 NOV 1989

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No. 1470151



## **Certificate of Incorporation**

### **ON RE-REGISTRATION AS A PUBLIC COMPANY**

I HEREBY CERTIFY that BRITISH AEROSPACE PUBLIC LIMITED COMPANY has this day been re-registered under the Companies Acts 1948 to 1980 as a public company, and that the company is limited.

DATED at Cardiff the 2nd January, 1981

D. B. NOTTAGE

*Registrar of Companies.*

C455

No. 1470151



## Certificate of Incorporation

I HEREBY CERTIFY that BRITISH AEROSPACE LIMITED is this day incorporated under the Companies Acts 1948 to 1976 and that the Company is Limited.

GIVEN UNDER MY HAND AT Cardiff the 31st December, 1979

E. A. WILSON

*Assistant Registrar of Companies.*

No. 1470151

The Companies Act 1985

COMPANY LIMITED BY SHARES

## **Special Resolution**

of

## **BRITISH AEROSPACE PUBLIC LIMITED COMPANY**

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At an EXTRAORDINARY GENERAL MEETING of the above-named Company duly convened and held at the London Marriott Hotel, Grosvenor Square, London W.1. on Wednesday, 16th August, 1989 the following RESOLUTION was duly passed as a SPECIAL RESOLUTION:—

1. "THAT subject to and conditional upon the Offer (as defined in the Offer document dated 24th July, 1989 issued by J. Henry Schroder Wagg & Co. Limited on behalf of the Company and addressed, *inter alia*, to the ordinary shareholders of Arlington Securities Plc and including any amendment, revision or extension thereof) or any additional or other offer or offers by J. Henry Schroder Wagg & Co. Limited on behalf of the Company for the issued ordinary share capital of Arlington Securities Plc becoming unconditional in all respects (other than as regards any condition relating to the passing of this Resolution):—
  - (i) the authorised share capital of the Company be increased from £170,000,001 to £260,000,001 by the creation of 275,000,000

7.75p (net) cumulative convertible redeemable preference shares of 25p each and by the creation of 42,500,000 new Ordinary Shares of 50p each;

- (ii) the Articles of Association of the Company be amended by the deletion of Article 3 and the substitution therefor of the new Article 3 set out in the document submitted to the Meeting and signed by the Chairman for the purpose of identification;
- (iii) the Directors be generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £68,750,000 provided that:—
  - (a) this authority shall expire on 31st July, 1990; and
  - (b) the authority hereby conferred shall be additional to and without prejudice to the authority and power conferred upon the Directors by Article (11)(B) of the Articles of Association of the Company as renewed by Special Resolution 2 passed at the Annual General Meeting of the Company on 10th May, 1989;
- (iv) to the extent necessary in connection with the allotment of Ordinary Shares of 50p each on conversion of any 7.75p (net) cumulative convertible redeemable preference shares of 25p each (howsoever effected), the Directors be empowered to allot equity securities pursuant to and during the period of the authority conferred by paragraph (iii) above as if Section 89 of the Act did not apply to any such allotment;
- (v) by the authorities and powers contained in paragraphs (iii) and (vi) above the Directors may during the period of the authority conferred by paragraph (iii) above make offers or agreements which would or might require the allotment of securities after the expiry of such period; and
- (vi) for the purpose of this Resolution words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings herein."\*

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\*Note: A further Special Resolution passed at the said Annual General Meeting effected certain amendments to the Company's Articles of Association all of which have been embodied in the print thereof contained herein.

whether guided or otherwise, torpedoes, explosives and ammunition and armaments of all kinds, motor cars and vehicles generally, boats and all other conveyances, whether armoured or not, and means of locomotion of all descriptions, and any component or other parts thereof and accessories and fittings therefor, and all kinds of machinery and apparatus capable of being used in connection with such invention, design, development, manufacture, construction, assembly, testing, repair and maintenance and in connection with the operation and use of aeroplanes, airships, sea-planes, aircraft, hovercraft, space vehicles, communications satellites, guided missiles, rockets, propellers and such other machines or apparatus as aforesaid, airports and the like, and to carry on the business of flying and gliding instructors, and to establish, maintain and operate lines of aerial, land and sea conveyances and craft.

- (2) To carry on all or any of the trades or businesses of aeronautical, electrical, electronic, micro-electronic, micro-processing, mechanical, metallurgical and chemical engineers in all their respective branches and to deal in or supply all apparatus and things capable of being used in connection therewith.
- (3) To carry on the business of armament manufacturers in all its branches and in particular to manufacture, sell, maintain, repair and deal in propelling and auxiliary machinery for ships and accessories or component parts thereof and guns, gun-carriages, tanks, armoured cars and other vehicles, machine guns, rifles and small arms and all descriptions of ordnance, armament, arms, weapons, whether guided or otherwise, rockets, torpedoes, ammunition, explosives and munitions of war and all component parts thereof and accessories thereto.
- (4) To conduct research and development in connection with the operations of the Company, to establish and maintain research stations, laboratories, workshops, ranges, testing and proving grounds, facilities and establishments and generally to act as researchers and developers.
- (5) To carry on all or any of the businesses of insurance brokers, insurance underwriters, managers of property,

freight contractors, carriers by land, water and air of passengers and goods, barge owners, lightermen, forwarding agents, ice merchants, refrigerating storekeepers, storage contractors, warehousemen, wharfingers, general traders, licensed victuallers, refreshment room proprietors, club, hotel and inn proprietors, photographers, printers, builders, contractors, painters and decorators.

- (6) To crush, win, get, quarry, smelt, refine, manufacture, grow, produce, treat and prepare for market and deal in ores, metals, chemicals, mineral, vegetable and animal substances and oils, timber, fabrics, yarns, fibres, cellulose of all kinds, and their respective derivatives and by-products, and all machinery, tools and apparatus used in connection therewith and to carry on any business relating to the winning, production, treatment, working or use thereof and the preparation thereof for market, and to carry on business as engineers, ironmasters, steel makers, steel workers, brass founders, colliery proprietors, coke manufacturers, miners, smelters, tinplate makers, brick-makers, distillers, die-makers, metallurgists, chemists, gas producers and suppliers of petrol, oil, spirit and other motive power.
- (7) To design, build, construct, equip, execute, carry out, improve, work, develop, administer, maintain, manage or control works, plants, factories, wharves, jetties, roads, warehouses, depots, offices, hangers, aerodromes and laboratories and other buildings, structures or facilities of all kinds, whether for the purposes of the Company or for sale, letting on hire to or in return for any consideration from any company, firm or person, and to contribute to or assist in or carry out any part of any such operation.
- (8) To manufacture, buy, sell, let on hire and deal in articles and things wholly or partly made of metal and/or wood and in all kinds of machinery, gears, wireless and other apparatus, tools and all engineering products.
- (9) To manufacture and deal in all kinds of articles and things required for the purposes of any such business as aforesaid or commonly dealt in by persons engaged in any such business, and to carry on any other trade or business, whether subsidiary or not, which can in the



opinion of the Directors be carried on advantageously in connection with any of the trades or businesses aforesaid, or which, in the opinion of the Directors, will enhance the value of any of the Company's property.

- (10) To carry on any other business of any nature whatsoever which may seem to the Directors to be capable of being conveniently carried on in connection or conjunction with any business of the Company hereinbefore or hereinafter authorised or to be expedient with a view to rendering profitable or more profitable any of the Company's assets or utilising its know-how or expertise.
- (11) To subscribe, underwrite, purchase, or otherwise acquire, and to hold, dispose of, and deal with, any shares or other securities or investments of any nature whatsoever, and any options or rights in respect thereof, and to buy and sell foreign exchange.
- (12) To draw, make, accept, endorse, discount, negotiate, execute, and issue, and to buy, sell and deal with bills of exchange, promissory notes and other negotiable or transferable instruments or securities.
- (13) To purchase, or otherwise acquire for any estate or interest any property or assets or any concessions, licences, grants, patents, trade marks, copyrights or other exclusive or non-exclusive rights of any kind and to develop and turn to account and deal with the same in such manner as may be thought fit and to make experiments and tests and to carry on all kinds of research work.
- (14) To amalgamate or enter into partnership or any joint venture or profit-sharing arrangement or other association with any company, firm, entity or person.
- (15) To purchase or otherwise acquire and undertake all or any part of the business, property and liabilities of any company, firm or person carrying on any business which the Company is authorised to carry on or possessed of any property suitable for the purposes of the Company.
- (16) To promote, or join in the promotion of, any company, whether or not having objects similar to those of the Company.

- (17) To borrow and raise money and to secure or discharge any debt or obligation of or binding on the Company in such manner as may be thought fit and in particular by mortgages and charges upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the company, or by the creation and issue of debentures, debenture stock or other securities of any description.
- (18) To advance, lend or deposit money or give credit to or with any company, firm, person or governmental, municipal or statutory authority or body on such terms as may be thought fit and with or without security.
- (19) To guarantee or give indemnities or provide security, whether by personal covenant or by mortgage or charge upon all or any part of the undertaking, property and assets (present and future) and the uncalled capital of the Company, or by all or any such methods, for the performance of any contracts or obligations, and the payment of capital or principal (together with any premium) and dividends or interest on any shares, debentures or other securities, of any person, firm or company including (without limiting the generality of the foregoing) any company which is for the time being a holding company of the Company or another subsidiary of any such holding company or is associated with the Company in business.
- (20) To issue any securities which the Company has power to issue for any other purpose by way of security or indemnity or in satisfaction of any liability undertaken or agreed to be undertaken by the Company.
- (21) To sell, lease, grant licences, easements and other rights over, and in any other manner deal with or dispose of, the undertaking, property, assets, rights and effects of the Company or any part thereof for such consideration as may be thought fit, and in particular for shares or other securities, whether fully or partly paid up.
- (22) To procure the registration or incorporation of the Company in or under the laws of any territory outside England.
- (23) To subscribe or guarantee the payment of money or

the transfer of any other property for any national, charitable, benevolent, public, general or useful object or for any purpose which may be considered likely directly or indirectly to further the interests of the Company or of its members.

- (24) To establish and maintain or contribute to any pension or superannuation or death benefit funds or schemes for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any individuals who are or were at any time in the employment or service of the Company or of any company which is its holding company or is a subsidiary of the Company or any such holding company or of any company or body to whose business the Company is, in whole or in part, its successor directly or indirectly or of any company which is otherwise allied to or associated with the Company, or who are or were at any time directors or officers (or held comparable or equivalent offices) of the Company or of any such other company or body, and the wives, widows, families and dependants of any such individuals; to establish and subsidise or subscribe to any institutions, associations, clubs or funds which may be considered likely to benefit any such persons or to further the interests of the Company or of any such other company; and to make payments for or towards the insurance of any such persons.
- (25) To establish or contribute to any scheme for the acquisition by trustees of shares in the Company or its holding company to be held by or for the benefit of employees (including any director holding a salaried employment or office) of the Company or (so far as for the time being permitted by law) any of the Company's subsidiaries and to lend money (so far as aforesaid) to any such employees to enable them to acquire shares of the Company or its holding company and to formulate and carry into effect any scheme for sharing profits with any such employees.
- (26) To distribute among members of the Company in specie or otherwise, by way of dividend or bonus or by way of reduction of capital, all or any of the property or assets of the Company, or any proceeds of sale or other disposal of any property or assets of the Company, with and

subject to any incident authorised and consent required by law.

(27) To do all or any of the things and matters aforesaid in any part of the world, and either as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents, subsidiary companies or otherwise, and either alone or in conjunction with others.

(28) To do all such other things as may be considered to be incidental or conducive to any of the above objects.

