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BRITISH NUCLEAR FUELS LIMITED

Company number **05027024**

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003439/480

Company number: 5027024

WE HEREBY CERTIFY
THIS TO BE A TRUE AND
ACCURATE COPY OF
THE ORIGINAL

THE COMPANIES ACT 1985

and

THE COMPANIES ACT 1989

PUBLIC COMPANY LIMITED BY SHARES

Herbert Smith
HERBERT SMITH
Exchange House
Primrose Street
London EC2A 2HS

MEMORANDUM OF ASSOCIATION

-of-

BRITISH NUCLEAR FUELS PUBLIC LIMITED COMPANY

1. The Company's name is "British Nuclear Fuels plc".¹
2. The Company is a public limited company.
3. The Company's registered office is to be situated in England and Wales.
4. The Company's objects are²:
 - (1) To design, manufacture, supply or deal in nuclear fuel; to carry out any processing and re-processing of fissile material and nuclear fuel; to manufacture, supply or deal in radio-active substances; to operate nuclear reactors and other irradiation facilities; to produce, use and dispose of heat and electricity generated by nuclear power stations; to design, manufacture, supply or deal in plant, equipment and apparatus of a kind used in or in connection with any of the foregoing activities.
 - (2) To provide services in connection with any of the foregoing activities and in particular in connection with nuclear fuel, fissile material, radioactive substances, and nuclear reactors and other irradiation facilities.
 - (3) To carry out design work, building, mining, engineering or other operations or works and to manufacture, machine, process, supply or deal in goods or materials, where any such activity may be necessary or expedient in respect of, or may conveniently be associated with, any of the foregoing activities, or where such activity may involve the development, manufacture and exploitation for general commercial purposes of any product or process derived from activities or developed by any body or organisation engaged in the nuclear industry, including, but without limitation to the generality of the foregoing, any product or process developed, manufactured or explained under licence from the United Kingdom Atomic Energy Authority.

¹ Pursuant to a written special resolution passed by all the shareholders of the Company on 17 March 2005, the name of the Company was changed from Precis (2404) Limited to British Nuclear Fuels plc.

² As amended by a written special resolution passed by all the shareholders of the Company on 17 March 2005.



- (4) To carry on research in connection with any of the foregoing activities; and to carry on any other activity preparatory or ancillary thereto.
- (5) To enter into such commercial or other transactions as may seem desirable for the purpose of the Company's affairs.
- (6) To carry on the business of an investment company and for that purpose to acquire and hold either in the name of the Company or in that of any nominee shares, stocks, debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business and debentures, debenture stock, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or authority, supreme, dependent, municipal, local or otherwise in any part of the world.
- (7) To acquire any shares, stock, debentures, debenture stock, bonds, notes, obligations, or securities by original subscription, contract, tender, purchase, exchange, underwriting, participation in syndicates or otherwise, and whether or not fully paid up, and to subscribe for the same subject to such terms and conditions (if any) as may be thought fit.
- (8) To exercise and enforce all rights and powers conferred by or incident to the ownership of any shares, stock, obligations or other securities including without prejudice to the generality of the foregoing all such powers of veto or control as may be conferred by virtue of the holding by the Company of some special proportion of the issued or nominal amount thereof and to provide managerial and other executive supervisory and consultant services for or in relation to any company in which the Company is interested upon such terms as may be thought fit.
- (9) To carry on business as a general commercial company.
- (10) To carry on any other business which may seem to the Company capable of being conducted directly or indirectly for the benefit of the Company.
- (11) To acquire by any means any real or personal property or rights whatsoever and to use, exploit and develop the same.
- (12) To conduct, promote and commission research and development in connection with any activities or proposed activities of the Company, and to apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, secret processes, designs, copyrights, trade marks, service marks, commercial names and designations, know-how, formulae, licences, concessions and the like (and any interest in any of them) and any exclusive or non-exclusive or limited right to use, and any secret or other information as to, any invention or secret process of any kind; and to use, exercise, develop, and grant licences in respect of, and otherwise turn to account and deal with, the property, rights and information so acquired.
- (13) To acquire by any means the whole or any part of the assets, and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business which the Company is authorised to carry on or which can be carried on in connection therewith, and to acquire an interest in, amalgamate

or enter into any arrangement for sharing profits, or for co-operation, or for limiting competition, or for mutual assistance, with any such person and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, whether fully or partly paid up, debentures, or other securities or rights that may be agreed upon.

- (14) To subscribe for, underwrite, purchase or otherwise acquire, and to hold, and deal with, any shares, stocks, debentures, bonds, notes and other securities, obligations and other investments of any nature whatsoever and any options or rights in respect of them; and otherwise to invest and deal with the money and assets of the Company.
- (15) To lend money or give credit to such persons and on such terms as may seem expedient.
- (16) To borrow money and to secure by mortgage, charge or lien upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, the discharge by the Company or any other person of any obligation or liability.
- (17) To guarantee the performance of any obligation by any person whatsoever, whether or not for the benefit of the Company or in furtherance of any of its objects.
- (18) To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (19) To apply for, promote and obtain any Act of Parliament, charter, privilege, concession, licence or authorisation of any government, state, department or other authority (international, national, local, municipal or otherwise) for enabling the Company to carry any of its objects into effect or for extending any of the Company's powers or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the Company or of its members.
- (20) To enter into any arrangements with any government, state, department or other authority (international, national, local, municipal or otherwise), or any other person, that may seem conducive to the Company's objects or any of them, and to obtain from any such government, state, department, authority, or person, and to carry out, exercise and exploit, any charter, contract, decree, right, privilege or concession which the Company may think desirable.
- (21) To do all or any of the following, namely:
 - (1) to establish, provide, carry on, maintain, manage, support, purchase and contribute to any pension, superannuation, retirement, redundancy, injury, death benefit or insurance funds, trusts, schemes or policies for the benefit of, and to give or procure the giving of pensions, annuities, allowances, gratuities, donations, emoluments, benefits of any description (whether in kind or otherwise), incentives, bonuses, assistance (whether financial or otherwise) and accommodation in such manner and on such

terms as the Company thinks fit to, and to make payments for or towards the insurance of -

- (a) any individuals who are or were at any time in the employment of, or directors or officers of (or held comparable or equivalent office in), or acted as consultants or advisers to or agents for -
 - (i) the Company or any company which is or was its parent company or is or was a subsidiary undertaking of the Company or any such parent company; or
 - (ii) any person to whose business the Company or any subsidiary undertaking of the Company is, in whole or in part, a successor directly or indirectly; or
 - (iii) any person otherwise allied to or associated with the Company;
 - (b) any other individuals whose service has been of benefit to the Company or who the Company considers have a moral claim on the Company; and
 - (c) the spouses, widows, widowers, families and dependants of any such individuals as aforesaid; and
- (2) to establish, provide, carry on, maintain, manage, support and provide financial assistance to welfare, sports and social facilities, associations, clubs, funds and institutions which the Company considers likely to benefit or further the interests of any of the aforementioned individuals, spouses, widows, widowers, families and dependants.
- (22) To establish, maintain, manage, support and contribute to any schemes or trusts for the acquisition of shares in the Company or its holding company by or for the benefit of any individuals who are or were at any time in the employment of, or directors or officers of, the Company or any company which is or was its parent company or is or was a subsidiary undertaking of the Company or any such parent company, and to lend money to any such individuals to enable them to acquire shares in the Company or in its parent company and to establish, maintain, manage and support (financially or otherwise) any schemes for sharing profits of the Company or any other such company as aforesaid with any such individuals.
- (23) To subscribe or contribute (in cash or in kind) to, and to promote or sponsor, any charitable, benevolent or useful object of a public character or any object which the Company considers may directly or indirectly further the interests of the Company, its employees or its members.
- (24) To pay and discharge all or any expenses, costs and disbursements, to pay commissions and to remunerate any person for services rendered or to be rendered, in connection with the formation, promotion and flotation of the Company and the underwriting or placing or issue at any time of any securities of the Company or of any other person.

- (25) To issue, allot and grant options over securities of the Company for cash or otherwise or in payment or part payment for any real or personal property or rights therein purchased or otherwise acquired by the Company or any services rendered to, or at the request of, or for the benefit of, the Company or as security for, or indemnity for, or towards satisfaction of, any liability or obligation undertaken or agreed to be undertaken by or for the benefit of the Company, or in consideration of any obligation (even if valued at less than the nominal value of such securities) or for any other purpose.
- (26) To procure the Company to be registered or recognised in any part of the world.
- (27) To promote any other company for the purpose of acquiring all or any of the property or undertaking any of the liabilities of the Company, or both, or of undertaking any business or operations which may appear likely to assist or benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares, debentures or other securities of any such company as aforesaid.
- (28) To dispose by any means of the whole or any part of the assets of the Company or of any interest therein.
- (29) To distribute among the members of the Company in kind any assets of the Company.
- (30) To do all or any of the above things in any part of the world, and either as principal, agent, trustee, contractor or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors or otherwise.
- (31) To do all such other things as may be deemed, or as the Company considers, incidental or conducive to the attainment of the above objects or any of them.

AND IT IS HEREBY DECLARED that in this clause:-

- (A) unless the context otherwise requires, words in the singular include the plural and vice versa;
- (B) unless the context otherwise requires, a reference to a person includes a reference to a body corporate and to an unincorporated body of persons;
- (C) references to "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible;
- (D) a reference to anything which the Company thinks fit or desirable or considers or which may seem (whether to the Company or at large) expedient, conducive, calculated or capable, or to any similar expression connoting opinion or perception, includes, in relation to any power exercisable by or matter within the responsibility of the directors of the Company, a reference to any such thing which the directors so think or consider or which may so seem to the directors or which is in the opinion or perception of the directors;

- (E) the expressions "subsidiary undertaking" and "parent company" have the same meaning as in section 258 of and Schedule 10A to the Companies Act 1985 or any statutory modification or re-enactment of it;
 - (F) the objects specified in each of the foregoing paragraphs of this clause shall be separate and distinct objects of the Company and accordingly shall not be in any way limited or restricted (except so far as otherwise expressly stated in any paragraph) by reference to or inference from the terms of any other paragraph or the order in which the paragraphs occur or the name of the Company, and none of the paragraphs shall be deemed merely subsidiary or incidental to any other paragraph.
5. The liability of the members is limited.
6. The share capital of the Company is £100 divided into one hundred shares of £1 each³.