And it is hereby declared that the objects of the Company as specified in each of the foregoing paragraphs of this Clause (except only if and so far as otherwise expressly provided in any paragraph) shall be separate and distinct objects of the Company and shall not be in any way limited by reference to any other paragraph or the order in which the same occur or the name of the Company.

5. The liability of the members is limited.

6. The share capital of the Company is £7 divided in 7 shares of £1 each.\*

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\*Note:

*By Ordinary Resolution passed on 2nd January, 1981 each of the existing shares was subdivided into two Ordinary Shares of 50p each and the capital of the Company was increased to £40,000,000 divided into 80,000,000 Ordinary Shares of 50p each by the creation of 79,999,986 new Ordinary Shares of 50p each*

*By Special Resolution passed on 3rd February 1981 the capital of the Company was increased to £115,000,000 divided into 230,000,000 Ordinary Shares of 50p each by the creation of 150,000,000 new Ordinary Shares of 50p each*

*By Special Resolution passed on 29th April, 1985 the capital of the Company was increased to £150,000,000 divided into 300,000,000 Ordinary Shares of 50p each and one Special Share of £1 by the creation of 70,000,000 new Ordinary Shares of 50p each and the said Special Share*

*By Special Resolution passed on 10th May 1989 the capital of the Company was increased to £170,000,000 divided into 340,000,000 Ordinary Shares of 50p each and one Special Share of £1 by the creation of 40,000,000 new Ordinary Shares of 50p each*

*By Special Resolution passed on 16th August, 1989 the capital of the Company was increased to £260,000,000 divided into 520,000,000 Ordinary Shares of 50p each, 275,000,000 75p (non-cumulative convertible redeemable preference shares of 25p each and one Special Share of £1 by the creation of 42,000,000 new Ordinary Shares of 50p each and 275,000,000 75p (non-cumulative convertible redeemable preference shares of 25p each*

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of Shares in the Capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of shares taken by each subscriber
J. B. EVANS, 21 Hazlebury Road, London, SW6 2NA. Civil Servant.	Four
JOHN McELHERAN, 131 Dora Road, London, SW19 7JT. Civil Servant.	Three
Total Shares taken:	Seven

Dated 6th December, 1979.

Witness to the above Signatures:—

PENNY WALTERS,

8 Coombs Street,

Islington,

London, N.1.

Civil Servant.

*The Companies Acts 1948 to 1983  
and The Companies Act 1985*

*COMPANY LIMITED BY SHARES*

## **Memorandum of Association**

*(Amended by Special Resolution passed  
on 2nd January, 1981)*

of

## **BRITISH AEROSPACE PUBLIC LIMITED COMPANY**

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1. The name of the Company is "BRITISH AEROSPACE PUBLIC LIMITED COMPANY".\*

2. The Company is to be a public company.

3. The registered office of the Company will be situate in England.

4. The objects for which the Company is established are:—

- (1) To invent, design, develop, manufacture, construct, assemble, test repair, maintain buy, sell, hire, let on hire, operate, import, export and deal in aeroplanes, airships, sea-planes, aircraft, hovercraft, space vehicles, communications satellites, navigational or guidance systems, guided missiles, rockets, propellers, and other machines or apparatus of any kind designed or capable of being used for or in connection with aerial transit conveyance or communication, arms and weapons,

\*Note: On 2nd January 1981 the Company became a public company and the name of the Company was changed to British Aerospace Public Limited.

No. 1470151

The Companies Act 1985

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COMPANY LIMITED BY SHARES

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**Special Resolution**

of

**BRITISH AEROSPACE  
PUBLIC LIMITED COMPANY**

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At the ANNUAL GENERAL MEETING of the above-named Company duly convened and held at the London Marriott Hotel, Grosvenor Square, London W1, on Wednesday, 10th May, 1989 the following RESOLUTION was duly passed as a SPECIAL RESOLUTION:—

“THAT the authority and power conferred on the Directors by Article 11(B) of the Company's Articles of Association be renewed for the period ending on the date of the Annual General Meeting in 1990 or on 10th August, 1990, whichever is the earlier, and that for such period

(a) the Section 80 Amount shall be £22,005,182, and

(b) the Section 89 Amount shall be £6,385,774.50.”\*

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\*Note: A further Special Resolution passed at the said Annual General Meeting effected certain amendments to the Company's Articles of Association all of which have been embodied in the print thereof contained herein

*The Companies Acts 1948 to 1983  
and The Companies Act 1985*

**COMPANY LIMITED BY SHARES**

NEW

**Articles of Association**

*(Adopted by Special Resolution passed on 2nd January, 1981  
and amended pursuant to Special Resolutions passed on 3rd February, 1981,  
18th May, 1982, 29th April, 1985, 12th May, 1987,  
10th May, 1988, 10th May, 1989 and 16th August, 1989)*

*of*

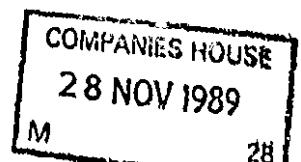
**BRITISH AEROSPACE  
PUBLIC LIMITED COMPANY**

**PRELIMINARY**

1. The regulations in Table A in the First Schedule to the Companies Act 1948 (as amended by the Companies Acts 1967 to 1980) shall not apply to the Company. Table A not to apply

2. In these presents (if not inconsistent with the subject or context and save as expressly provided herein) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:— Definitions

The Acts	The Companies Acts 1948 to 1980
Government Director	A Director appointed or nominated and holding office as such pursuant to Article 72 hereof.
Office	The registered office of the Company for the time being.
These presents	These Articles of Association as from time to time altered by Special Resolution.





Seal	The Common Seal of the Company.
Securities Seal	An official seal kept by the Company pursuant to Section 2 of The Stock Exchange (Completion of Bargains) Act 1976.
Special Share	The one Special Share of £1 in the share capital of the Company and the expression "Special Shareholder" shall mean the holder for the time being of the Special Share.
The Statutes	The Acts and every other Act for the time being in force concerning companies and affecting the Company.
The Statutory Reserve	The statutory reserve of the Company, as defined in Section 4(1) of the British Aerospace Act 1980, (if any) for the time being.
Stock Exchange Nominee	A person for the time being designated pursuant to Section 7(2) of the Stock Exchange (Completion of Bargains) Act 1976.
Transfer Office	The place where the Register of Members is situate for the time being.
The United Kingdom	(Except for the purposes of Article 40) Great Britain and Northern Ireland.
Month	Calendar month.
Year	Calendar year.
In writing	Written or produced by any substitute for writing or partly one and partly another.
Paid	Paid or credited as paid.

The expressions "debenture" and "debenture holder" shall respectively include "debenture stock" and "debenture stockholder".

In these presents any reference to any statutory provision or enactment shall include any statutory modification or re-enactment thereof.

The expression "Secretary" shall mean any person qualified in accordance with the Statutes appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of those persons.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

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 presents.

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

### SHARE CAPITAL

3 (A) The share capital of the Company is £260,000,000 divided into 382,500,000 Ordinary Shares of 50p each, 275,000,000 7.75p (net) cumulative convertible redeemable preference shares of 25p each ("Convertible Preference Shares") and one Special Share of £1. Share capital

(B) The rights and privileges attached to the Convertible Preference Shares, and the limitations and restrictions to which they are subject, are as follows:—

- (1) Out of the profits available for distribution and resolved to be distributed, the holders of the Convertible Preference Shares shall be entitled in priority to any payment of dividend to the holders of any other class of shares to be paid in respect of each financial year or other accounting period of the Company a fixed cumulative preferential dividend ("preferential dividend") at the rate of 7.75p per annum (exclusive of any associated tax credit available to shareholders), such dividend to be paid half-yearly on 1st January and 1st July or, if any such date shall be a Saturday, Sunday or public holiday in England, on the first business day following such date ("fixed dividend dates") in each year in respect of the half-years ending on those respective dates, save that the first such payment in respect of each Convertible Preference Share shall be made on a *pro-rata* basis on 1st January, 1990 from the date on which the recommended offer by J. Henry Schroder Wagg & Co. Limited on behalf of the Company for the whole of the ordinary share capital of Arlington Securities Plc becomes unconditional in all respects up to and including such date. Payments of preferential dividends shall be made to holders on the register at any date selected by the Directors up to 42 days prior to the relevant fixed dividend date. The holders of Convertible Preference Shares shall not be entitled to any further right of participation in the profits of the Company.
- (2) Subject to sub-paragraph (6)(a) (iii) below, on a return of capital on winding-up or (other than on conversion, redemption or purchase of shares) otherwise, the holders of the Convertible Preference Shares shall be entitled, after repayment of the capital paid up on the Special Share, in priority to any payment to the holders of any other class of shares to the repayment of

a sum equal to the nominal capital paid-up or credited as paid-up on the Convertible Preference Shares held by them respectively together with a premium of 75p per share and all arrears and accruals (if any) of the said preferential dividend whether such dividend has been earned or declared or not, calculated up to the date of commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case). The holders of the Convertible Preference Shares shall also be entitled to share *pari passu* with the holders of the Ordinary Shares in any surplus assets existing after the payment in respect of each Ordinary Share of the capital paid up on such share and £10,000 but shall not be entitled to any other right of participation in the assets of the Company. The provisions of this paragraph are without prejudice to the other provisions of these presents as to conversion, redemption and purchase of shares.

- (3) (a) The holders of the Convertible Preference Shares shall, by virtue of and in respect of their holdings of Convertible Preference Shares, have the right to receive notice of any General Meeting of the Company and to attend, speak and vote at a General Meeting of the Company only:—
- (i) if and when, at the date of the notice convening such meeting, the preferential dividend on such shares is six months or more in arrears; or
  - (ii) if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Convertible Preference Shares or for the winding-up of the Company, in which case they shall only be entitled to vote on such resolution.

Save as aforesaid, whether or not the conversion rights set out in paragraph (J) below shall have expired, the Convertible Preference Shares shall not confer on the holders thereof the right to attend, speak or vote at any General Meeting of the Company but they shall entitle the holders to receive copies of notices of General Meetings for information only.

- (b) Whenever the holders of the Convertible Preference Shares are entitled to vote at a General Meeting of the Company, upon any resolution proposed at such a General Meeting, on a show of hands every holder thereof who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder thereof who is present in person or by proxy or (being a corporation) by a representative shall, up to and

including the final Conversion Date, be entitled to exercise the number of votes which he would have been entitled to exercise if all the Convertible Preference Shares registered in his name had been converted into Ordinary Shares at the Conversion Date then applicable and, after the final Conversion Date, shall have one vote in respect of each fully-paid Convertible Preference Share registered in the name of such holder.

- (4) (a) Subject as hereinafter provided, and subject to the provisions of Article 40, each holder of Convertible Preference Shares shall be entitled at the times and in the manner set out in below to convert all or (subject as provided below) any of his Convertible Preference Shares into fully-paid Ordinary Shares on the basis of 0.11976 Ordinary Shares for every Convertible Preference Share so converted (such rate as adjusted from time to time as provided in sub-paragraphs (4)(k), (4)(l), (4)(m) or (4)(n) below being herein called "the Conversion Rate") provided that if a Conversion Notice (as described in sub-paragraph (4)(c) below) is given in respect of part only of a holding of Convertible Preference Shares so that there would following the conversion remain a number of Convertible Preference Shares in that holding smaller than that required to convert into one Ordinary Share at the Conversion Rate then applicable, all the Convertible Preference Shares in that holding shall be converted notwithstanding the figure inserted in the Conversion Notice.
- (b) For the purposes of the following provisions of this Article 3(B), a "Conversion Date" shall be 31st May in the year 1992 and in each of the following years up to and including the year 2007 unless in any of such years the accounts of the Company for its last preceding financial year shall not have been audited and sent to the holders of the Convertible Preference Shares by 1st May in such years, in which case the Conversion Date for that year shall be the date falling 28 days after the date on which such accounts are so despatched provided that, if any Conversion Date would otherwise fall on a Saturday, Sunday or a day which is a public holiday in England, such Conversion Date shall be the first business day following such day.
- (c) The right to convert shall be exercisable on any Conversion Date by completing the Notice of Conversion

(a "Conversion Notice") and the nationality declaration (a "Nationality Declaration") endorsed on the share certificate relating to the Convertible Preference Shares to be converted and/or a notice or declaration in such other form as may from time to time be prescribed by the Directors and delivering the same to the Transfer Office at any time during the period of 28 days ending on the Conversion Date (such period being hereinafter called a "Conversion Period") together with such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right to convert and as to the matters referred to in the Nationality Declaration. A Conversion Notice, once given, may not be withdrawn without the consent in writing of the Company. The Company shall in each year in which a Conversion Date falls give to the holders of the Convertible Preference Shares notice in writing not less than four nor more than eight weeks' prior to each Conversion Date reminding them of their right to convert and stating the applicable Conversion Rate. Such notice may (subject to the said period within which it must be given) accompany or form part of the document containing the appropriate accounts referred to in sub-paragraph (4)(b) above and shall give the name of the registrars of the Company and address of the Transfer Office and shall also, if the Directors have prescribed some form of Conversion Notice or Nationality Declaration different from or additional to that endorsed on the certificates relating to the Convertible Preference Shares, be accompanied by a copy of the Conversion Notice or Nationality Declaration so prescribed.

- (d) Conversion of such Convertible Preference Shares as are due to be converted as aforesaid on any Conversion Date (the "Relevant Shares") shall be effected in such manner as the Directors shall (in accordance with the following provisions of this Article 3(B)) from time to time determine or in such other manner as may be authorised by the Statutes.
- (e) (i) The Directors may subject as herein provided elect to redeem at par the Relevant Shares (or any of them) on any Conversion Date out of the profits of the Company which would otherwise be available for distribution to the holders of any class of shares. The Convertible Preference Shares shall confer upon the holders thereof the right and the obligation (in the

event that the Convertible Preference Shares held by them respectively become Relevant Shares and the Directors determine to redeem the same at par out of profits as aforesaid) to subscribe for the appropriate number of Ordinary Shares at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the Ordinary Shares to which the holders are so entitled. In any such case, the Conversion Notice given by a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption moneys payable to him in subscribing for such Ordinary Shares at such premium (if any) as aforesaid.

- (ii) The Directors may subject as herein provided elect to redeem at par the Relevant Shares (or any of them) on any Conversion Date out of the proceeds of a fresh issue of Ordinary Shares. The Convertible Preference Shares shall confer upon the holders thereof the right and the obligation (in the event that the Convertible Preference Shares held by them respectively become Relevant Shares and the Directors determine to redeem the same at par out of the proceeds of a fresh issue as aforesaid) to subscribe, and the holders shall be deemed irrevocably to authorise and instruct the Secretary of the Company (or any other person appointed for the purpose by the Directors) to subscribe as agent on the holder's behalf, for the appropriate number of Ordinary Shares (which authority shall include the right to borrow money for this purpose) at the applicable Conversion Rate at such premium (if any) as shall represent the amount by which the redemption moneys exceed the nominal amount of the Ordinary Shares to which the holders are so entitled. In any such case, the Conversion Notice given by a holder of Relevant Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the redemption moneys payable to him in payment to his said agent.
- (f) (i) The Directors may determine to effect conversion by means of consolidation and sub-division. In such case the requisite consolidation and sub-division shall be effected pursuant to the authority given by the

passing in General Meeting of the Special Resolution creating the Convertible Preference Shares, by consolidating into one share all the Relevant Shares at any Conversion Date held by any holder or joint holders and sub-dividing such consolidated share into shares of 50p each (or such other nominal amount as may be appropriate as a result of any consolidation, sub-division, repayment or reduction of capital or other event changing such nominal amount) of which one share for each 208.75p nominal amount of the consolidated share (or such other number of shares as may be appropriate as a result of any adjustment pursuant to the provisions of sub-paragraphs (4)(k), (4)(2), (4)(m) or (4)(n) below) shall be Ordinary Shares (and so in proportion for any other nominal amount of the consolidated share) fractional entitlements being disregarded and the balance of such shares (including any fractions) shall be Non-voting Deferred Shares having the rights set out in sub-paragraphs (4)(f) (ii) and (4f) (iii) below.

- (ii) In the case of a conversion effected by means of consolidation and sub-division as provided in sub-paragraph (4)(f) (i) above, the Non-voting Deferred Shares arising as a result thereof shall:—
  - (x) on a return of capital on winding-up or otherwise, entitle the holders thereof only to the repayment of the amounts paid up on such shares after payment in respect of each Ordinary Share of the capital paid up on such shares and £100,000;
  - (y) not entitle the holders thereof to the payment of any dividend;
  - (z) not entitle the holders thereof to receive notice of or attend or vote at any General Meeting of the Company.

Such conversion shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of such Non-voting Deferred Shares a transfer thereof (and/or an agreement to transfer the same) to such person as the Company may determine as custodian thereof and/or to purchase the same (in accordance with the provisions of the Companies Act

1985) in any such case for not more than 1p for all the Non-voting Deferred Shares without obtaining the sanction of the holder or holders thereof and pending such transfer and/or purchase to retain the certificate for such Non-voting Deferred Shares.

- (iii) The Company may at its option at any time after the creation of any Non-voting Deferred Shares redeem all of the Non-voting Deferred Shares then in issue, at an aggregate price not exceeding 1p for all the Non-voting Deferred Shares redeemed, at any time upon giving the registered holders of such shares not less than 28 days' previous notice in writing of its intention so to do, fixing a time and place for the redemption.
- (g) Any fractions of Ordinary Shares arising on conversion shall be aggregated and sold on behalf of such holders of Relevant Shares at the best price reasonably obtainable and the net proceeds of sale shall be distributed *pro-rata* among such holders who would otherwise have been entitled unless in respect of any holding of the Relevant Shares the amount to be distributed would be less than £2 in which case such amount shall not be so distributed but shall be retained for the benefit of the Company. For the purpose of implementing the provisions of this sub-paragraph (4)(g) the Directors may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to any such fractions and generally may make all arrangements which appear to them necessary or appropriate for the settlement and disposal of fractional entitlements.
- (h) The preferential dividend on any Convertible Preference Shares converted (whatever the manner of conversion) shall cease to accrue with effect from the fixed dividend date last preceding the relevant Conversion Date. The Ordinary Shares arising on such conversion shall rank *pari passu* in all respects with the Ordinary Shares then in issue and shall entitle the holder to all dividends and (unless any adjustment shall have been made in respect thereof under sub-paragraphs (4)(k), (4)(l), (4)(m) or (4)(n) below) other distributions payable following conversion on the Ordinary Shares in respect of the financial year of the Company in which the Conversion Date falls, but not any dividends or distributions in respect of any earlier financial year.



- (i) Allotments of Ordinary Shares arising from conversion (whatever the manner of conversion) shall be effected within 14 days of the Conversion Date. Within 28 days after the Conversion Date, the Company shall send to each holder of the Relevant Shares, by post at his own risk, free of charge, a definitive certificate for the appropriate number of fully-paid Ordinary Shares and a new certificate for any unconverted Convertible Preference Shares comprised in the certificates surrendered by him together, where relevant, with a cheque in respect of any cash entitlement arising from the sale of fractions. In the meantime transfers shall be certified against the register.
- (j) If immediately after any Conversion Date 75 per cent. or more of the Convertible Preference Shares shall have been converted, the Company shall be entitled (subject to the Companies Act 1985) by not more than eight weeks' nor less than four weeks' notice in writing given not later than one month after such Conversion Date (or any subsequent Conversion Date) to require all holders of the Convertible Preference Shares to convert on the expiry of such notice, but with effect from the Conversion Date following which the said notice was given, the whole of their holdings of such shares into Ordinary Shares at the Conversion Rate then applicable. Upon the expiry of the said notice the holders of the Convertible Preference Shares shall be treated as having exercised the right to convert in respect thereof and the provisions relating to conversion set out above shall apply *mutatis mutandis* as if the date of the expiry of such notice was the Conversion Date and such Convertible Preference Shares were "Relevant Shares" at the Conversion Date following which the said notice was given.
- (k) If, following the issue of the Convertible Preference Shares and before they cease to be capable of being converted into Ordinary Shares, the Company shall make any issue (subject as provided below) of Ordinary Shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to holders of Ordinary Shares, the number of Ordinary Shares to be issued on any subsequent conversion of Convertible Preference Shares shall be increased *pro rata* and if any doubt shall arise as to the number thereof, the certificate of the auditors for the time being of the Company ("the Auditors") shall be conclusive and binding on all concerned. No adjustments shall be made in the

event of the issue of shares by way of capitalisation of profits or reserves at the option of a holder of Ordinary Shares in lieu of cash dividends.

- (l) If, following the issue of the Convertible Preference Shares and before they cease to be capable of being converted into Ordinary Shares, the Ordinary Shares shall be consolidated or sub-divided, the number of Ordinary Shares to be issued on any subsequent conversion of the Convertible Preference Shares shall be reduced or increased *pro rata* and if any doubt shall arise as to the number thereof, the certificate of the Auditors shall be conclusive and binding on all concerned.
- (m) If, following the issue of the Convertible Preference Shares and before they cease to be capable of being converted into Ordinary Shares, the Company shall make any capital distribution to the holders of Ordinary Shares, the number of Ordinary Shares to be issued on any subsequent conversion of the Convertible Preference Shares shall be increased by an amount determined to be appropriate by the Auditors, whose certificate shall be conclusive and binding on all concerned. For the purposes of this sub-paragraph (4)(m), "capital distribution" means any dividend or other distribution of capital profits (whether realised or not) or capital reserves, or profits or reserves arising after the date of the passing in General Meeting of the Special Resolution creating the Convertible Preference Shares from a distribution of capital profits (whether realised or not) or capital reserves by a subsidiary, except by means of a capitalisation issue not contravening sub-paragraph (6)(a) (vii) below or any repayment of capital or purchase of the Company's own shares (other than a redemption or purchase of redeemable shares, including the Convertible Preference Shares, in accordance with the terms of issue thereof); for the purposes of this sub-paragraph (4)(m), insofar as the relevant audited accounts do not distinguish between capital and revenue profits or reserves, the Company shall be entitled to rely upon a written estimate by the Auditors as to the extent to which any part of any profit or reserve should be regarded as of a capital nature, and in any case where the Company shall purchase its shares, the amount of the capital distribution per Ordinary Share shall be that amount which is the gross amount paid on such purchase divided by the number of Ordinary Shares remaining in issue following such purchase.