³ Pursuant to a written resolution passed by the Company's sole shareholder on 17 March 2005, the authorised share capital of the Company was increased from £100 to £33,000,000 by the creation of 32,999,900 ordinary shares of £1 each.

Company number: 5027024

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BRITISH NUCLEAR FUELS PLC

(adopted by written special resolution passed on 17 March 2005)

Handwritten signature

WE HEREBY CERTIFY
THIS TO BE A TRUE AND
ACCURATE COPY OF
THE ORIGINAL

Herbert Smith
HERBERT SMITH
Exchange House
Princes Street
London EC2A 2NS

Date 23.03.05

Herbert Smith

ARTICLES OF ASSOCIATION

of

BRITISH NUCLEAR FUELS PLC

(adopted by written special resolution passed on 17 March 2005)

PRELIMINARY

1. No regulations (including the regulations contained in Table A in the Companies (Tables A to F) Regulations 1985) set out in any statute, or in any statutory instrument or other subordinate legislation made under any statute concerning companies shall apply as the regulations or articles of the Company.

2. **DEFINITIONS**

- (A) In these articles the following words bear the following meanings:

"acquisition/disposal transaction" means any actual or proposed acquisition, sale or other disposition (whether by security or otherwise) or parting with or sharing of ownership (including, without limitation, by partnership, joint venture or otherwise) of any assets, rights or property whatsoever by any group company, other than:

- (1) any transaction in respect of a sales contract;
 - (2) any transaction between the Company and a wholly-owned subsidiary of the Company or between wholly-owned subsidiaries of the Company; and
 - (3) any transaction described in any Corporate Plan that has been approved by the Majority Shareholder(s);

"Act" means subject to paragraph (C) of this article, the Companies Act 1985;

"address", in relation to electronic communications, includes any number or address used for the purposes of such communications;

"articles" means these articles of the Company as altered from time to time by special resolution;

"associated company" has the meaning given to such term in section 309A of the Act;

"BNFL Inc. business" means that part of the business of the group relating to BNFL Inc. and its subsidiary undertakings;

"BNG" means British Nuclear Group Limited (company number 5245506);

"board" means the board of directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present;

"business day" means a day (other than a Saturday or Sunday) on which the banks in London are normally open for business;

"cleaning-up" shall be construed in accordance with section 37(1) of the Energy Act;

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

"Corporate Plan" means the strategic plan relating to the operation and overall strategic direction of the group described in article 90;

"decommissioning" shall be construed in accordance with section 37(1) of the Energy Act;

"Debenture" means the £575,000,000 capital structure debenture to be issued by the Company to the Secretary of State on 1 April 2005 pursuant to a direction made under paragraph 2 of schedule 6 of the Energy Act;

"encumbrance" means any mortgage, pledge, lien, charge, equitable interest, third party right, assignment, hypothecation or other agreement or arrangement which has the same or a similar effect to the granting of security;

"Energy Act" means subject to paragraph (C) of this article, the Energy Act 2004;

"executed" means any mode of execution;

"financial year" means an accounting period of 12 calendar months commencing on 1 April each year and ending on 31 March on the following year;

"group" means the Company and its subsidiary undertakings (as defined in section 258 of the Act) from time to time;

"group company" means a member of the group;

"group's overnight overdraft facility" means the group's overnight overdraft facility with the Royal Bank of Scotland, or such other similar facility with such other bank, as agreed with the Majority Shareholder(s) from time to time;

"holder" means in relation to shares, the member whose name is entered in the register of members as the holder of the shares;

"installation" shall be construed in accordance with section 37(1) of the Energy Act;

"Magnox" means Magnox Electric plc (company number 2264251);

"Majority Shareholder(s)" means holder(s) of not less than three-quarters in nominal value of the issued ordinary shares;

"Minister" means a Minister of the Crown;

"NDA" means the Nuclear Decommissioning Authority;

"nuclear installation" has the meaning given to such term in section 37(1) of the Energy Act;

"Nuclear Liabilities Investment Portfolio" has the same meaning given to such term in section 42(6) of the Energy Act;

"nuclear site" has the meaning given to such term in section 37(1) of the Energy Act;

"nuclear transfer scheme" means a scheme made by the Secretary of State pursuant to section 38 of the Energy Act;

"Office" means the registered office of the Company;

"ordinary shares" means ordinary shares of £1 each in the capital of the Company;

"Parent Company" or **"Parent Companies"** means BNG, WEC (UK) and/or any member of the group which is the immediate parent undertaking of a Site Licensee Company, as the context may require;

"Parent Company Agreement" means the relevant parent company agreement to be entered into between the NDA, a Parent Company and a Site Licensee Company in respect of a Tier 1 Contract to which it relates;

"publicly owned company" has the same meaning given to such term in section 37(3) of the Energy Act;

"relevant transaction" means (a) any proposed or actual transaction or arrangement whatsoever in connection with the operation or decommissioning of a nuclear installation located outside the United Kingdom, cleaning-up of a nuclear site located outside the United Kingdom, operation of a facility located outside the United Kingdom for treating, storing, transporting or disposing of hazardous material, the treatment, storage, transportation or disposal of hazardous material, the nuclear energy, fuel and reactor services or design businesses (including, without limitation, researching, construction, manufacturing, processing, re-processing, recycling, supplying, development, and reactor operation and servicing), or energy generation outside the United Kingdom (including, without limitation, the generation and supply of electricity from a nuclear installation located outside the United Kingdom and energy trading or sale), and (b) any actual or proposed acquisition, sale or other disposition (whether by security or otherwise) or parting with or sharing of ownership (including, without limitation, by partnership, joint venture or otherwise) of any assets, rights or property whatsoever by any group company, other than:

- (1) any transaction between the Company and a wholly-owned subsidiary of the Company or between wholly-owned subsidiaries of the Company; and
- (2) any transaction described in any Corporate Plan that has been approved by the Majority Shareholder(s);

"Ring-fencing Deed(s)" means the Sellafield ring-fencing deed and all the deeds to be entered into (in accordance with the Sellafield ring-fencing deed) between the Company and the group companies in respect of the ring-fencing of financial assets;

"sales contract" means a contract in respect of a relevant transaction which is a sale of goods and services and which is in the group company's ordinary course of business or otherwise of a revenue nature;

"seal" means the common seal (if any) of the Company and an official seal (if any) kept by the Company by virtue of section 40 of the Act, or either of them as the case may require;

"secretary" means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

"Secretary of State" means Her Majesty's Secretary of State for Trade and Industry;

"Sellafield Limited" means British Nuclear Fuels plc (expected to be renamed British Nuclear Group Sellafield Limited) (company number 1002607);

"Sellafield ring-fencing deed" means the deed to be entered into between the Secretary of State, the Company and Sellafield Limited on 1 April 2005 in respect of the ring-fencing of the Nuclear Liabilities Investment Portfolio and other financial assets;

"shares" has the meaning given to such term in section 196(1) of the Energy Act;

"site" shall be construed in accordance with section 37(1) of the Energy Act;

"Site Licensee Company" or "Site Licensee Companies" means Sellafield Limited, Magnox, Springfields Fuels and/or any member of the group which is a holder of a nuclear site licence under the Nuclear Installations Act 1965, as the context may require;

"Springfields Fuels" means Springfields Fuels Limited (company number 3857770);

"Tier 1 Contract" means the site management and operations contract to be entered into between the NDA and a Site Licensee Company in respect of a nuclear site;

"transfer reserve" means the reserve created in the accounts of a group company (in accordance with paragraph 6 of schedule 6 of the Energy Act) following the implementation of a nuclear transfer scheme;

"Treasury" means Her Majesty's Treasury;

"undistributable transfer reserve" means a transfer reserve which the Secretary of State directs as being undistributable under paragraph 6(4) of schedule 6 of the Energy Act;

"WEC (UK)" means Westinghouse Electric UK Limited (company number 2458109);

"Westinghouse business" means that part of the business of the group relating to Westinghouse Electric Company LLC and its subsidiary undertakings, and WEC (UK) and its subsidiary undertakings;

"WEC Facility" means the credit agreement dated 10 September 2002, as amended by supplemental agreements dated 10 February 2004 and 20 January, between, among others, Sellafield Limited, WEC (UK), Westinghouse Electric Company LLC, BNP Paribas, Wachovia Bank, NA, Scotiabank Europe plc, The Royal Bank of Scotland plc (as syndication agent) and Bank One, NA (and as administrative agent);

"WEC receivable facility" means the credit and security agreement dated 21 March 2002 by and among WEC Receivables Company LLC, as borrower, Westinghouse Electric Company LLC, as servicer, Blue Ridge Asset Funding Corporation, the liquidity banks from time to time party thereto, and Wachovia Bank, NA, as agent;

- (B) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act and in the Energy Act.
- (C) Except where otherwise expressly stated, a reference in these articles to any primary or delegated legislation or legislative provision includes a reference to any modification or re-enactment of it for the time being in force.
- (D) In these articles, unless the context otherwise requires:
 - (1) words in the singular include the plural, and vice versa;
 - (2) words importing any gender include all genders; and
 - (3) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- (E) In these articles:
 - (1) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form;

- (2) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible;
 - (3) references to "include" or "including" are without limitation;
 - (4) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
 - (5) references to a committee of the directors are to a committee established in accordance with these articles, whether or not comprised wholly of directors.
- (F) The headings are inserted for convenience only and do not affect the construction of these articles.

3. **FORM OF RESOLUTION**

- (A) Subject to the Act, where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective.
- (B) A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members.

SHARE CAPITAL

4. **AUTHORISED SHARE CAPITAL**

The share capital of the Company is £33,000,000 divided into 33,000,000 ordinary shares of £1 each.

5. **RIGHTS ATTACHED TO SHARES**

Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine.