- (n) If, following the issue of the Convertible Preference Shares and before they cease to be capable of being converted into Ordinary Shares, an offer is made to the holders of Ordinary Shares (or all such shareholders other than the offeror and/or any associate of the offeror, as defined in Section 430E of the Companies Act 1985) to acquire the whole or any part of the issued ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition, and the Company becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a General Meeting of the Company has or will become vested in the offeror and/or associates aforesaid, the Company shall give written notice to all holders of Convertible Preference Shares of such vesting within 14 days of its becoming so aware and each holder shall be entitled within the period of 42 days from the date of such notice to convert some or all of his Convertible Preference Shares into fully paid Ordinary Shares on the basis set out above except that the Conversion Period shall be the said period of 42 days and the Conversion Date shall be the last day of such period (or in the event of such day being a Saturday, Sunday or a day which is a public holiday in England, on the first business day following such date) and the Conversion Rate shall be the Conversion Rate calculated in accordance with the provisions of sub-paragraph (4)(a) above (as adjusted from time to time) multiplied by the average premium paid for a Convertible Preference Share over the twelve months up to but excluding the last completed calendar month prior to the date of the notice referred to above (or if the Conversion Date arises before the Convertible Preference Shares shall have had a quoted price for twelve months, for all months up to but excluding the last completed calendar month prior to the date of the notice referred to above), the said premium being calculated for each day for which The Stock Exchange publishes the Daily Official List falling within such twelve months (or less) as being equal to:—

$$\frac{A}{B \times C}$$

where:—

- (i) A is the average of the highest and lowest quoted

prices of a Convertible Preference Share, as derived from The Stock Exchange Daily Official List;

- (ii) B is the average of the highest and lowest quoted prices of an Ordinary Share as derived from The Stock Exchange Daily Official List; and
- (iii) C is the Conversion Rate, expressed as a fraction, calculated in accordance with the provisions of sub-paragraph (4)(a) above (as adjusted from time to time).

Provided that if for any day the premium as so calculated shall be less than one, such day shall be disregarded in calculating the average premium paid for a Convertible Preference Share over the relevant twelve months (or less) and further provided that no adjustment to the Conversion Rate shall be made pursuant to this sub-paragraph to the extent that, as a result thereof, the aggregate nominal amount of the Ordinary Shares into which any Convertible Preference Shares may be converted will exceed the aggregate nominal amount of such Convertible Preference Shares. Subject as aforesaid, the provisions as to conversion in sub-paragraph 4(a) above shall apply *mutatis mutandis* to such conversion. At the expiration of the said period of 42 days, any outstanding Convertible Preference Shares in respect of which a duly completed conversion notice shall not have been received as set out above shall cease to be capable of conversion pursuant to the provisions of this sub-paragraph (4)(n), but not otherwise.

- (5) (a) Where a holder of Convertible Preference Shares has given a Conversion Notice and a Nationality Declaration in respect thereof, such Convertible Preference Shares may be redeemed at par at the option of the Company and in the case of any such redemption, the redemption moneys shall become payable on redemption but shall (subject to the Companies Act 1985) be applied for the purpose of the exercise of the conversion rights.
- (b) The Company shall have the right, subject to the Companies Act 1985, to redeem at any time and from time to time during the period commencing on 1st July, 2007 and ending on 1st January, 2010 the whole or any part of the Convertible Preference Shares for the time being issued and outstanding by giving to the holders of the particular Convertible Preference Shares to be

redeemed not less than 28 days' prior notice in writing of the date ("the Redemption Date") when such redemption is to be effective.

- (c) In the case of partial redemption under sub-paragraph (5)(b) above, the Company shall for the purpose of ascertaining the particular Convertible Preference Shares to be redeemed cause a drawing to be made at the registered office of the Company or at such place as the Directors may decide in the presence of a representative of the Auditors.
- (d) Any notice given under sub-paragraph (5)(b) above shall specify the particular Convertible Preference Shares to be redeemed, the applicable Redemption Date and the place at which the certificates for such Convertible Preference Shares are to be presented for redemption and upon such Redemption Date the Company shall redeem the particular Convertible Preference Shares to be redeemed on that date and each of the holders of the Convertible Preference Shares concerned shall be bound to deliver to the Company at such place the certificates for such of the Convertible Preference Shares concerned as are held by him. Upon such delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any Convertible Preference Shares not to be redeemed on the relevant Redemption Date, a fresh certificate for such Convertible Preference Shares shall be issued free of charge to the holder delivering such certificate to the Company.
- (e) There shall be paid on each Convertible Preference Share redeemed under sub-paragraph (5)(b) above the amount paid up thereon together with a premium of 75p per share and a sum equal to all arrears and accruals of the preferential dividend thereon to be calculated down to and including the Redemption Date and to be payable irrespective of whether or not such dividend has been declared or earned or become due and payable.
- (f) As from the relevant Redemption Date of Convertible Preference Shares redeemed under sub-paragraph (5)(b) above the preferential dividend shall cease to accrue on the Convertible Preference Shares due for redemption except on any such Convertible Preference Shares in respect of which, upon due presentation of the certificate

relating thereto, payment of the money due at such redemption shall be refused.

- (g) The Company shall, subject to the Companies Act 1985, redeem on 1st January, 2010 (or so soon thereafter as the Company shall be able to comply with the provisions of the Companies Act 1985 affecting the redemption of redeemable shares) all of the Convertible Preference Shares (if any) in issue on that date and the amount payable on redemption thereof shall be the sum specified in sub-paragraph (5)(e) above. Not less than 28 days' prior notice in writing of such redemption shall be given to the holders of the Convertible Preference Shares.
- (h) The receipt of the registered holder for the time being of any Convertible Preference Shares or in the case of joint registered holders the receipt of any of them for the moneys payable on redemption thereof or application of the same as provided on any conversion thereof shall constitute an absolute discharge to the Company in respect thereof.
- (i) Subject to the provisions of the Companies Act 1985, the Company may at any time purchase Convertible Preference Shares (i) in the market, or (ii) by tender (available alike to all holders of Convertible Preference Shares), or (iii) by private treaty, in each case at a price (exclusive of all costs of purchase) which, if the Convertible Preference Shares are then listed on The Stock Exchange, shall not exceed the average of the middle-market quotations therefor based on The Stock Exchange Daily Official List during the period of 10 business days immediately prior to the date of such purchase, or, in the case of a purchase on The Stock Exchange, at the market price thereof provided that such market price is not more than 5 per cent. above such average, but not otherwise, and upon such other terms and conditions as the Company may think fit. The Company may exercise its rights and powers of purchase as regards the Convertible Preference Shares and any Further Preference Shares which may be issued pursuant to paragraph (7) below (not being a series which is identical and forms a single series with the Convertible Preference Shares) at its sole discretion without obligation to maintain the ratio between the nominal amounts for the time being outstanding of any series.

- (j) Upon the redemption of any Convertible Preference Shares the Directors may pursuant to the authority given by the passing in General Meeting of the Special Resolution to create the Convertible Preference Shares convert and subdivide the authorised preference share capital existing as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Convertible Preference Shares.
- (6) (a) So long as any Convertible Preference Shares remain capable of being converted into Ordinary Shares, then, save with such consent or sanction on the part of the holders of the Convertible Preference Shares as is required for a variation of the rights attached to such shares:—
  - (i) No shares shall be allotted pursuant to a capitalisation of profits or reserves except Ordinary Shares, credited as fully-paid to the holders of Ordinary Shares and, if there be other equity share capital as defined by Section 744 of the Companies Act 1985 in issue (other than the Convertible Preference Shares or any Further Preference Shares which may be issued pursuant to paragraph (7) below), except shares issued credited as fully-paid to the holders of such other equity share capital other than the Convertible Preference Shares or any such Further Preference Shares) as part of the same capitalisation as is effected to the holders of the Ordinary Shares and upon any such allotment to the holders of Ordinary Shares the Conversion Rate shall be adjusted as appropriate under sub-paragraph (4)(k) above provided that no such allotment shall be made if, as a result thereof, the aggregate nominal amount of the Ordinary Shares into which any Convertible Preference Shares may be converted would exceed the aggregate nominal amount of such Convertible Preference Shares.
  - (ii) If any offer or invitation by way of rights or otherwise (not being an offer or invitation to which the provisions of sub-paragraph (4)(n) above apply) is made to the holders of the ordinary share capital of the Company, the Company shall make or, so far as it is able, procure that there is made a like offer at the same time to each holder of Convertible

Preference Shares as if his conversion rights had been exercisable and exercised in full on the record date for such offer or invitation on the basis of the Conversion Rate then applicable. In the case of any offer or invitation as aforesaid being made the entitlement of the holders of Convertible Preference Shares to participate therein as set out in this paragraph (6)(a) (ii) shall be to the exclusion of any other entitlement or right to which such holders might otherwise be entitled whether pursuant to the Companies Act 1985 or otherwise.

- (iii) If prior to the last Conversion Date the Company is wound up, the Company shall forthwith give notice thereof in writing to all holders of Convertible Preference Shares. Each holder of Convertible Preference Shares in respect of all or any of his Convertible Preference Shares shall be entitled within six weeks after the date of the resolution to wind up the Company or (as the case may be) after the date of the Order of the Court for such winding-up (either of such dates being referred to in this sub-paragraph as "the operative date") by notice in writing to the Company to elect to be treated as if his conversion rights had been exercisable and had been exercised immediately before the operative date on the basis of conversion as provided above and in that event he shall be entitled to be paid in satisfaction of the amount due in respect of such of his Convertible Preference Shares as are to be treated as if converted a sum equal to the amount to which he would have become entitled in such liquidation if he had been the holder of the Ordinary Shares to which he would have become entitled by virtue of such conversion (fractions being disregarded for this purpose), together with any arrears, deficiency or accrual of the preferential dividend on such Convertible Preference Shares down to the fixed dividend date last preceding the Conversion Date which immediately preceded such winding-up. At the end of the said period of six weeks, any outstanding Convertible Preference Shares shall cease to be convertible or capable of becoming convertible or of being treated as converted.
- (iv) No equity share capital (other than the Convertible Preference Shares or Further Preference Shares



ranking *pari passu* in all respects save as provided in any or all sub-paragraphs (7)(a) to (7)(d) of paragraph (7) below) shall be in issue which is not in all respects uniform with the Ordinary Shares in issue on the date of the passing of the Special Resolution to create the Convertible Preference Shares save:—

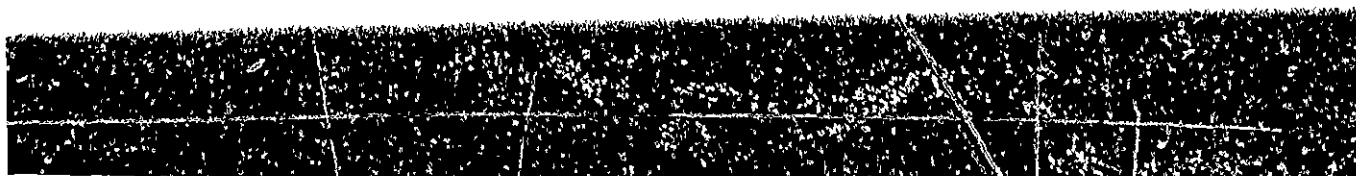
- (x) as to the date from which such capital shall rank for dividend; or
  - (y) for equity share capital issued pursuant to an employees' share scheme within the meaning of Section 743 of the Companies Act 1985; or
  - (z) for equity share capital which has attached thereto rights as to dividend, capital and voting which in no respect are more favourable than those attached to the Ordinary Shares in issue at the date of the passing of the Special Resolution.
- (v) No resolution shall be passed whereby the rights attaching to the Ordinary Shares shall be modified, varied or abrogated.
  - (vi) The Company shall procure that at all times up to the last Conversion Date there shall be sufficient authorised but unissued ordinary share capital available for the purposes of satisfying the requirements of any Conversion Notice as may be delivered pursuant to paragraph (4) above.
  - (vii) The Company shall not make any offer or invitation to the holders of Ordinary Shares nor allot any shares in pursuance of a capitalisation issue or make any capital distribution (as defined in sub-paragraph (4)(m) above) in any case during a Conversion Period, or by reference to a record date during a Conversion Period, or following a Conversion Period by reference to a record date prior to such Conversion Period.
- (b) If the Company shall change its accounting reference date to a date which is more than seven days before or after 31st December, such adjustments shall be made to the conversion rights attached to the Convertible Preference Shares as the Auditors shall determine to be fair so as not to prejudice the conversion rights and notification of such change and adjustment shall be given to the holders of the Convertible Preference Shares.