6. **REDEEMABLE SHARES**

Subject to the provisions of the Act and the previous sanction of an ordinary resolution of the Company, any share may be issued which is or is to be liable, to be redeemed at the option of the Company or the holder on such terms and in such manner as the Company may, before the issue of such share, by ordinary resolution determine.

7. **UNISSUED SHARES**

Subject to the provisions of the Act, these articles and the previous sanction of an ordinary resolution of the Company, the unissued shares in the Company (whether forming part of the original or any increased share capital) shall be at the disposal of the directors, who may offer, allot, grant options over or otherwise dispose of them to such persons and on

such terms as the Company may, before the issue of such shares, by ordinary resolution determine.

8. **PAYMENT OF COMMISSION**

The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act and these articles, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

9. **TRUSTS NOT RECOGNISED**

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by these articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety of it in the holder.

10. **VARIATION OF RIGHTS**

Subject to the provisions of the Act, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied, either while the Company is a going concern or during or in contemplation of a winding up:

- (A) in such manner (if any) as may be provided by those rights; or
- (B) in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares), or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise. To every such separate meeting the provisions of these articles relating to general meetings shall apply, except that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares) and at an adjourned meeting shall be one person holding shares of the class in question (other than treasury shares) or his proxy.

11. Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall be deemed not to be varied by the purchase by the Company of any of its own shares.

ORDINARY SHARES

12. **HOLDER OF ORDINARY SHARES**

The ordinary shares may only be issued to the Treasury, a Minister or any duly authorised person acting as nominee on behalf of the Treasury or of a Minister and may only be transferred to and held by another Minister or any other duly authorised person (including, without limitation, any nominee) acting on behalf of the Crown.

13. **RIGHTS ATTACHING TO ORDINARY SHARES**

13.1 **Dividend**

- (A) The holders of the ordinary shares shall be entitled to receive the profits of the Company available for distribution.
- (B) The Majority Shareholder(s) shall (having had regard to any recommendations the board may have regarding dividend payments) be entitled at any time to require:
 - (1) the directors to declare and pay a dividend to the holders of the ordinary shares (or their nominees) in accordance with their respective rights as members; and/or
 - (2) the Company to procure that any of the members of the group (excluding the Site Licensee Companies) declare and pay a dividend to its shareholders,

of such an amount and to be satisfied in such manner (whether in cash, in specie or otherwise) as may be determined by the Majority Shareholder(s) at its discretion (and, in the event of any request being received pursuant to this article 13.1, the directors and/or the Company shall do all such things as are duly required by the Majority Shareholder(s) to be done (and, where appropriate, shall procure that they are done) (including if so required by the Majority Shareholder(s) making application to the court to effect any reductions of share capital, undistributable transfer reserve, share premium account or capital redemption reserve) as soon as is reasonably practicable, and in any event, (save where any such reduction of share capital, undistributable transfer reserve, share premium account or capital redemption reserve has been applied for) the Company will pay any dividend required in accordance with article 13.1(B)(1), (and, as required by the Majority Shareholder(s), shall have procured the payment to the Company of any dividend) within 40 days of the Majority Shareholder(s) notifying the requirement that the said dividend be paid by the Company).

13.2 **Capital**

On a distribution of capital on liquidation or otherwise, the assets of the Company available for distribution shall belong to and be distributed among the holders of the ordinary shares in priority to any repayment of capital to any other member.

13.3 **Voting**

- (A) The holders of the ordinary shares have the right to receive notice of, and to attend and speak at, any general meeting of the Company.
- (B) Each holder of the ordinary shares present in person or by proxy at any such meeting shall upon a show of hands have one vote. On a poll each such holder present in person or by proxy shall have one vote in respect of every ordinary share of which he is the holder.

13.4 The provisions of this article 13.1(B) shall be subject to articles 134 and 135.

14. **VARIATION OF ORDINARY SHARE RIGHTS**

14.1 **Matters requiring consent**

Notwithstanding any provision in these articles to the contrary other than articles 134 and 135, each of the following shall be deemed to be a variation of the rights attaching to the ordinary shares and accordingly shall occur and be effective only with the prior written consent of the Majority Shareholder(s):

- (A) any material change in the group structure or organisation of the Company or any substantial alteration in the nature of the business of the group as a whole other than those changes under a relevant nuclear transfer scheme or in accordance with the Corporate Plan;
- (B) the alteration or deletion of, or the ratification of any breach of all or any part of the memorandum of association of any group company, or all or any part of the articles of association of any group company;
- (C) in respect of the voluntary winding-up of the Company or any group company (other than a dormant group company), the passing of a special resolution to the effect that such company should be wound-up by the court, the presentation by any group company (whether solely or jointly with any other person) of a petition for the winding-up of such company, or any proposal for any of the foregoing;
- (D) in respect of the Company or any group company (other than a dormant group company), the presentation by any group company (whether solely or jointly with each other or with any other person) of a petition applying for the appointment of an administrator of such company, or any proposal therefor;
- (E) the issue of any shares or share rights in the Company or in any wholly owned group company other than to the Secretary of State, a Minister, the Treasury, any of their respective nominees, a publicly owned company, or (in the case of a wholly owned group company but not the Company) to the Company or to a wholly owned subsidiary of the Company or any nominee of either of them, or the issue of any shares or share rights in any group company which is not wholly owned which will result in the interest of the Company in that group company being diluted;
- (F) the grant of any option or right to acquire or call for the issue of any shares in the Company or in any wholly owned group company by conversion, subscription or otherwise, other than to the Secretary of State, a Minister, the Treasury, any of their respective nominees, a publicly owned company, or (in the case of a wholly owned group company but not the Company) to the Company or to a wholly owned subsidiary of the Company or any nominee of either of them, or the grant of any such option or right in any group company which is not wholly owned which may result in the interest of the Company in that group company being diluted;
- (G) the transfer or other disposal of any issued shares or share rights in any group company (other than the Company) other than to the Secretary of State, a Minister, the Treasury, any of their respective nominees, a publicly owned company, or to the Company or to a wholly owned subsidiary of the Company or

any nominee of either of them otherwise than any such transfer or disposal by a person who is not a member of the group or a nominee for such a member;

- (H) the variation of any rights attached to any shares in any group company in so far as such variation affects the rights attached to the ordinary shares;
- (I) the declaration or payment of any dividend or the making of any distribution by the Company other than in accordance with the Corporate Plan or article 13.1;
- (J) the capitalisation of any undistributed profits of the Company or a group company (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of the undistributable transfer reserve, share premium account or capital redemption reserve of the Company or the group company;
- (K) any distribution, payment or return to shareholders of a group company of a capital nature other than:
 - (1) a transfer made pursuant to a nuclear transfer scheme;
 - (2) a payment under the Ring-Fencing Deed(s);
 - (3) a payment under the Debenture; and
 - (4) by a wholly owned subsidiary of the Company to the Company or an immediate parent group company;
- (L) the redemption or purchase by the Company or any group company of any share in itself or the reduction of the share capital of the Company or any group company, or any uncalled or unpaid liability in respect thereof, capital redemption reserve, undistributable transfer reserve or share premium account of the Company or any group company or the passing of any resolution authorising any of the foregoing;
- (M) the adoption of any accounting reference date of any group company, if different from that adopted by other members of the group;
- (N) save as provided under article 79, the:
 - (1) appointment or removal from office of any non-executive director of the Company;
 - (2) appointment or removal from office of any executive director of the Company;
 - (3) the appointment or removal of any person as chairman of the Company;
 - (4) appointment or removal from office of any director of the Company designated or re-designated at any time as chief executive officer of the Company or otherwise carrying out the general management functions of a chief executive officer of the Company or the group;
 - (5) appointment or removal of any person as chief executive of the Company or (whether or not immediately prior to that appointment he was a director of the Company and whether or not immediately after his removal he

continues to be a director of the same), and "chief executive" shall refer to any person carrying out the general management functions of a chief executive officer of the Company or the group,

or any change in the prescribed maximum or minimum number of directors of the Company or the appointment of any person other than (a) a director of the Company as an alternate director of any director of the Company; or (b) a director of the Company as an alternate director of any director of the Company;

- (O) the approval of or agreement to or any variation or amendment to:
 - (1) the remuneration (including, without limitation, salary, share options, bonuses, benefits in kind and pension rights) paid or granted by any group company to any director of the Company; or
 - (2) the terms and conditions of employment or engagement by any group company of any director of the Company;
- (P) the entry into any relevant transaction under which any one or more members of the group, directly or indirectly, ceases to own or retain any such interest as it may have in any asset in the absence of which the group might reasonably be considered to be unable to continue to perform its business in the manner and to the standard required by the Corporate Plan, except in circumstances under which the relevant asset remains available for exclusive use by any one or more members of the group for the remainder of its useful economic life or until it is fully depreciated;
- (Q) any arrangement whereby the directors of any group company shall cease to determine the general policy of the relevant group company and the scope of the activity and operation of the relevant group company or cease to determine all matters involving major or unusual decisions material to the business of the group taken as a whole or otherwise whereby the control of the management of the relevant group company shall pass from the directors thereof to any third party or body (other than the NDA);
- (R) any proposal in connection with the entry into any sales contract by any group company (excluding the Site Licensee Companies and their subsidiaries), in relation to which the value (consideration and/or liability or risk of loss whether contingent or otherwise) attributable to such sales contract if entered into and implemented by that group company will:
 - (1) in respect of any sales contract (other than a sales contract referred to in article 14.1(R)(2)), exceed £100 million;
 - (2) in respect of a sales contract relating to the BNFL Inc. business, exceed US\$25 million;
- (S) (1) the entry into or implementation of a relevant transaction (other than a sales contract referred to in article 14.1(R) and an acquisition/disposal transaction referred to in article 14.1(S)(2)) by any group company (excluding the Site Licensee Companies and their subsidiaries) in relation to which:

- (a) the percentage ratio resulting from any of the following calculations is 10 per cent. or more:
 - (i) the gross assets the subject of the relevant transaction divided by the gross consolidated assets of the group;
 - (ii) the profit attributable to the assets the subject of the relevant transaction divided by the consolidated profits of the group;
 - (iii) the turnover attributable to the assets the subject of the relevant transaction divided by the consolidated turnover of the group; or
 - (b) the value (consideration and/or liability or risk of loss whether contingent or otherwise) attributable to such relevant transaction if entered into and implemented by that group company will:
 - (i) in respect of a relevant transaction (other than a relevant transaction referred to in article 14.1(S)(1)(b)(ii)), exceed £50 million;
 - (ii) in respect of a relevant transaction relating to the BNFL Inc. business, exceed US\$25 million;
- (2) the entry into or implementation of an acquisition/disposal transaction by any group company (excluding the Site Licensee Companies and their subsidiaries) in relation to which:
- (a) (either individually or when taken together with all other acquisition/disposal transactions (other than any acquisition/disposal transaction previously approved under this article 14.1(S)(2)) entered into or implemented in a relevant financial year) the percentage ratio resulting from any of the following calculations is 10 per cent. or more:
 - (i) the gross assets the subject of the acquisition/disposal transaction divided by the gross consolidated assets of the group;
 - (ii) the profit attributable to the assets the subject of the acquisition/disposal transaction divided by the consolidated profits of the group;
 - (iii) the turnover attributable to the assets the subject of the acquisition/disposal transaction divided by the consolidated turnover of the group; or
 - (b) the value (consideration and/or liability or risk of loss whether contingent or otherwise) attributable to such acquisition/disposal transaction if entered into and implemented by that group company will:

- (i) in respect of a acquisition/disposal transaction (other than a acquisition/disposal transaction referred to in article 14.1(S)(2)(b)(ii)), exceed £50 million;
 - (ii) in respect of a acquisition/disposal transaction relating to the BNFL Inc. business, exceed US\$25 million;
- (3) For the purposes of this article 14.1(S):
 - (a) the **"gross consolidated assets of the group"** means the total consolidated fixed assets of the of the group plus the total consolidated current assets of the of the group;
 - (b) in the case of:
 - (i) an acquisition of an interest in an undertaking which will result in consolidation of the net assets of that undertaking in the consolidated accounts of the group; or
 - (ii) a disposal of an interest in an undertaking which will result in the net assets of that undertaking no longer being consolidated in the accounts of the group,

the **"assets the subject of the relevant transaction"** means the value of 100 per cent. of that undertaking's assets irrespective of what interest is acquired or disposed of;
 - (c) in the case of an acquisition or disposal of an interest in an undertaking which does not fall within article 14.1(S)(3)(b), **"the assets the subject of the relevant transaction"** means:
 - (i) for an acquisition, the value of the consideration; and
 - (ii) for a disposal of an interest, the value attributed to that interest in the group's account;
 - (d) in the case of an acquisition of assets other than an interest in an undertaking the assets the subject of the relevant transaction means the consideration or, if greater, the book value of those assets;
 - (e) in the case of a disposal of assets other than an interest in an undertaking, the assets the subject of the relevant transaction means the book value of the assets;
 - (f) **"profits"** means profits after deducting all charges except taxation and extraordinary items. In the case of an acquisition or disposal of an interest in an undertaking which falls within article 14.1(S)(3)(b), profits means 100 per cent. of the profits of the undertaking irrespective of what interest is acquired or disposed of;

- (g) **"consideration"** is the amount paid to the vendors in the relevant transaction including amounts corresponding to the assumption by the purchaser of any liabilities whether actual or contingent (including the repayment of inter-company or third party debt) as part of the terms of the transaction;
- (h) if deferred consideration is or may be payable or receivable by the relevant group company in the future, the "consideration" is the maximum total consideration payable or receivable under the agreement;
- (i) except as stated below the figures used for the calculation of the percentage ratios must be:
 - (i) in the case of **"assets"** and **"profits"**, the figures shown in the latest published audited consolidated accounts of the group or, where the Company has, or will have, published a preliminary statement of later annual results at the time the terms of a relevant transaction are agreed, the figures of the consolidated accounts of the group shown in that preliminary statement;
 - (ii) in the case of consideration in the form of listed or quoted securities, the aggregate market value of all those securities;

Where the Company has published a half-yearly report comprising, inter alia, a consolidated balance sheet for the group, that balance sheet must be used for classification purposes when calculating the percentage ratios for the purpose of this article 14.1(S);

- (T) the entry into any contract or commitment or the voluntary incurring of any liability (whether contingent or otherwise) in each case in excess of £1 million in value which is not entered into or incurred in the ordinary course of the business of the group and which is not specifically described in the Corporate Plan;
- (U) the entry by any group company (excluding the Site Licensee Companies) into any relevant transaction which is not on commercial terms and is not considered by the directors of that group company to be in the interests of that group company;
- (V)
 - (1) the incurring of (or entry into of any commitment to incur) any borrowing by any group company other than:
 - (a) the WEC Facility;
 - (b) the WEC receivables facility;
 - (c) the group's overnight overdraft facility;
 - (d) the Debenture;
 - (2) any material change to:

- (a) the WEC Facility;
 - (b) the WEC receivables facility;
 - (c) the group's overnight overdraft facility.
- (3) for the purposes of this article 14.1(V), but without prejudice to the generality of the terms "borrowing":
- (a) borrowings inherited by the Company under a nuclear transfer scheme made in accordance with the Energy Act shall be taken into account as money borrowed;
 - (b) amounts borrowed for the purpose of repaying the whole or any part of any amounts previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for that purpose within six months of the borrowing shall not, pending such application, be taken into account as money borrowed;
 - (c) the principal amount (including any premium payable on final repayment) of any debt securities issued in whole or in part for a consideration (in cash or other than cash) shall be taken into account as money borrowed by the group company issuing them;
 - (d) money borrowed by any group company and not owing to another group company shall be taken into account as money borrowed and money borrowed by any group company and owing to another group company shall not be so taken into account;
 - (e) borrowings of an undertaking which became a subsidiary undertaking of the Company after the date as at which the latest audited balance sheet was prepared shall not, pending the date of the next consolidated audited balance sheet, be taken into account as money borrowed to the extent that the amount of those borrowings does not exceed their amount immediately after such undertaking became a subsidiary undertaking;
 - (f) amounts outstanding under any arrangement entered into in the ordinary course of its business by any group company for the leasing or hire purchase of any assets shall not be taken into account as money borrowed; and
 - (g) any amounts outstanding under paragraph 5(2)(b) of schedule 7 of the Energy Act and sections 1(4) and 2(2)(b) of the Nuclear Industry (Finance) Act 1977 shall be taken into account as moneys borrowed;
- (4) no debt incurred or security given in respect of money borrowed in contravention of this article 14.1(V) shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that consent has not be given by of the Majority Shareholder(s) under this article 14.1(V),

but no lender or other person dealing with the Company shall be concerned to see or enquire whether this article 14.1(V) is observed.

14.2 Approval Procedure

- (A) Whenever the Company wishes to obtain the consent of the Majority Shareholder(s) to any matter set out in article 14.1 (other than article 14.1(V)):
- (1) the Company shall give notice to the holders of the ordinary shares, such notice to:
 - (a) be in writing;
 - (b) be addressed to such persons as the Majority Shareholder(s) shall, from time to time, notify in writing to the Company;
 - (c) be delivered by hand (or such other means as agreed in writing between the Company and the Majority Shareholder(s));
 - (d) clearly state that it is important and requires immediate attention;
 - (e) clearly identify itself as a notice served pursuant to this article 14.2 and that failure to respond within ten business days will result in the Majority Shareholder(s) being deemed to have given their consent to the matter in question; and
 - (f) contain or annex such information as can reasonably be expected to enable the Majority Shareholder(s) to consider the matter being proposed.
 - (2) On or before the date which falls ten business days after the date of receipt of such notice ("**Initial Expiry Date**") the Majority Shareholder(s) shall give written notice to the secretary stating:
 - (a) their consent to the matter contained in the notice; or
 - (b) their refusal to consent to the matter contained in the notice (providing in reasonable detail and on a confidential basis the reasons for such refusal); or
 - (c) that they requires a further ten business days in which to consider the matter, commencing on the business day following the Initial Expiry Date.
- (B) If on or before the Initial Expiry Date the Majority Shareholder(s) give written notice to the Company pursuant to article 14.2(A)(2)(c) the Majority Shareholder(s) shall, on or before the date which falls ten business days after the Initial Expiry Date, give a further written notice to the secretary stating:
- (1) their consent to the matter contained in the notice; or
 - (2) their refusal to consent to the matter contained in the notice (providing in reasonable detail and on a confidential basis the reasons for such refusal).

- (C) A holder of the ordinary shares may, at any time, request from the Company such further information as it reasonably requires in order to assist it to consider the matter being proposed and the Company shall deliver such information to the holder of the ordinary shares as soon as reasonably practicable thereafter.
 - (D) If the Company does not receive any notice from the Majority Shareholder(s) pursuant to article 14.2(A)(2) on or before the Initial Expiry Date or pursuant to article 14.2(B) within the further period referred to therein, the Company shall be entitled to undertake the matter contained in the notice issued by it pursuant to article 14.2(A)(1) and the consent of the Majority Shareholder(s) shall be deemed irrevocably given to such matter.
 - (E) In favour of any third party dealing with any group company a certificate by any director of the Company or the secretary to the effect that the Majority Shareholder(s) shall have been deemed to have given their consent to any matter as a result of the operation of article 14.2(D) above shall be conclusive and binding as to that fact.
- 14.3
- (A) Whenever the Company wishes to obtain the consent of the Majority Shareholder(s) to any matter set out in article 14.1(V), the Company shall give notice to the holders of the ordinary shares in accordance with articles 14.2(A)(1)(a) to (d) and (f), such notice to clearly identify itself as a notice served pursuant to this article 14.3 and that failure to respond within 28 business days will result in the Majority Shareholder(s) being deemed to have given their consent to the matter in question.
 - (B) On or before the date which falls 28 business days after the date of receipt of such notice ("**Expiry Date**") the Majority Shareholder(s) shall give written notice to the secretary stating:
 - (1) their consent to the matter contained in the notice; or
 - (2) their refusal to consent to the matter contained in the notice (providing in reasonable detail and on a confidential basis the reasons for such refusal).
 - (C) A holder of the ordinary shares may, at any time before the Expiry Date request from the Company such further information as it reasonably requires in order to assist it to consider the matter being proposed and the Company shall deliver such information to the holder of the ordinary shares as soon as reasonably practicable thereafter.
 - (D) If the Company does not receive any notice from the Majority Shareholder(s) pursuant to article 14.3(B) on or before the Expiry Date the Company shall be entitled to undertake the matter contained in the notice issued by it pursuant to paragraph 14.3(A) and the consent of the Majority Shareholder(s) shall be deemed irrevocably given to such matter.
 - (E) In favour of a third party dealing with any group a certificate by any director of the Company or the secretary to the effect that the Majority Shareholder(s) shall have been deemed to have given their consent to any matter as a result of the operation of article 14.3(D) above shall be conclusive and binding as such.