- (c) On the day next following the last Conversion Date any Convertible Preference Shares then outstanding shall automatically be redesignated as "7.75p (net) Cumulative Redeemable Preference Shares of 25p each" without any requirement to alter or substitute the existing certificates in respect of such shares.
  - (d) The Company shall use all reasonable endeavours to procure that the Ordinary Shares arising on conversion are admitted to the Official List of The Stock Exchange.
- (7) Subject to sub-paragraph (6)(a) (iv) above, the Company may from time to time create and issue further preference shares (in these particulars called "Further Preference Shares") ranking as regards participation in the profits and assets of the Company *pari passu* with but not in priority to the Convertible Preference Shares and so that any such Further Preference Shares may either carry as regards participation in the profits and assets of the Company rights and restrictions identical in all respects with the Convertible Preference Shares or with any other series of Further Preference Shares or rights and restrictions differing therefrom in any respect including but without prejudice to the generality of the foregoing in that:—
- (a) the rate of dividend may differ;
  - (b) the Further Preference Shares may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
  - (c) a premium may be payable on a return of capital or there may be no such premium; and
  - (d) the Further Preference Shares may be redeemable and/or convertible into Ordinary Shares on such terms and conditions as may be prescribed by the terms of the issue thereof and/or these presents.

#### VARIATION OF RIGHTS

4. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied

Classification and  
Citation



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

5. The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

Further issues not  
variation

### ALTERATION OF SHARE CAPITAL

6. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Increase of capital

7. (A) The Company may by Ordinary Resolution:—

Reorganisation of  
capital

- (1) Consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares.
- (2) Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled.
- (3) Sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such

preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

(B) Upon any consolidation of fully paid shares into shares of larger nominal value the Directors may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale and for such purpose may appoint some person to transfer the consolidated share to the purchaser. Provided that the necessary unissued shares are available the Directors may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share issue to each such holder credited as fully paid up by way of capitalisation of reserves (and without the sanction required in Article 125) the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at their discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including without limitation the Statutory Reserve, Share Premium Account and Capital Redemption Reserve Fund) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.

8. The Company may by Special Resolution reduce or cancel its share capital or any capital redemption reserve fund or share premium account in any manner and with and subject to any incident authorised and consent required by law. Reduction of capital

8A. Subject to the provisions of the Statutes the Company may purchase any of its own shares (including redeemable preference shares). Purchase of shares

## SHARES

9. Except as required by law or pursuant to the provisions of Article 40, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder. Trusts not recognised

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

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

(B) (i) The Directors shall be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 to exercise for each prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 Amount.

(ii) During each prescribed period the Directors shall be empowered to allot equity securities wholly for cash pursuant to and within the terms of the said authority

(a) in connection with a rights issue and

(b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 89 Amount as if Section 89(1) of the said Act did not apply to any such allotment.

(iii) By such authority and power the Directors may during such period make offers or agreements which would or might require the allotment of securities after the expiry of such period.

(iv) For the purposes of this Article:—

(a) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional

entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory);

- (b) "prescribed period" means in the first instance the period from the date of the adoption of this Article to the date of the Annual General Meeting in 1989 or 31st July, 1989, whichever is the earlier, and shall thereafter mean any period (not exceeding 15 months on any occasion) for which the authority and power conferred by sub-paragraphs (i) and (ii) above are renewed or extended by a Special Resolution of the Company stating the Section 80 Amount and Section 89 Amount for such period;
- (c) "the Section 80 Amount" shall for the first prescribed period be £24,745,178.50 and for any other prescribed period shall be that stated in the relevant Special Resolution;
- (d) "the Section 89 Amount" shall for the first prescribed period be £6,262,741 and for any other prescribed period shall be that stated in the relevant Special Resolution;
- (e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and
- (f) words and expressions defined in or for the purposes of Part IV of the Companies Act 1985 shall bear the same meanings in this Article 11.

12. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful. Commissions

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

#### SPECIAL SHARE

13A. (A) The Special Share may only be issued to, held by and transferred to the Secretary of State for Trade and Industry or his successor or a nominee on his behalf. Issued and rights attaching to Special Share

(B) Notwithstanding any provision in these presents to the contrary, the amendment, removal or alteration of the effect of all or any of the following Articles or, where specified, the relevant parts of the following Articles shall be deemed to be a variation of the rights attaching to the Special Share and shall accordingly only be effective with the consent in writing of the Special Shareholder:—

- (i) the definitions of "Government Director", "Special Share", "Special Shareholder" and "The United Kingdom" in Article 2
- (ii) this Article 13A;
- (iii) Article 40;
- (iv) the first sentence of Article 71 so far as it imposes requirements as to the citizenship of Directors and their alternates;
- (v) Article 72;
- (vi) Article 81(v);
- (vii) the words in brackets in Article 81(vi);
- (viii) the words in the first set of brackets in Article 89(D); and
- (ix) the second sentence of Article 137.

(C) The Special Shareholder shall be entitled to receive notice of and to attend at any General Meeting or any meeting of any class of shareholders of the Company, but the Special Share shall carry no right to vote nor any other rights at any such meeting except that, at any such meeting at which any matter mentioned in this Article ("relevant business") is dealt with, it shall carry the right to speak in relation to any business which is, or includes, relevant business.

(D) In a distribution of capital in a winding up of the Company, the Special Shareholder shall be entitled to repayment of the capital paid up on the Special Share in priority to any repayment of capital to any other member. The Special Share shall confer no other right to participate in the capital or profits of the Company.

(E) The Special Shareholder may require the Company at any time, either (i) subject to the provisions of the Statutes, to redeem the Special Share at its value, or (ii) to convert the Special Share into one ordinary voting share (within the meaning of Section 5 of the British Aerospace Act 1980) in the Company ("ordinary voting share") by serving written notice upon the Company requiring such redemption or, as the case may be,

conversion and delivering the share certificate for the Special Share to the Company, whereupon the Company shall, in the case of a redemption, redeem the Special Share for cash at par and, in the case of a conversion, issue to the Special Shareholder a certificate in respect of the share into which the Special Share is converted, in each case within 21 days of the receipt of the share certificate for the Special Share by the Company.

(F) If an ordinary voting share has a nominal value in excess of £1 and if the Special Shareholder shall have required the Company to convert the Special Share into an ordinary voting share, then the Special Share shall carry the right to subscribe for one ordinary voting share for cash at par. In any such case, the Special Share shall be treated as converted and the nominal value of £1 shall be applied in part payment of the nominal value of the ordinary voting share and the Special Shareholder shall pay up the balance of the nominal value in cash.

(G) If the Special Shareholder shall have required the Company to convert the Special Share into an ordinary voting share, the Directors may effect such conversion in any manner they consider appropriate and, without prejudice to the generality of the foregoing, may redeem such Special Share and apply the proceeds of redemption in payment or, if paragraph (F) above applies, in part payment of the nominal value of the ordinary voting share into which the Special Share is to be converted.

### SHARE CERTIFICATES

14. Every definitive share certificate shall be issued under the Seal (or the Securities Seal or in the case of shares on a branch register, an official seal for use in the relevant territory) and shall specify the number and class of shares to which it relates and the amount paid up thereon. No definitive certificate shall be issued representing shares of more than one class. Unless the Directors otherwise determine no definitive certificate shall be issued in respect of shares held by a Stock Exchange Nominee. Issue of certificates

15. In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of two or more joint holders shall be sufficient delivery to all. Joint holders

16. Subject to the provisions of these presents, any person (excluding a Stock Exchange Nominee to whom no certificate is to be issued pursuant to Article 14 above) whose name is entered in the Register of Members in respect of any shares of any one class upon the issue or transfer thereof shall 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) Entitlement to certificates



within fourteen days after lodgment of transfer or (in the case of a transfer of partly-paid shares) within two months after lodgment of transfer.

17. Where some only of the shares comprised in a share certificate <sup>STAMP CERTIFICATE</sup> are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares be issued in lieu without charge.

18. (A) Any two or more certificates representing shares of any <sup>J. 1877 certificates</sup> one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

(B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.

(C) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares 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 (in either case) to the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

(D) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

### CALLS ON SHARES

19. The Directors may from time to time make calls upon the <sup>calls</sup> members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of issue of such shares. 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.

20. Each member shall (subject to receiving at least fourteen days' <sup>Payment on calls</sup> notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

21. If a sum called in respect of a share is not paid before or on the <sup>Interest on calls</sup> 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 25 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.

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

23. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment. Differentiation of calls

24. 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 shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the 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 (not exceeding 12 per cent. per annum) as the member paying such sum and the Directors agree upon. Payment in advance of calls

### FORFEITURE AND LIEN

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

26. 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 shares on which the call was made will be liable to be forfeited. Contents of notice

27. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution Forfeiture

of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

28. A share 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 disposition the forfeiture or surrender may be annulled by the Directors on such terms as they think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

Consequence of forfeiture

29. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender 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 shares with interest thereon at such rate (not exceeding 25 per cent. per annum) as the Directors may determine from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.

Continuation of liability

30. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and, subject to the provisions of the Statutes, the Company shall also have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member, of his estate and any other person, whether a member of the Company or not. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

Lien

31. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of

Power of sale

intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

32. 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 debts or liabilities in respect whereof the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser. Transferor

33. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or 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 share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share. Evidence of forfeiture or surrender

## TRANSFER OF SHARES

34. All transfers of shares 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 shares concerned until the name of the transferee is entered in the Register of Members in respect thereof. Form of transfer

35. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The Register of Members shall not be closed for more than 30 days in any year. Suspension of register

36. Without prejudice to the provisions of Article 40, the Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares (not being fully paid shares). The Refusal to register

Directors may also refuse to register a transfer of shares (whether fully paid or not) in favour of more than four persons jointly. If the Directors refuse to register a transfer, whether pursuant to the provisions of this Article or Article 40, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

37. (A) The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share 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 by a Stock Exchange Nominee the lodgment of share certificates will only be necessary if, and to the extent that, certificates have been issued in respect of the shares in question. Requirements of transfer

(B) All instruments of transfer which are registered may be retained by the Company.

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

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

- (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

- (ii) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;
- (iii) References herein to the destruction of any document include references to the disposal thereof in any manner.

#### UNITED KINGDOM CONTROL

40. (A) It is a cardinal principle that the Company should be and remain under United Kingdom control.