- 14.4 Delivery of any notice served upon the holders of the ordinary shares under articles 14.2 and 14.3 shall be evidenced by a receipt acknowledging delivery signed and dated by one of the addressees of the relevant notice and such notice shall be deemed to have been received on the date on which the receipt acknowledging delivery of the same is signed.
- 14.5 The directors of the Company will exercise all powers exercisable by the Company in relation to group companies so as to ensure that no group company shall take any action which (either alone or when taken together with any other action) would result in the variation of any of the rights attached to the ordinary shares.
- 14.6 The provisions of this article 14 shall be subject to articles 134 and 135.

15. INFORMATION

- (A) Unless otherwise agreed in writing with the Majority Shareholder(s), within five business days after the terms of a major transaction are agreed by a group company (or following any significant change to such terms) the Company must issue a public announcement to the press in the United Kingdom containing details of the transactions.
- (B) Any public announcement issued pursuant to article 15(A) shall be delivered in draft form to the Majority Shareholder(s) (or such persons as shall be nominated by the Majority Shareholder(s)) on a business day not less than forty-eight hours before its issue.
- (C) Notwithstanding any other provision of these articles, the holders of the ordinary shares shall be entitled to request such information in relation to the affairs of the group (or any particular group company) as it may consider necessary or desirable. The Company shall use its reasonable endeavours to comply promptly with such requests for information from time to time, but only in so far as the Company has such information within its possession or such information can reasonably be obtained by it.
- (D) Notwithstanding any other provision of these articles the Company shall, at the request of the holders of the ordinary shares, procure that such specified or other relevant directors and senior managers of the Company and any group company shall meet with the holders of the ordinary shares (or its representatives) to discuss the affairs of the group (or any particular group company) and the Company shall release and procure that any group company shall release such directors or managers from any obligation of confidentiality owed to the Company or such group company for the purpose of these discussions.

SHARE CERTIFICATES

16. RIGHT TO SHARE CERTIFICATES

Every person whose name is entered as a member in the Company's register of members, upon becoming holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of such shares of any class, to a certificate for the balance of that holding) or, upon payment for every certificate after the first of such reasonable sum as the directors may determine, to several certificates each for one or more of his shares. Every certificate shall be issued under the seal and shall specify the number, class and distinguishing numbers (if any) of

the shares to which it relates and the amount or respective amounts paid up on them. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

17. REPLACEMENT OF SHARE CERTIFICATE

If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any expenses reasonably incurred by the Company in investigating evidence as the board may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

LIEN

18. LIEN ON SHARES NOT FULLY PAID

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The board may declare any share to be wholly or in part exempt from the provisions of this article 18. The Company's lien on a share shall extend to all amounts payable in respect of it.

19. ENFORCING LIEN BY SALE

The Company may sell, in such manner as the board may determine, any share on which the Company has a lien if an amount in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share, or the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold. To give effect to the sale the board may authorise any person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

20. APPLICATION OF PROCEEDS OF SALE

The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the amount for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

CALLS ON SHARES

21. CALLS

Subject to the terms of allotment, the board may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of an amount due under it, be revoked in whole or in part

and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

22. LIABILITY OF JOINT-HOLDERS

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.

23. INTEREST DUE ON NON-PAYMENT

If a call or an instalment of a call remains unpaid after it has become due and payable the person from whom it is due shall pay interest on the amount unpaid, from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the shares in question or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the board may waive payment of the interest wholly or in part.

24. SUMS DUE ON ALLOTMENT TREATED AS CALLS

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid these articles shall apply as if that sum had become due and payable by virtue of a call.

25. POWER TO DIFFERENTIATE

Subject to the terms of allotment, the board may make arrangements on the issue of shares to differentiate between the holders in the amounts and times of payment of calls on their shares.

26. SUMS PAID IN ADVANCE

The board may, if it thinks fit, receive from any member willing to advance it all or any part of the amount unpaid on the shares held by him (beyond the sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay interest on the amount so received, or so much of it as exceeds the sums called up on the shares in respect of which it has been received, at such rate (if any) as the member and the board agree.

FORFEITURE OF SHARES

27. NOTICE IF CALL OR INSTALMENT NOT PAID

If a call or an instalment of a call remains unpaid after it has become due and payable the board may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

28. FORFEITURE FOR NON-COMPLANCE WITH NOTICE

If the notice is not complied with, any shares in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the board and the forfeiture shall include all dividends and other amounts payable in respect of the forfeited shares and not paid before the forfeiture.

29. SALE OF FORFEITED SHARES

Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the board determines either to the person who was before the forfeiture the holder or to any other person and, at any time before the disposition, the forfeiture may be cancelled on such terms as the board thinks fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the board may authorise any person to execute an instrument of transfer of the share to that person.

30. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all amounts which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment, but the board may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

31. STATUTORY DECLARATION AS TO FORFEITURE

A statutory declaration by a director of the Company or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the forfeiture or disposal of the share.

TRANSFER OF SHARES

32. EXECUTION OF TRANSFER

The instrument of transfer of a share may be in any usual form or in any other form which the board may approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.

33. RIGHT TO DECLINE REGISTRATION

The board may refuse to register the transfer of a share which is not fully paid and the board may refuse to register the transfer of a share on which the Company has a lien or where such transfer is restricted by the Act or these articles. The board may also refuse to register a transfer of a share unless the instrument of transfer:

(A) is lodged, duly stamped, at the Office or at such other place as the board may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer;

(B) is in respect of only one class of share; and

(C) is in favour of not more than four transferees.

34. NOTICE OF REFUSAL

If the board refuses to register a transfer of a share, it shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

35. SUSPENSION OF REGISTRATION

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the board may determine.

36. NO FEE FOR REGISTRATION

No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

37. RETENTION OF INSTRUMENT OF TRANSFER

The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

38. TRANSMISSION ON DEATH

If a member dies the survivor or survivors where he was a joint holder, or his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing in this article shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

39. ELECTION OF PERSON ENTITLED BY TRANSMISSION

A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the board may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall transfer title to the share to that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer signed by the member and the death or bankruptcy of the member had not occurred.

40. **RIGHTS OF PERSON ENTITLED BY TRANSMISSION**

A person becoming entitled to a share by reason of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

DISCLOSURE OF INTERESTS

41. (A) If a member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 212 of the Act and has failed in relation to any shares ("**default shares**") to give the Company the information thereby required within fourteen days from the date of giving the notice, the following sanctions shall apply, unless the board otherwise determine:

(1) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares in the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(2) where the default shares represent at least 0.25 per cent. of their class:

(a) any dividend payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to these articles, to receive shares instead of that dividend; and

(b) no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless:

(i) the member is not himself in default as regards supplying the information required; and

(ii) the member proves to the satisfaction of the board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

(B) Where the sanctions under article 41(A) apply in relation to any shares, they shall cease to have effect at the end of the period of seven days (or such shorter period as the board may determine) following the earlier of:

(a) receipt by the Company of the information required by the notice mentioned in that paragraph; and

(b) receipt by the Company of notice that the shares have been transferred by means of an excepted transfer,

and the board may suspend or cancel any of the sanctions at any time in relation to any shares.

- (C) Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares, and the board may make any right to an allotment of the new shares subject to sanctions corresponding to those which will apply to those shares on issue: provided that any sanctions applying to, or to a right to, new shares by virtue of this article 41(C) shall cease to have effect when the sanctions applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled); and provided further that article 41(A) shall apply to the exclusion of this paragraph if the Company gives a separate notice under section 212 of the Act in relation to the new shares.
- (D) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a notice under section 212 of the Act to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of article 41(A).
- (E) For the purposes of this article 41:
- (1) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a notice under section 212 of the Act, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
 - (2) "**interested**" shall be construed as it is for the purpose of section 212 of the Act;
 - (3) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
 - (4) an "**excepted transfer**" means, in relation to any shares held by a member:
 - (a) a transfer pursuant to acceptance of a takeover offer (within the meaning in Part XIII A of the Act) in respect of shares in the Company; or
 - (b) a transfer which is shown to the satisfaction of the board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

- (F) Nothing in this article 41 shall limit the powers of the Company under section 216 of the Act or any other powers of the Company whatsoever.

ALTERATION OF CAPITAL

42. INCREASE, CONSOLIDATE, SUB-DIVISION AND CANCELLATION

The Company may by ordinary resolution:

- (A) increase its share capital by new shares of such amount as the resolution prescribes;
- (B) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (C) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount;
- (D) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others; and
- (E) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

43. FRACTIONS

Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the board may on behalf of those members sell to any person (including, subject to the provisions of the Act, the Company) the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members, and the board may authorise any person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

44. REDUCTION OF CAPITAL

Subject to the provisions of the Act and the articles, the Company may by special resolution reduce its share capital, any undistributable transfer reserve, any capital redemption reserve and any share premium account, in any way.

45. PURCHASE OF OWN SHARES

Subject to the provisions of the Act and the articles, the Company may purchase its own shares (including any redeemable shares), and any shares purchased by the Company shall be cancelled.

GENERAL MEETINGS

46. EXTRAORDINARY GENERAL MEETINGS

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

47. CALLING OF EXTRAORDINARY GENERAL MEETINGS

The board may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member of the Company may call a general meeting.

48. ANNUAL GENERAL MEETINGS

The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act.

NOTICE OF GENERAL MEETINGS

49. LENGTH OF NOTICE

- (A) An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice.
- (B) All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
 - (1) in the case of an annual general meeting, by all the members entitled to attend and vote at it; and
 - (2) in the case of any other meeting by a majority in number of the members having the right to attend and vote being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.
- (C) The notice shall specify the place, the day and the time of meeting and the general nature of the business to be transacted, and in the case of an annual general meeting shall specify the meeting as such.
- (D) Subject to the provisions of the articles and to any rights or restrictions attached to any shares, notices shall be given to all members (other than any who under the provisions of these articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company), to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors of the Company.

50. OMISSION OR NON-RECEIPT OF NOTICE

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

51. POSTPONEMENT OF GENERAL MEETINGS

If the board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another date,

time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be given to the members. Notice of the business to be transacted at such postponed meeting shall not be required.

PROCEEDINGS AT GENERAL MEETINGS

52. QUORUM

No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation (or a corporation sole) which is a member, shall be a quorum. If, and for so long as, the Company has only one member, that member or the proxy for that member or, where that member is a corporation (or a corporation sole), its duly authorised representative shall be a quorum at any general meeting of the Company or of the holders of any class of shares.

53. PROCEDURE IF QUORUM NOT PRESENT

If a quorum is not present within half an hour after the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such day, time and place as the board may determine.

54. CHAIRMAN OF GENERAL MEETING

The chairman (if any) of the board or in his absence some other director nominated by the board shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

55. ORDERLY CONDUCT

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

56. ENTITLEMENT TO ATTEND AND SPEAK

- (A) A member, a duly authorised representative of a corporation (or a corporation sole) which is a member, and a proxy shall be entitled to speak at any general meeting of the Company.
- (B) A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.
- (C) The chairman may invite any person to attend and speak at any general meeting of the Company whom the chairman considers to be equipped by knowledge or experience of the Company's business to assist in the deliberations of the meeting.

- (D) The chairman may invite any person who has been nominated for the purpose by a member, where the chairman is satisfied that such time as the chairman may determine, the member holds any shares in the Company as such person's nominee, to attend and, if the chairman considers it appropriate, to speak at any general meeting of the Company.

57. ADJOURNMENTS

Without prejudice to any other power of adjournment he may have under the articles or at common law, the chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give notice of an adjournment.

58. AMENDMENTS RULED OUT OF ORDER

If an amendment proposed to any resolution under consideration is ruled out of order by the chairman, the proceedings on the resolution shall not be invalidated by any error in the ruling.

VOTING

59. VOTES OF MEMBERS

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the articles, on a show of hands every member who (being an individual) is present in person or (being a corporation or a corporation sole) is present by a duly authorised representative who is not himself a member, or by proxy at a general meeting of the Company shall have one vote. On a poll every member who is present in person or is present by a duly authorised representative, or by proxy shall have one vote for every share of which he is the holder. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

60. METHOD OF VOTING

A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:

- (A) by the chairman; or
- (B) by at least two members having the right to vote at the meeting; or
- (C) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (D) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right,

and a demand by a person as proxy for a member shall be the same as a demand by the member.

61. PROCEDURE IF POLL NOT DEMANDED

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

62. WITHDRAWAL OF DEMAND FOR POLL

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

63. PROCEDURE IF POLL DEMANDED

A poll shall be taken as the chairman directs, and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

64. CASTING VOTE OF CHAIRMAN

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

65. WHEN POLL TO BE TAKEN

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs, not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

66. NO NOTICE OF POLL

No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting in respect of which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

67. VOTES OF JOINT HOLDERS.

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

68. VOTING ON BEHALF OF INCAPABLE MEMBER

A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the board of the authority of the person claiming the right to vote shall be deposited at or sent to the Office, or such other place as is specified in accordance with the articles for the deposit or receipt of appointments of proxy, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.

69. NO RIGHTS TO VOTE WHERE SUMS OVERDUE ON SHARES

No member shall have the right to vote at any general meeting of the Company or at any separate meeting of the holders of any class of shares in the Company, either in person or by representative or by proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.

70. OBJECTIONS OR ERRORS IN VOTING

If:

- (A) any objection shall be raised to the qualification of any voter, or
- (B) any votes have been counted which ought not to have been counted or which might have been rejected, or
- (C) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES

71. APPOINTMENT OF PROXY

On a show of hands or poll votes may be given either personally or by proxy. A proxy need not be a member. A member may appoint more than one proxy to attend on the same occasion. Submitting an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it.

72. FORM OF PROXY

An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor which in the case of a corporation (or corporation sole) may be either under its common seal or under the hand of a duly authorised officer, and shall be in the following

form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the board may approve):

"British Nuclear Fuels plc

I/We, _____, of _____, being a member/members of the above-named company, hereby appoint _____ of _____, or failing him, _____ of _____, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on [_____] 20[____], and at any adjournment thereof.

Signed on [_____] 20[____]."

73. INSTRUCTIONS TO PROXY

Where it is desired to afford members an opportunity of instructing the proxy how he shall act the instrument appointing a proxy shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the board may approve):

"British Nuclear Fuels plc

I/We, _____, of _____, being a member/ members of the above- named company, hereby appoint _____ of _____, or failing him, _____ of _____, as my/our proxy to vote in my/our name[s] and on my/our behalf at the annual/extraordinary general meeting of the Company to be held on [_____] 20[____], and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No.1 *for *against

Resolution No.2 *for *against.

*Strike out whichever is not desired.

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Signed on [_____] 20[____]."

74. DELIVERY OF PROXIES

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the board may:

- (A) be deposited at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent by the Company in relation to the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument of proxy proposes to vote; or

- (B) in the case of a poll taken more than forty-eight hours after it was demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four hours before the time appointed for taking the poll; or
- (C) where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting to the chairman or to the secretary or any director,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. The board may at its discretion treat a faxed or other machine made copy of an instrument appointing a proxy as such an instrument for the purpose of this article 74.

75. PROXY'S AUTHORITY TO DEMAND A POLL

The appointment of a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll (and for the purposes of these articles a demand for a poll made by a person as proxy for a member or as the duly authorised representative of a corporate member (or a corporation sole) shall be the same as a demand made by the member).

76. CANCELLATION OF PROXY'S AUTHORITY

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

CORPORATIONS ACTING BY REPRESENTATIVES

77. CORPORATIONS ACTING BY REPRESENTATIVES

Any corporation (other than the Company itself) which is a member of the Company may, by resolution of its directors or other governing body or, in the case of a corporation sole by authority given under seal or under the hand of an officer duly authorised by it, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any separate meeting of the holders of any class of shares in the Company. Except as otherwise provided in these articles, the person so authorised shall be entitled to exercise the same power on behalf of the corporation as the corporation could exercise if it were an individual member of the Company, and the corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

78. NUMBER OF DIRECTORS

Unless otherwise determined by the Company by ordinary resolution and subject to the articles, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than four.

79. **APPOINTMENT OF CHAIRMAN AND DIRECTORS**

(A) **Chairman**

The Majority Shareholder(s) shall be entitled from time to time to appoint and remove any person as chairman of the board by notice in writing delivered to the Company and signed on behalf of the Majority Shareholder(s).

(B) **Directors**

The Majority Shareholder(s) shall be entitled from time to time to appoint and to remove any person as a director of the Company by notice in writing delivered to the Company and signed on behalf of the Majority Shareholder(s). The chairman shall be required to consult with and obtain the approval of the Majority Shareholder(s) in relation to the appointment by the board or the removal by the board of any person as a director.

80. **CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR AND EXECUTIVE OFFICE**

Subject to the provisions of the Act and the articles, the directors may appoint one or more of their number to the office of chief executive officer or managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Subject to the provisions of the Act and the articles, any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

81. **ALTERNATE DIRECTORS**

- (A) Any director (other than an alternate director) may appoint any other director, or, subject to the articles, any other person approved by resolution of the board and willing to act, to be an alternate director and may remove from office an alternate director appointed by him.
- (B) An alternate director shall (unless he is absent from the United Kingdom) be entitled to receive notices of all meetings of the board and of all meetings of committees of the board of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence, but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.
- (C) An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- (D) An appointment or removal of an alternate director shall be by notice to the Company executed by the director making or revoking the appointment or in any other manner approved by the board.

- (E) Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults, and he shall not be deemed to be the agent of the director appointing him.

82. PERSONS ELIGIBLE AS DIRECTORS

No person other than a director retiring shall be appointed or reappointed a director at any general meeting unless:

- (A) he is recommended by the board; or
- (B) not less than fourteen nor more than thirty-five days before the date appointed for holding the meeting, notice executed by a member qualified to vote on the appointment or reappointment has been given to the Company of the intention to propose that person for appointment or reappointment, stating the particulars which would, if he were appointed or reappointed, be required to be included in the Company's register of directors, together with notice executed by that person of his willingness to be appointed or reappointed.

83. RETIREMENT BY ROTATION

At the annual general meeting in every year, all directors who held office at the time of the two preceding annual general meetings and did not retire by rotation or pursuant to article 87 at either of them shall retire from office by rotation (provided that at the annual general of the Company for the year ended 2006 only one third of the directors of the Company shall retire from office under this article 83). A retiring director shall be eligible for reappointment. Any non-executive director (other than the chairman) who has held office as a non-executive director for nine years or more and who is not required to retire under this article 83 shall also retire from office and shall be eligible for reappointment.

84. NOTICE OF APPOINTMENT OR REAPPOINTMENT

Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all members who are entitled to receive notice of the meeting of any person who is recommended by the board for appointment or reappointment as a director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment or reappointment as a director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Company's register of directors.

85. POWER OF BOARD TO APPOINT DIRECTORS

Subject to the articles, the board may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors. A director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, he shall vacate office at the conclusion thereof.