(B) In this Article:—

“Corporation under Foreign Control” means any corporation (other than a Foreign Corporation):—

- (i) of which one third or more of the directors (or persons occupying the position of directors by whatever name called) are Foreigners or Foreign Corporations or are accustomed to act in accordance with the suggestions, instructions or directions of Foreigners or Foreign Corporations; or
- (ii) of which shares carrying more than thirty per cent. of the votes which are ordinarily eligible to be cast on a poll at General Meetings of the corporation are for the time being held by Foreigners or Foreign Corporations;

“Excess Foreign-held Share” means any Foreign-held Share of which particulars are entered in the separate register maintained by the Directors pursuant to paragraph (D) of this Article and which the Directors decide are Foreign-held Shares in excess of the Permitted Maximum;

“Foreign Corporation” means:—

- (a) any corporation other than a corporation which is incorporated under the laws of any part of and which has its principal place of business and central management and control in the United Kingdom; or
- (b) a government or government department or government agency or body other than of the United Kingdom or any part thereof; or
- (c) any municipal, local, statutory or other authority or any undertaking or body established in any country other than the United Kingdom;

"Foreigner" means, up to but excluding the day ("the appointed day") appointed by the Secretary of State pursuant to sub-section (2) of Section 53 of the British Nationality Act 1981 for the purposes of bringing such Act into force under such sub-section, any individual who is not a citizen of the United Kingdom and Colonies by virtue of the British Nationality Act 1948 and, from and including the appointed day, any individual who is not a British citizen, a British Dependent Territories citizen or a British Overseas citizen by virtue of the British Nationality Act 1981;

"Foreign Held Share" means any Share (other than a Qualifying Share) of which any Owner is a Foreigner, Foreign Corporation or Corporation under Foreign Control;

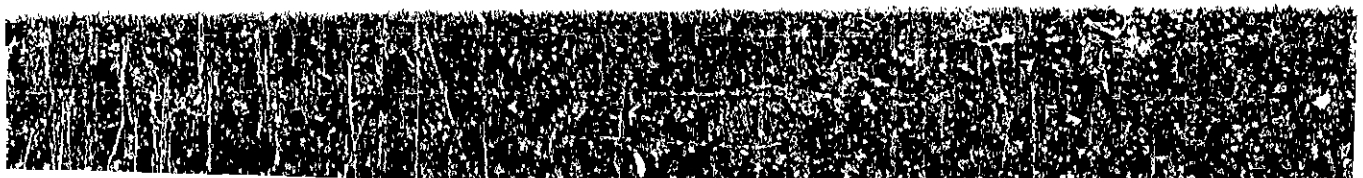
"Owner", in relation to any Share, means:—

- (a) any person who holds, whether alone or jointly with any other person, any Share; or
- (b) any person on whose behalf any Share is, directly or indirectly, held, or with or to whom any holder of any Share has agreed or committed himself or become obliged (whether or not in a manner which is legally binding) to exercise or to refrain from exercising voting rights attaching thereto in accordance with that person's suggestions, instructions or directions;

"Qualifying Share" means any share in the capital of the Company which is at the material time held by or by a nominee or custodian trustee for, the trustees of:—

- (a) any retirement benefits scheme for the employees of a business or undertaking carried on (wholly or mainly) in the United Kingdom otherwise than by a Foreigner or Foreign Corporation which is, or is treated by the Commissioners of Inland Revenue as, an exempt approved scheme for the purposes of the Finance Act 1970; or
  - (b) any charity which is registered under the provisions of the Charities Act 1960; or
  - (c) any exempt charity within the meaning of that Act;
- other than (in any such case) a retirement benefits scheme, charity or exempt charity of which the majority of the trustees are Foreigners, Foreign Corporations or Corporations under Foreign Control;

"Permitted Maximum" means such percentage (not being less than 15 per cent. or less than any Permitted Maximum previously determined by the Directors with the prior written consent of the Special Shareholder but not being greater than 29.5 per cent.) as the Directors may from



time to time determine with the prior written consent of the Special Shareholder;

"Scheme Share" means any share in the capital of the Company which is at the material time held by the trustees of any profit sharing scheme established by the Company and approved by the Board of Inland Revenue in accordance with the provisions of Chapter III of Part III of the Finance Act 1978;

"Share" means any share in the capital of the Company (not being a Scheme Share) which carries the right to vote on a poll at General Meetings of the Company whether ordinarily or only in specified circumstances;

"United Kingdom" means Great Britain, Northern Ireland, the Channel Isles and the Isle of Man.

(c) The Directors shall not register any person as a holder of a Share (other than an allottee under an issue of Shares by way of capitalisation of profits or reserves made pursuant to these presents) unless there has been furnished to them a declaration (in such form as the Directors may from time to time prescribe) signed by or on behalf of such person (or, in the case of a corporation, sealed by the corporation or signed on its behalf by an attorney or duly authorised officer or agent of the corporation), together with such evidence as the Directors may require of the authority of any signatory on behalf of such person, stating that, upon registration of such Share in the relevant name or names, either (i) such Share will not be a Foreign-held Share or (ii) such Share will be a Foreign-held Share. The Directors shall in any case where they may consider it appropriate require such person to provide such evidence or give such information as to the matters referred to in the declaration as they think fit. The Directors shall decline to register any person as a holder of a Share if such a declaration or further evidence or information is not provided or given.

(d) (i) The Directors shall maintain a separate register in which shall be entered particulars of any Share which:—

- (a) has been acknowledged by the holder (or by any one of joint holders) to be a Foreign-held Share; or
- (b) has been declared to be a Foreign-held Share by virtue of a declaration of the Directors made pursuant to paragraph (F) of this Article;

and in either case which has not ceased to be a Foreign-held Share.

If at any time the aggregate number of Foreign-held Shares of which particulars are entered as aforesaid results either:—



- (i) in more than the Permitted Maximum of the votes which are ordinarily eligible to be cast on a poll at General Meetings of the Company; or
- (ii) in more than the Permitted Maximum of the aggregate of:—
  - (a) the votes which are attributable to all Shares carrying a present right to vote; and
  - (b) the votes which are attributable to all other classes of Shares in respect of which the Directors have made a determination under clause (i) of paragraph (1) below;

being exercisable in respect of Foreign-held Shares, Excess Foreign-held Shares, shall be dealt with in accordance with paragraph (G) of this Article. It shall be for the Directors to decide whether or not a Foreign-held Share is an Excess Foreign-held Share but, in making any such decision, the Directors shall, so far as practicable, have regard to the order of date in which particulars of Foreign-held Shares have been, or are to be, or are, pursuant to clause (iii) of paragraph (1) below, deemed to be, entered in the separate register as aforesaid save in circumstances where such would, in the opinion of the Directors, be inequitable when the Directors shall apply such other criterion or criteria as they consider appropriate.

(ii) Subject as hereinafter mentioned, the Directors shall remove from such register any Foreign-held Share if there has been furnished to them a declaration (in such form as the Directors may from time to time prescribe) signed by or on behalf of the holder of such Foreign-held Share (or, in the case of a corporation, sealed by the corporation or signed on its behalf by an attorney or duly authorised officer or agent of the corporation), together with such evidence as the Directors may require of the authority of any signatory on behalf of such holder stating that such Share is no longer a Foreign-held Share. The Directors shall also in any case where they may consider it appropriate require such holder to provide such evidence or give information as to the matters referred to in the declaration as they think fit. The Directors shall not remove from such register any Foreign-held Share if such a declaration or further evidence or information is not provided or if they are not satisfied that the Share is not a Foreign-held Share.

(iii) At any time when the Directors determine with the prior written consent of a Special Shareholder a Permitted Maximum or an increase with a Permitted Maximum previously determined by the Directors the Directors shall publish in at least one national newspaper in the United Kingdom (and in a newspaper in each country in which shares or securities evidencing the right to receive shares are, at the instigation of the Company, listed, quoted or dealt in on any stock exchange) notice of any such determination or amendment and of the then current Permitted Maximum.

(E) Subject to the provisions of this Article, the Directors shall, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that all Shares other than those particulars of which are entered in the separate register maintained by the Directors pursuant to paragraph (D) of this Article, are not Foreign-held Shares. Nevertheless, the Directors may at any time give notice in writing to the holder (or to any one of the joint holders) of a Share requiring him to make a declaration (in such form as the Directors may prescribe) within such reasonable period as may be specified in the notice as to whether or not the Share is a Foreign-held Share.

(F) Whether or not they have given a notice under paragraph (E) of this Article, if at any time it appears to the Directors that a Share which they have not treated as a Foreign-held Share may be such a Share, they shall give notice in writing to the holder (or to any one of joint holders) requiring him to show to their satisfaction that such a Share is not a Foreign-held Share. For this purpose failure to make a declaration pursuant to paragraph (E) of this Article shall be sufficient reason for the Directors so acting. If within 21 days after the giving of such notice (or such extended time as in all the circumstances the Directors shall consider reasonable) they are not so satisfied, the Directors shall declare such Share to be a Foreign-held Share.

(G) The Directors shall give notice in writing to the holder (or to any one of joint holders) of any Share which appears to them to be an Excess Foreign-held Share requiring him within 21 days (or such extended time as in all the circumstances the Directors shall consider reasonable) to transfer such Share to another person so that it will cease to be a Foreign-held Share. On and after the date of such notice and until registration of a transfer of the Share to which it relates pursuant to the provisions of this paragraph the Share shall not confer any right to receive notice of or to attend or vote at General Meetings of the Company. If within 21 days after the giving of such notice (or such extended time as in all the circumstances the Directors shall consider reasonable) such notice is not complied with to the satisfaction of the Directors, the Directors shall arrange for the Company to sell such Share at the best price reasonably obtainable to any other person so that the Share will cease to be a Foreign-held Share. For this purpose the Directors may authorise in writing any officer or employee of the Company to execute on behalf of the holder or holders a transfer of the Share to the purchaser and may issue a new certificate to the purchaser. The net proceeds of the sale of such Share shall be received by the Company whose receipt shall be a good discharge for the purchase money and shall be paid over by the Company to the former holder or holders upon surrender by him or them of the certificate for the Share, but such proceeds shall in no circumstances carry interest against the Company.

(H) Any notice given pursuant to paragraph (E), (F) or (G) of this Article may relate to more than one Share and shall in any event specify the Share or Shares to which it relates.

(1) (i) For as long as any Foreign-held Share which carries a right to vote on a poll at General Meetings of the Company only in specified circumstances does not carry a present right to vote at any General Meeting of the Company, the Directors shall in relation to such Share not be bound to comply with the provisions of the second paragraph of clause (i) of paragraph (D) or the provisions of paragraph (G) above, but the Directors may, at their discretion and at any time, determine that all provisions of this Article shall apply to any such Foreign-held Share.

(ii) If at any time such a Foreign-held Share as is referred to in clause (i) above carries a present right to vote at General Meetings of the Company, such Share shall, if the Directors have not previously determined that all the provisions of this Article shall apply to it, thereupon be treated as a Foreign-held Share for all the purposes of this Article.

(iii) For the purposes of deciding whether a Foreign-held Share is an Excess Foreign-held Share, any Foreign-held Share which is the subject of a determination by the Directors pursuant to clause (i) above or to which all the provisions of this Article have been applied by virtue of clause (ii) above shall be deemed to have been entered in the separate register referred to in paragraph (D) on the date of such determination or of such application, as the case may be.

(J) The Directors shall not be required to give any reasons for any decision or declaration taken or made in accordance with this Article.

## TRANSMISSION OF SHARES

41. In case of the death of a shareholder, 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 person or persons recognised by the Company as having any title to or interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

Death of shareholder

42. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise by operation of law to such entitlement may (subject as herein provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of his desire to be so registered or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member or other event as aforesaid had not occurred and the notice or transfer were a transfer executed by such member.

Entitlement to share if that happens

43. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a member or other event giving rise by operation of law to such entitlement (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) 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 share 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 meetings of the Company until he shall have been registered as a member in respect of the share.

Entitlement to dividends etc

## GENERAL MEETINGS

44. An Annual General Meeting shall be held not more than eighteen months after the incorporation of the Company and subsequently 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.

Annual General Meetings

45. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an Extraordinary General Meeting.

Extraordinary General Meetings

## NOTICE OF GENERAL MEETINGS

46. An Annual General Meeting and any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) 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 General Meeting by 14 days' notice in writing at the least. The

Notice of meetings

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 (if any) as are not under the provisions of these presents entitled to receive such notices from the Company: Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:—

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

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate any General Meeting or any proceedings thereat.

47. (A) 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 one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

Contents of notice

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; 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.

48. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:—

Routine business

- (i) declaring dividends;
- (ii) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
- (iii) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

- (iv) re-appointing the retiring Auditors (other than Auditors last appointed otherwise than by the Company in General Meeting);
- (v) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

## PROCEEDINGS AT GENERAL MEETINGS

49. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither shall be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number), to be chairman of the meeting.

Chairman of meetings

50. 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. Five members present in person or by proxy and entitled to vote at that meeting shall be a quorum for all purposes.

Quorum

51. 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, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than seven days thereafter) and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. At the adjourned meeting any two members present in person or by proxy shall be a quorum.

Absence of quorum

52. The chairman of the meeting may with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for any adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of any adjourned meeting shall be given in like manner as in the case of the original meeting.

Adjournment

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

Not a notice  
of adjournment

54. 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.

Amendment to  
resolution not

55. 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:—

Voting

- (i) the chairman of the meeting; or
- (ii) not less than three members present in person or by proxy and entitled to vote at the meeting; or
- (iii) 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
- (iv) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

56. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required 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. If a poll is required, it shall be taken in such a manner (including the use of ballot or voting papers or tickets) 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 and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

57. 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.

Casting vote

58. A poll demanded on the election of a chairman of the meeting Take up 5 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 of the meeting 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

59. Subject to any special rights or restrictions as to voting attached Young etc 5 by or in accordance with these presents to any shares or class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 50p in nominal amount of the shares of which he is the holder.

60. In the case of joint holders of a share the vote of the senior who Joint holders 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 of Members in respect of the share.

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

62. No member shall, unless the Directors otherwise determine, be Suspension of voting etc rights entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid or if he or any person appearing to be interested in such shares has been duly served with a notice under Section 74 of the Companies Act 1981 and is in default in supplying to the Company within 28 days (or such extended time as in all the circumstances the



Directors shall consider reasonable) the information thereby required. For the purpose of this Article a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 74 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification under Section 74) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

63. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and any 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.

Objection to votes

64. 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.

Proxy votes

65. A proxy need not be a member of the Company.

Proxy not member

66. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:—

Form of proxy

- (i) in the case of an individual shall be signed by the appointor or by his attorney; and
- (ii) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

67. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, 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. Provided that an instrument of proxy relating to more than one meeting (including any adjournment

Lodging of proxies

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.

68. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and 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. Proxy demand for poll

69. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation 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. Revocation of proxy

#### CORPORATIONS ACTING BY REPRESENTATIVES

70. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The Solicitor for the affairs of Her Majesty's Treasury may, so long as he is a member of the Company, authorise in writing under his hand such person as he thinks fit to act as his representative at any meeting of the Company or of any class of members of the Company. Any person so authorised pursuant to the foregoing provisions of this Article shall be entitled to exercise the same powers on behalf of the member by whom such authorisation was given as such member could exercise were the member an individual member of the Company and such member shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised by that member is present thereat. Corporate representatives

#### DIRECTORS

71. The Directors (and their alternates) shall, up to but excluding the appointed day (as defined for the purposes of Article 40), be citizens of the United Kingdom and Colonies within the meaning of the British Nationality Act 1948 and, from and including the appointed day, be persons who are British citizens or British Dependent Territories citizens or British Overseas citizens by virtue of the British Nationality Act 1981 and, subject as hereinafter provided, shall not be less than six in number. Nationality of Directors

The Company may by Ordinary Resolution from time to time vary the minimum number and/or fix and from time to time vary a maximum number of Directors.

72. (A) The Special Shareholder shall have the right from time to time to appoint (which right shall include the right to nominate an existing Director for such appointment) one Director and to remove the same and appoint another in his place and may appoint any person (including another Director) to act as the alternate of any such Director and at any time terminate such appointment. Any such appointment, removal or termination shall be in writing, served on the Company by leaving the same at the Office and shall be signed by or on behalf of the Special Shareholder. (A) DIRECTOR'S  
PURPOSE

(B) Save as provided in this Article 72 and Article 81 (vi), the provisions of these presents shall apply to the Government Director as they apply to other Directors.

(C) Neither the Government Director nor his alternate shall hold any executive office or the office of Chairman or Deputy Chairman.

(D) The provisions of Articles 82 to 88 (inclusive) and of Article 89 (A) and (B) shall not apply to the Government Director and the Government Director shall not be required to retire or be taken into account in determining the number of Directors to retire pursuant to the provisions of Article 82.

(E) Neither the Government Director nor his alternate (unless the alternate be another Director who is not acting as alternate) shall vote on any issue relating to a contract made or proposed to be made which is a contract (other than for the purpose only of providing any guarantee or indemnity) to which the Company is a party and the Crown or a person acting on behalf of the Crown or a company of which the share capital is wholly owned by or on behalf of the Crown is also a party. Neither the Government Director nor his alternate (unless the alternate be another Director who is not acting as alternate) shall be counted in the quorum at a meeting in relation to any resolution on which they are debarred from voting under this paragraph.

73. 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 be entitled to attend and speak at General Meetings. No share qualifica

74. Each Director shall be entitled to receive remuneration for his services at such rate, not exceeding £20,000 per annum, as the Directors may from time to time determine and such remuneration shall accrue *de die in diem*. The Company in General Meeting may increase the amount Directors' fees

of the remuneration to the Directors either permanently or for a year or longer term.

75. 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, 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 as the Directors may determine. Directors' remuneration

76. 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 General Meetings or otherwise in or about the business of the Company. Directors' expenses

77. The Directors shall have the power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums. Directors' pensions

78. Subject to the provisions of these presents, a Director may be a party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof. Directors' interests

79. (A) Subject to the provisions of these presents, 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 (subject to the Statutes) for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment. Executive Directors

(B) The appointment of any Director to the office of Chairman or Deputy Chairman or Chief Executive or Joint Chief Executive 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.

(c) 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.

80. 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 (without prejudice to the terms of any contract entered into in any particular case) may from time to time revoke, withdraw, alter or vary all or any of such powers.

Delegation by  
Directors

## APPOINTMENT AND RETIREMENT OF DIRECTORS

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

Vacation of office

- (i) If he shall become prohibited by law from acting as a Director.
- (ii) 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.
- (iii) If he shall have a receiving order made against him or in Scotland has his estate sequestrated or shall compound with his creditors generally.
- (iv) If in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of his mental disorder or his becoming a patient under the Mental Health Act 1959 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.
- (v) If, at any time up to but excluding the appointed day (as defined for the purposes of Article 40), he shall cease to be a citizen of the United Kingdom and Colonies within the meaning of the British Nationality Act 1948 and, at any time from and including the appointed day, he shall cease to be a British citizen, a British Dependent Territories citizen or a British Overseas citizen by virtue of the British Nationality Act 1981 and, upon such cessation, shall not be a citizen of any of such categories.

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

82. At the first Annual General Meeting of the Company all the Directors shall retire from office and at the Annual General Meeting in every subsequent year one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. Re-election by  
E. G. A. 11

83. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. Directors to retire

84. The Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill up the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:— Re-election of  
Directors

- (i) Where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost.
- (ii) Where such Director has not given notice in writing to the Company by the date of the Notice convening the Annual General Meeting at which he will retire by rotation that he is willing to be re-elected.
- (iii) Where the default is due to the moving of a resolution in contravention of the next following Article.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect another 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 break.

85. A resolution for the appointment 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 a meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void. Appointment of Directors

86. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than forty-two 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. Eligibility for appointment

87. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these presents 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 appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy. Removal of Director

88. The Company may (subject to Article 71) by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these presents. Any person so appointed by the Directors shall hold office until the next Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. Appointment of Directors

#### ALTERNATE DIRECTORS

89. (A) Any Director (other than a Government 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 Alternate Director

another Director but subject to Article 71) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

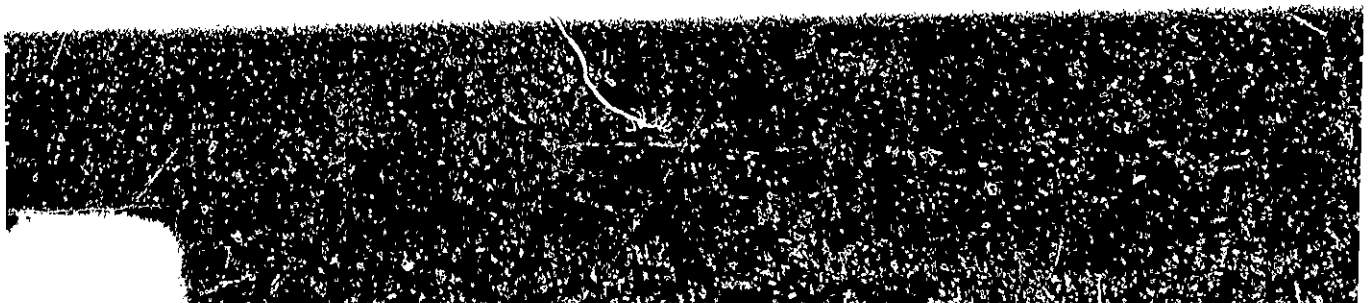
(a) The appointment of an alternate Director shall determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor ceases to be a Director.

(c) 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 for whom he is appointed an alternate is not personally present and generally at such meeting to perform all the functions of a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of the Director for whom he is appointed an alternate) 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. If the Director for whom he is appointed an alternate 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 the Director for whom he is appointed an alternate. To such extent as the Directors may from time determine in relation to any committee of the Directors the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any meeting of any such committee of which the Director for whom he is appointed an alternate 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 presents.

(D) 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 (or, if the alternate Director is appointed as such pursuant to Article 72, as if he were a Government 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 the Director for whom he is appointed an alternate as such Director may by notice in writing to the Company from time to time direct.

#### MEETINGS AND PROCEEDINGS OF DIRECTORS

90. Subject to the provisions of these presents the Directors may <sup>Meetings of Directors</sup> meet together for the despatch of business, adjourn and otherwise regulate





their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from the United Kingdom. Any Director may waive notice of any meeting and any such waiver may be retrospective.

91. The quorum necessary for the transaction of the 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. Quorum

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

93. (A) Subject as provided in these presents, 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 his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. Directors' interest

(B) Subject to the provisions of the Statutes and as provided in these presents, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:—

- (i) The giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries.
- (ii) The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security.
- (iii) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof.

(iv) Any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with any person connected with him within the meaning of Section 64 Companies Act 1980) is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances).

(v) Any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme or any employees' share scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes.

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

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

(E) Subject to the Statutes, the Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

94. 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 presents the continuing Directors or Director may act for the purpose of filling up 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

95. The Directors may elect a Chairman and a Deputy Chairman <sup>Chairman</sup> (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 neither be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

96. A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective 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. <sup>With this object</sup>

97. The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any 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 of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (i) the number of co-opted members shall be less than one-half of the total number of members of the committee and (ii) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors. <sup>Committee</sup>

98. The meetings and proceedings of any such committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of these presents 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 Article. <sup>Committee's proceedings</sup>

99. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such 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 and had been entitled to vote. <sup>Validity of Directors</sup>

## BORROWING POWERS

100. (A) Subject as hereinafter provided and to the provisions of <sup>Borrowing power</sup> the Statutes, the Directors may exercise all the powers of the Company

to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(B) (1) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all money borrowed by the Group (which expression in this Article means the Company and its subsidiaries for the time being) and for the time being owing, subject as hereinafter provided, to persons other than the Company and its wholly owned subsidiaries shall not, without the previous sanction of an Ordinary Resolution of the Company, at any time prior to the conclusion of the Annual General Meeting of the Company in the calendar year 1982 exceed £450,000,000 and at any time thereafter exceed an amount equal to the greater of (i) one and one half times the Adjusted Capital and Reserves and (ii) £450,000,000.