86. NO AGE LIMIT OR SHARE QUALIFICATION

No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director, by reason of his having attained any particular age. No shareholding qualification for directors shall be required.

87. POSITION OF RETIRING DIRECTORS

Subject as aforesaid, a director who retires at an annual general meeting may, if he is willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

88. DISQUALIFICATION AND REMOVAL OF DIRECTORS

(A) Without prejudice to the provisions of the Act or the articles, the Company may, by extraordinary resolution, remove a director before the expiration of his period of office (but such removal shall be without prejudice to any claim to damages for breach of any contract of service between the director and the Company) and, subject to these articles, may, by ordinary resolution, appoint another person instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed a director.

(B) The office of a director shall be vacated if:

- (1) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
- (2) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (3) he is, or may be, suffering from mental disorder and either:
 - (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
 - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs; or
- (4) he resigns his office by notice in writing to the Company; or
- (5) he is removed pursuant to article 79 or article 88; or
- (6) in the case of a director who holds any executive office, his appointment as such is terminated or expires and the directors resolve that his office be vacated; or
- (7) he is absent for more than six consecutive months without permission of the board from meetings of the board held during that period and the directors resolve that his office be vacated; or

- (8) he is requested in writing by all the other directors to resign (provided that this article 88(B)(8) shall not apply to a director appointed under article 79).
- (C) If the office of a director is vacated for any reason, he shall cease to be a member of any committee or sub-committee of the board.

POWERS OF THE BOARD

89. GENERAL POWERS OF COMPANY VESTED IN THE BOARD

Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the Company shall be managed by the board who may exercise all the powers of the Company. No alteration of the memorandum or the articles and no such direction shall invalidate any prior act of the board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the board by the articles and a meeting of the board at which a quorum is present may exercise all powers exercisable by the board.

90. CORPORATE PLAN

(A) Preparation and approval of Corporate Plan

No later than 31 December each year (or such other time as the Majority Shareholder(s) may from time to time agree with the board) the board shall submit to the holders of the ordinary shares a draft Corporate Plan in relation to the group for the following three financial years, in such form as the Majority Shareholder(s) may reasonably require from time to time, complying with the principles set out in article 90(C) below.

(B) Consultation with the holders of the ordinary shares

(1) Further information

Within 10 business days (or such other time as the Majority Shareholder(s) may from time to time agree with the board) following receipt by the holders of the ordinary shares of the draft Corporate Plan pursuant to article 90(A) above, a holder of the ordinary shares shall be entitled to request such further information as may reasonably be necessary in order for it to reach an informed view as to the content, reasonableness and prudence of the draft Corporate Plan. The board shall, in so far as it is able to do so, comply with any such request within 10 business days of its receipt (or such other time as the Majority Shareholder(s) may from time to time agree with the board).

(2) Consultation

Following the receipt by the holders of the ordinary shares of the draft Corporate Plan pursuant to article 90(A) above, and, as appropriate, any further information supplied pursuant to article 90(B)(1) above, the Majority Shareholder(s) and the board shall promptly consult upon the content of the plan (such consultation period to end no later than 20 business days (or such other time as the Majority Shareholder(s) may from time to time agree with the board) after receipt by the holders of the ordinary shares of the draft Corporate Plan and further information provided pursuant to article 90(B)(1) as the case may be).

(3) Approval

The Majority Shareholder(s) shall within 20 business days (or such other time as the Majority Shareholder(s) may from time to time agree with the board) of the end of the consultation period referred to in article 90(B)(2) above, approve the Corporate Plan, subject to such qualifications as the Majority Shareholder(s) may determine, or shall inform the board of its reasons for not approving the Corporate Plan, in which event the Majority Shareholder(s) shall request that the board prepare a new Corporate Plan to be submitted to the holders of the ordinary shares within such time as shall be agreed with the Majority Shareholder(s) and in respect of which the provisions of this article 90 shall apply (*mutatis mutandis*).

(4) Amendments to the Corporate Plan

The board may from time to time request any changes to be made to any Corporate Plan approved by the Majority Shareholder(s). Any such request shall be made to the holders of the ordinary shares. The holders of the ordinary shares may request further information and consult with the board about the proposed change in accordance with articles 90(B)(1) and 90(B)(2) above, and shall then approve (or reject) the change in accordance with article 90(B)(3).

(C) Principles governing the Corporate Plan

The Corporate Plan shall:

- (1) clearly set out the group's objectives and contain such information as can reasonably be expected to enable the holders of the ordinary shares to give consideration to the strategic direction of the group's activities; and
- (2) provide targets, expressed in terms of both cashflow and accounting rate of return and sufficient other financial information in order to enable the holders of the ordinary shares to set the group's profit target and dividend floor and consider the framework of the group's borrowings.

(D) Quarterly meeting with the holders of the ordinary shares

The board shall prepare, and submit at the end of each quarter, a quarter progress report of the group's performance in relation to the Corporate Plan to the holders of the ordinary shares, and shall (unless otherwise agreed by the Majority Shareholder(s)) meet with the Majority Shareholder(s) at least once in each quarter to discuss the board's assessment of the group's performance in comparison with the Corporate Plan.

(E) Monthly information and performance

- (1) The board shall at the end of each month submit such information (as may be agreed between the board and the Majority Shareholder(s) from time to time) as may reasonably be necessary in order for the holders of the ordinary shares to reach an informed view and to make an assessment of the group's performance in comparison with the Corporate Plan.
- (2) Within 10 business days (or such other time as the Majority Shareholder(s) may from time to time agree with the board) following receipt by the holders of the ordinary shares of information submitted pursuant to article 90(E)(1) above, a holder of the ordinary shares shall be

entitled to request such further information as it may require. A request for further information made by a holder of the ordinary shares pursuant to this article 90(E)(2), shall be in writing and shall set out in reasonable detail the rationale for making such request (in order for the board to satisfy the request most effectively). The board shall, in so far as it is able to do so, comply with any such request within 10 business days of its receipt (or such other time as the holder of the ordinary shares may from time to time agree with the board).

(F) Variations from Corporate Plan

If the information provided pursuant to articles 90(D) and 91(E) above demonstrates a significant departure from the Corporate Plan, the board shall prepare a revised Corporate Plan for the remainder of the relevant financial year and the following two years which shall be submitted to the holders of the ordinary shares within such time as shall be agreed with the Majority Shareholder(s). The provisions of article 90(B)(4) above shall apply to such revised Corporate Plan.

(G) Effect of approval of Corporate Plan

The approval of any Corporate Plan shall be deemed to be an approval of any matter within that Corporate Plan which would have required approval in accordance with article 14.1 if such matter is specifically identified with reasonable detail in that Corporate Plan as being proposed for approval in accordance with that aforementioned article.

91. **BORROWING POWERS**

The board may exercise all the powers of the Company to borrow and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, but subject to the restrictions contained in the articles.

92. **APPOINTMENT OF AGENT**

The board may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as it determine, including authority for the agent to delegate all or any of his powers.

93. **POWER TO PROVIDE FOR EMPLOYEES**

The board may by resolution exercise any power conferred by the Act (and subject to the articles) to make provision for the benefit of persons employed or formerly employed by the Company or any group company in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that group company.

94. **POWER TO RECEIVE UNCALLED MONEYS**

The board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys uncalled and remaining unpaid on any shares held by him.

95. **DELEGATION OF THE BOARD'S POWERS**

The board may delegate any of its powers to any committee consisting of one or more directors with power to sub-delegate. It may also delegate to any chief executive officer,

managing director or any director holding any other executive office such of its powers as it considers desirable to be exercised by him. Any such delegation may be made subject to any conditions the board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with one or more members shall be governed by the articles regulating the proceedings of the board so far as they are capable of applying.

REMUNERATION OF DIRECTORS

96. DIRECTORS' FEES

Subject to the articles, each of the directors shall be paid a fee at such rate as may from time to time be determined by the board.

97. ADDITIONAL REMUNERATION

Subject to the articles, any director who performs services which in the opinion of the board or any committee authorised by the board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board or any committee authorised by the board may in its discretion decide in addition to any remuneration provided for by or pursuant to any other article.

98. DIRECTORS' EXPENSES

The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at board meetings or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as directors.

99. DIRECTORS' GRATUITIES AND PENSIONS

Subject to the articles, the board may exercise all the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a group company or with a predecessor in business of the Company or of any such body corporate and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

DIRECTORS' INTERESTS

100. DIRECTORS' INTERESTS

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

- (A) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

- (B) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (C) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

101. NOTICE OF INTERESTS

For the purposes of article 100:

- (A) a general notice given to the board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (B) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

PROCEEDINGS OF DIRECTORS

102. BOARD MEETINGS

Subject to the provisions of the articles, the board may regulate its proceedings as it thinks fit. A director may, and the secretary at the request of a director shall, call a meeting of the board.

103. NOTICE

Notice of a meeting of the board shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the director concerned. Notice shall be given in this manner to all directors including any director who is for the time being absent from the United Kingdom. A director may waive notice of any meeting either prospectively or retrospectively.

104. VOTING

Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. An alternate director who is appointed by two or more directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence.

105. QUORUM

No business shall be transacted at any meeting of the directors unless a quorum is present. The quorum for the transaction of the business of the board may be fixed by the board and unless so fixed at any other number shall be three. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

106. DIRECTORS BELOW MINIMUM THROUGH VACANCIES

The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

107. CHAIRMAN

The chairman shall be the person appointed pursuant to article 79. In the absence of such appointment the directors may (subject to article 14) appoint one of their number to be the chairman of the board and may at any time remove him from that office. Unless he is unwilling to do so, the chairman shall preside at every meeting of the board at which he is present. If there is no director holding the office of chairman, or if the director holding it is unwilling to preside or if the chairman is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

108. VALIDITY OF ACTS OF BOARD OR COMMITTEE

All acts done by the board, or by a committee of directors, or by a person acting as a director or member of a committee shall, notwithstanding that it may afterwards be discovered that there was a defect in the appointment of any director or member of a committee or person so acting or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or member of the committee and had been entitled to vote.