(2) In this Article the expression "Adjusted Capital and Reserves" means at any material time a sum equal to the aggregate of:—

- (a) The amount paid up (or credited as or deemed to be paid up) on the issued share capital of the Company; and
- (b) The amount standing to the credit of the capital and revenue reserves of the Group (including without limitation the Statutory Reserve and any share premium account or capital redemption reserve fund) after adding thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account of the Group;

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

- (i) excluding any sums set aside for taxation;
- (ii) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such

shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);

- (iii) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (iv) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;
- (v) making all such adjustments, if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, as would be appropriate if such transaction had been carried into effect;
- (vi) excluding minority interests in subsidiaries;
- (vii) deducting sums equivalent to the book values of goodwill and any other intangible assets shown in such consolidation (as adjusted pursuant to the foregoing provisions of this paragraph (2)) Provided that for the purposes of this sub-paragraph (vii) such proportion of launching costs (including development costs) previously incurred by the Group as are carried forward in such consolidation against deliveries with the concurrence of the Auditors or in accordance with any current Statement of Standard Accounting Practice or other accountancy principle or practice generally accepted for the time being in the United Kingdom shall be deemed not to be intangible assets;

(c) For the purposes of the foregoing limit the following provisions shall apply:—

- (1) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed money of the relevant member of the Group (but only to the extent that the same would not otherwise fall to be taken into account):—
  - (a) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
  - (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any bank or

accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;

- (c) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by any member of the Group;
  - (d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which or borrowed moneys the indebtedness in respect of which are for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or (to the extent the same is partly secured) partly secured by any member of the Group;
  - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account; and
  - (f) sums representing rental payments whether due and payable or contingently payable by any member of the Group under hire purchase agreements in respect of plant, equipment or machinery hired by any member of the Group and any agreements ancillary thereto;
- (2) moneys borrowed by any members of the Group for the purposes of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves fall to be taken into account;
- (3) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other institution or body carrying on a similar business shall be deemed not to be borrowed moneys;
- (4) moneys borrowed (including share capital to which paragraph (c) (1) (c) applies) by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion of the borrower and moneys borrowed (including such share capital as aforesaid) by a member of the Group from and owing to a partly-owned subsidiary shall be

taken into account to the extent of a proportion thereof equal to the minority proportion of the lender; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of the partly-owned subsidiary which is not attributable to the Company or any subsidiary of the Company;

- (5) for the avoidance of doubt it is hereby expressly provided that for the purposes of the foregoing limit the following sums shall be deemed not to be borrowed moneys of the Group:—
- (a) sums which, but for the provisions of this paragraph (5), would be borrowed moneys of any member of the Group at the time of, and for a period of six months after, such company becoming a subsidiary of the Company otherwise than pursuant to the provisions of the British Aerospace Act 1980;
  - (b) sums advanced or paid to any member of the Group (or their agent or nominee) by customers of any member of the Group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Group or any guarantees or indemnities given by any member of the Group in relation thereto;
  - (c) sums representing rental or other payments whether due and payable or contingently payable by any member of the Group under leases or credit sale agreements in respect of plant, equipment or machinery leased to or the subject of any such credit sale agreement with any member of the Group, and any agreements ancillary thereto;
  - (d) sums which otherwise would fall to be treated as borrowed moneys of any member of the Group which were treated, with the concurrence of the Auditors and in accordance with any current Statement of Standard Accounting Practice or other accountancy principle or practice generally accepted for the time being in the United Kingdom, in the latest audited balance sheet of the relevant member of the Group on which such consolidation was based as otherwise than borrowed moneys of that member of the Group;
- (6) borrowed moneys of any member of the Group expressed in or calculated by reference to a currency other than sterling or a combination of currencies including a currency or currencies other than sterling shall (as regards the currency or currencies other than sterling) be converted into sterling by reference to the rate of exchange used for the conversion of such currencies in

the latest audited balance sheet of the relevant member of the Group or, if any relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange therefor ruling on the date of such latest audited balance sheet and determined on such basis as the Auditors may determine or approve.

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

#### GENERAL POWERS OF DIRECTORS

101. 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 Statutes or by these presents required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, 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 Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article. Directors powers

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



103. The Directors may from time to time and at any time by power of attorney or otherwise 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 presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Attorneys

104. The Directors may from time to time appoint any person to any office or employment having a designation or title including the word "Director" or attach to any existing office or employment with the Company such a designation or title and may at any time determine any such appointment or the use of any such designation or title. The inclusion of the word "Director" in the designation or title of any such office or employment with the Company shall not imply that the holder thereof is a Director of the Company nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these presents. Title "Director"

105. Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register. Branch register

106. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts of 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. Cheques etc.

## SECRETARY

107. 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 think fit one or more Assistant Secretaries. Secretaries

### THE SEAL

108. (A) The Directors shall provide for the safe custody of the Seal and the Securities Seal (if any) and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.

(B) Every instrument to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signature or either of them shall be dispensed with or affixed by some method or system of mechanical signatures.

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

109. The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

### AUTHENTICATION OF DOCUMENTS

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

### RESERVES

111. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think

proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

## DIVIDENDS

112. The Company may by Ordinary Resolution declare dividends Dividends but no such dividends shall exceed the amount recommended by the Directors.

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

114. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share. Apportionment of dividends

115. No dividend shall be paid otherwise than out of profits available for the purpose in accordance with the provisions of Part III of the Companies Act 1980 which apply to the Company. Dividends out of profits

116. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company. No interest on dividends

117. Subject to the provisions of the Statutes, where any asset, business or property is acquired by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses arising therefrom as from such date may at the discretion of the Directors in whole or in part be carried to revenue Pre-acquisition

account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased *cum* dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

118. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. Person's right to dividend

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

119. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the holder thereof (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company. Waiver of dividends

120. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company. Unclaimed dividends

121. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. Dividends in specie

122. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or Payment of dividends

more persons are registered as joint holders of the share or are entitled thereto in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons) or to such person and such address as such member or person or persons may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

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

Payments to joint holders, etc.

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

Record dates

## CAPITALISATION OF PROFITS AND RESERVES

125. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including without limitation the Statutory Reserve, Share Premium Account and Capital Redemption Reserve Fund) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of Ordinary Shares on the Register of Members at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. The

Capitalisation of profits and reserves

Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

125A. The Directors may with the prior sanction of an Ordinary Resolution of the Company offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of such dividend or dividends (or part thereof) as are specified by any such Resolution. The following provisions shall apply:

- (i) the said Resolution may specify a particular dividend or may specify all or any dividends declared or resolved in respect of a specified period but such period may not end later than the expiry of two months following the conclusion of the Annual General Meeting next following the date of the Meeting at which such Resolution is passed provided nevertheless that the Directors may in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination;
- (ii) the entitlement of each Ordinary Shareholder to new Ordinary Shares shall be determined by the Directors so that the Relevant Value thereof shall be as nearly as possible equal to (but not in excess of) the cash amount that such Shareholders would have received by way of dividend. For this purpose "Relevant Value" shall be calculated by reference to the average of the middle market quotations for the Company's Ordinary Shares on The Stock Exchange, London, as derived from the Daily Official List on the day when the Ordinary Shares are first quoted "ex" the relevant dividend and on the four subsequent dealing days, adjusted (if need be) as the Auditors may consider appropriate;
- (iii) in each year when a dividend or dividends become payable on fully-paid Ordinary Shares the first 0.1p per share of such dividend (or, if less, the amount of such dividend) shall not be subject to the said right of election but shall in any event be payable in cash;

- (iv) the Directors may specify a minimum number of Ordinary Shares in respect of which the right of election may be exercised. The basis of allotment shall be such that no member may receive a fraction of a share and the Directors may make such provision as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit accrues to the Company;
- (v) the Directors may make exclusions or restrictions as respects the rights of certain shareholders to elect to receive Ordinary Shares instead of cash as they think necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
- (vi) the Directors, after determining the basis of allotment, shall notify the holders of Ordinary Shares in writing of the right of election offered to them, and shall issue forms of election and specify the procedure to be followed and place at which, and the latest time by which, duly completed forms of election must be lodged in order to be effective;
- (vii) the dividend (or that part of the dividend in respect of which a right of election has been offered and other than the part payable in cash under paragraph (iii) above) shall not be payable on Ordinary Shares in respect whereof the said election has been duly made ("the elected Ordinary Shares") and instead thereof additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid; for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares on such basis. A resolution of the Directors capitalising any part of the reserves or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been sanctioned by an Ordinary Resolution of the Company in accordance with Article 125; and
- (viii) the additional Ordinary Shares so allotted shall be allotted as of the record date for the dividend in respect of which the

right of election has been offered and shall rank *pari passu* in all respects with the fully paid Ordinary Shares then in issue save only that the shares so allotted will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date or any earlier record date.

## ACCOUNTS

126. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes 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 as ordered by a court of competent jurisdiction or as authorised by the Directors. Accounting records

127. 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 twenty-one 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 notice of meetings from the Company under the provisions of the Statutes or of these presents. Provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. If all or any of the shares or debentures of the Company shall for the time being be listed on The Stock Exchange, there shall be forwarded to the appropriate officer of The Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice. Deliver accounts etc to shareholders etc

## AUDITORS

128. 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. Validity of acts of auditors

129. An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any Auditors may attend meetings



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

130. 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 through the post in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained. 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. Notices

131. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded. Notices to joint holders etc

132. A person entitled to a share in consequence of the death, bankruptcy or mental disorder of a member or by operation of law or any other event upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom 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 member but for his death or bankruptcy would be 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 share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder. Notices to person entitled to shares

133. A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.

Notices within registered address

134. If at any time by reason of the total suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers (at least one of which shall be a London newspaper) and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least 48 hours prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

suspension of postal services

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

#### WINDING-UP

135. The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

Winding up

136. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of an Extraordinary Resolution and subject to any provision sanctioned in accordance with the provisions of Section 74 of the Companies Act 1980, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability. The Liquidator may make any provision referred to in, and sanctioned in accordance with the provisions of Section 74 of the Companies Act 1980.

Powers of liquidator

## INDEMNITY

137. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings 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 under any statute for relief from liability in respect of any such act or omission in which relief is granted by the court. Without prejudice to the generality of the foregoing the Directors shall (save in the circumstances set out in paragraphs (c) and (f) of Article 40 or unless any Director has reason to believe otherwise), be entitled to assume that every share, other than those particulars of which are entered in the separate register maintained by the Directors pursuant to Article 40(d), is not a Foreign-held Share (as that expression is defined in Article 40) and accordingly, save in such circumstances as aforesaid, the Directors shall be under no liability to the Company or any other person for failing to treat any share as a Foreign-held Share or an Excess Foreign-held Share (defined as aforesaid) in accordance with the provisions of Article 40 and neither shall the Directors or any of them be liable to the Company or any other person if, having acted reasonably and in good faith, they determine erroneously that any share is a Foreign-held Share or an Excess Foreign-held Share and, on the basis of such determination, perform or exercise (or purport to perform or exercise) their duties and/or powers and/or rights under Article 40 in relation to such share.

No. 1470151

*The Companies Acts 1948 to 1983  
and The Companies Act 1985*

COMPANY LIMITED BY SHARES

**Memorandum**

*(Amended by Special Resolution passed on  
2nd January, 1981)*

AND

NEW

**Articles of Association**

*(Adopted by Special Resolution passed on  
2nd January, 1981 and amended pursuant to  
Special Resolutions passed on 3rd February,  
1981, 18th May, 1982, 29th April, 1985,  
12th May, 1987, 10th May, 1988,  
10th May, 1989 and 16th August, 1989)*

OF

**BRITISH AEROSPACE  
PUBLIC LIMITED COMPANY**

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Incorporated the 31st day of December, 1979.

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LINKLATERS & PAINES,  
BARRINGTON HOUSE,  
59-67 GRESHAM STREET,  
LONDON EC2V 7JA.