109. RESOLUTION IN WRITING

A resolution in writing signed by all the directors entitled to receive notice of a meeting of the board (if that number is sufficient to constitute a quorum) or by all the members of a committee of directors shall be as valid and effectual as if it had been passed at a board meeting or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity.

110. PARTICIPATION IN BOARD MEETINGS BY TELEPHONE

All or any of the members of the board or any committee of the board may participate in a board meeting or that committee meeting by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a

meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

111. PERMITTED INTERESTS AND VOTING

- (A) Save as otherwise provided by the articles, a director shall not vote at a meeting of the board or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:
- (1) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any group company; and/or
 - (2) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any group company for which the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; and/or
 - (3) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or any group company, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any group company for subscription, purchase or exchange; and/or
 - (4) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes; and/or
 - (5) the resolution relates to an arrangement for the benefit of the employees of the Company or any group company, including but without being limited to an employees' share scheme (within the meaning of section 743 of the Act), which does not accord to any director as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates; and/or
 - (6) the resolution relates to a transaction or arrangement with any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in one per cent or more of any class of the equity share capital of that company (or of any other company through which his interest is derived) and not entitled to exercise one per cent or more of the voting rights available to members of the relevant company (and for the purpose of calculating the said percentage there shall be disregarded any shares held by the director as a bare or custodian trustee and in which he has no beneficial interest, and any shares comprised in any authorised unit trust scheme in which the director is interested only as a unit holder); and/or

- (7) the resolution relates to the purchase or maintenance for any director or directors of insurance against any liability.

For the purposes of this article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when these articles became binding on the Company), connected with a director shall be taken to be the interest of that director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

- (B) A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- (C) The Company may by ordinary resolution suspend or relax to any extent, in respect of any particular matter, any provision of the articles prohibiting a director from voting at a meeting of the board or of a committee of directors.
- (D) Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not by virtue of paragraph (A)(6) of this article 111, or otherwise under that paragraph, or for any other reason, precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- (E) If a question arises at a meeting of the board or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting) and his ruling in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and conclusive.

MINUTES

112. KEEPING OF MINUTES

The directors shall cause minutes to be made in books kept for the purpose:

- (A) of all appointments of officers made by the directors; and
- (B) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the board, and of committees of the directors, including the names of the directors present at each such meeting.

SECRETARY

113. APPOINTMENT AND REMOVAL OF COMPANY SECRETARY

Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and on such other conditions as they think fit; and any secretary so appointed may be removed by them.

THE SEAL

114. USE OF SEALS

The seal shall only be used by the authority of the board or of a committee of directors authorised by the board. The board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

115. DECLARATION OF DIVIDENDS

Subject to the provisions of the Act and these articles, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but save as provided in article 13.1 no dividend shall exceed the amount recommended by the directors.

116. PAYMENT OF INTERIM AND FIXED DIVIDENDS BY BOARD

Subject to the provisions of the Act and the articles, the board may pay interim dividends if it appears to it that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The board may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

117. CALCULATIONS OF DIVIDENDS

Subject to the provisions of the Act and except as otherwise provided by these articles or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case (and except as aforesaid), dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purpose of this article, an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share.

118. DIVIDENDS NOT IN CASH

A general meeting declaring a dividend may, upon the recommendation of the board, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the board may settle the same as they think fit and in particular (but without limitation) may issue fractional certificates or other fractional entitlements (or ignore fractions) and fix the value for distribution of any assets and may

determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

119. PAYMENT OF DIVIDENDS

Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

120. NO INTEREST ON DIVIDENDS

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

121. AMOUNTS DUE ON SHARES MAY BE DEDUCTED FROM DIVIDENDS

The board may deduct from any dividend or other moneys payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls.

122. FORFEITURE OF UNCLAIMED DIVIDENDS

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the board so resolve, be forfeited and cease to remain owing by the Company.

CAPITALISATION OF PROFITS

123. POWER TO CAPITALISE RESERVES AND FUNDS

The board may with the authority of an ordinary resolution of the Company:

- (A) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company (including any share premium account, undistributable transfer reserve or capital redemption reserve);
- (B) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, undistributable transfer

reserve, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (C) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- (D) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
- (E) make such provision by the issue of fractional certificates or by payment in cash or otherwise as it determines in the case of shares or debentures becoming distributable under this article in fractions;
- (F) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
- (G) generally do all acts and things required to give effect to such resolution as aforesaid.

ACCOUNTS

124. RECORDS TO BE KEPT

The board shall cause to be kept accounting records sufficient to show and explain the Company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the Company at that time, and which accord with the Act.

125. INSPECTION OF RECORDS

No member (other than a director) shall have any right of inspecting any accounting record or other book or other document of the Company, unless he is authorised to do so by statute, by order of the court, by the directors or by ordinary resolution of the Company.

RECORD DATES

126. RECORD DATES

Notwithstanding any other provision of these articles, but without prejudice to the rights attached to any shares, the Company or the board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made. Where such a record date is fixed, references in these articles to a holder of shares or member to whom a dividend is to be paid or a distribution, allotment or issue is to be made shall be construed accordingly.

NOTICES ETC

127. NOTICES IN WRITING

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

128. SERVICE OF NOTICES

Subject to the articles, the Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Company.

129. DEEMED RECEIPT OF NOTICE BY MEMBERS PRESENT AT MEETING

A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

130. TIME OF SERVICE

Any notice or other document, if sent by the Company by post, shall be deemed to have been served or delivered twenty four hours after posting (unless it was sent by second class post or there is only one class of post in which case it shall be deemed to have been given forty eight hours after it was posted) and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Subject to the articles, any notice or other document left by the Company at a registered address otherwise than by post, or sent by fax or telex or other instantaneous means of transmission, shall be deemed to have been served or delivered when it was so left or sent.

131. SERVICE OF NOTICE ON PERSON ENTITLED BY TRANSMISSION

A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to that person by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

132. DISTRIBUTION OF ASSETS OTHERWISE THAN IN CASH

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

INDEMNITY

133. INDEMNITY OF OFFICERS

Subject to the provisions of the Act, the Company may:

- (A) indemnify any person who is or was a director, directly or indirectly (including by funding any expenditure incurred or to be incurred by him), against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
- (B) purchase and maintain insurance for any person who is or was a director against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.

For the purposes of this article no person appointed or employed by the Company as an auditor is an officer of the Company.

PROVISIONS RELATING TO ARTICLES 13 AND 14

134. ARTICLES SUBJECT TO RELEVANT LAW

- (A) Nothing contained in articles 13 or 14 shall have effect so as to require the Company or any of the directors to (i) take any action; (ii) omit to take any action; or (iii) procure that any group company takes or omits to take any action which action or omission would, in the reasonable opinion of the board of the Company or of such group company, give rise to criminal or civil liability on the part of the Company, such group company or any of the directors of the Company or group company, or any liability on any of the aforesaid for breach of any statutory or common law or regulatory duty or requirement (for the purposes of this article 134, a "relevant breach").
- (B) If a relevant breach is capable of ratification by the shareholders of the Company or group company concerned, and such ratification would have the effect of removing or avoiding the consequences of the relevant breach (insofar as such consequences affect or would affect the Company or group company or any of their respective directors), then subject to the shareholders concerned providing a written undertaking to the Company or group company, as the case may be, that

the requisite ratification will be provided, the action or omission which would (but for ratification), have given rise to the relevant breach shall be effected or, as the case may be, procured by the Company as though this article 134 did not apply in relation thereto.

- (C) For the purposes of this article 134, the "**reasonable opinion of the board**" in relation to a matter shall mean the reasonable opinion of the board of directors of the Company or group company concerned, having (i) as soon as is reasonably practicable taken and having had due regard to appropriate legal and/or financial advice, (ii) following the receipt of such advice, having promptly provided the same to the Majority Shareholder(s) and consulted with the Majority Shareholder(s) in relation to the said advice, and to the formation of the board's opinion on the relevant matter, and having had due regard to the views (if any) of the Majority Shareholder(s) notified to it in relation thereto, and (iii) where the Majority Shareholder(s) give notice under article 134(D), having had due regard to the independent advice consequently received and having consulted the Majority Shareholder(s) in relation thereto.
- (D) If in any case where the Company or the directors seek to rely upon article 134(A) in respect of any matter, the Majority Shareholder(s) have within seven business days of receipt of legal and/or financial advice pursuant to article 134(C) notified the Company that they require independent advice to be taken in relation to the relevant matter(s) from an independent legal and/or financial adviser approved by the Majority Shareholder(s), such advice to be addressed to the Company, its directors and the holders of the ordinary shares, the Company shall (i) obtain such advice, and (ii) subject to (article 134(A)) not take any decision or action in relation to the relevant matter until such advice shall have been obtained and the board shall have consulted the Majority Shareholder(s) in relation thereto.

135. **ARTICLES SUBJECT TO TIER 1 CONTRACTS AND PARENT COMPANY AGREEMENTS**

- (A) Nothing contained in articles 13 or 14 shall have effect so as to require the Company or any of the directors to (i) take any action; (ii) omit to take any action; or (iii) procure that any group company takes or omits to take any action which action or omission would, cause whether directly or indirectly a Site Licensee Company to breach its Tier 1 Contract and/or a Parent Company to breach its Parent Company Agreement.
- (B) No prior written consent of the Majority Shareholder(s) under article 14 is required, if a Site Licensee Company is required to take an action or omit to take an action by the NDA in accordance with the terms of its Tier 1 Contract and/or if a Parent Company is required to take an action or omit to take an action by the NDA in accordance with the terms of its Parent Company Agreement.
- (C) The Majority Shareholder(s) shall have the right to require that the Company (or that the Company procures the relevant Site Licensee Company and/or Parent Company) consults with the NDA in respect of any action to be taken or any action to be omitted under articles 13 and 14 and obtain either (i) the written consent of the NDA in respect of the proposed action or omission or (ii) the written confirmation of the NDA that the proposed action or omission does not constitute a breach of the relevant Tier 1 Contract and/or Parent Company Agreement and that

the Company shall be entitled to rely on any such consent or confirmation from the NDA as definitive.