



A27 *AKVLX9ZF* 177
19/05/2009
COMPANIES HOUSE

*The Companies Act 1948 to 1983,
The Companies Act 1985 and 1989
and The Companies Act 2006*

1470151

COMPANY LIMITED BY SHARES

NEW

Articles of Association

*(Adopted by Special Resolution passed on 1st May, 1996 and amended
by Special Resolutions passed on 29th April, 1998, 4th May, 2000,
3rd May, 2002, 5th May, 2004, 4th May, 2005, 9th May, 2007,
7th May, 2008 and 6th May, 2009 with effect from 1st October, 2009)*

of

BAE SYSTEMS plc

PRELIMINARY

1. Neither the regulations in Table A in The Companies (Tables A to F) Regulations 1985 (as amended) nor any other model articles which may apply to companies under the Statutes or any other former enactment relating to companies shall apply to the Company. Table A and model articles not to apply

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

Auditors	The auditors from time to time of the Company.
Director	A director of the Company.
Month	Calendar month.
Office	The registered office of the Company for the time being.
Paid	Paid or credited as paid.
These presents	These Articles of Association as from time to time

altered by Special Resolution.

Seal	The Common Seal of the Company.
Securities Seal	An official seal kept by the Company for sealing securities issued by the Company, or for sealing documents creating or evidencing securities so issued, as permitted by the Companies Acts.
Special Share	The one Special Share of £1 in the share capital of the Company and the expression “Special Shareholder” shall mean the holder for the time being of the Special Share.
The Statutes	The Companies Acts and every other enactment for the time being in force concerning companies and affecting the Company (including the Companies Act 2006).
The Statutory Reserve	The statutory reserve of the Company, as defined in Section 4(1) of the British Aerospace Act 1980, (if any) for the time being.
The Stock Exchange	London Stock Exchange plc.
Substantive Resolutions	All resolutions (other than resolutions of a procedural nature).
Transfer Office	The place where the Register of Members is situate for the time being.
The UK Listing Authority	The Financial Services Authority in its capacity as competent authority for official listing under Part VI of the Financial Services and Markets Act 2000.
The United Kingdom	(Except for the purposes of Article 40) Great Britain and Northern Ireland.
In writing	Written or produced by any substitute for writing (including anything in electronic form) or partly one and partly another.
Year	Calendar year.

The expression “address” shall include any number or address used for the purposes of sending or receiving notices, documents or information by electronic means and/or by means of a website.

The expression “business day” means a day (not being a Saturday or Sunday) on which clearing banks are open for business in London.

All such of the provisions of these presents as are applicable to shares shall apply to stock, and the words “share” and “shareholder” shall be construed accordingly.

The expression “Companies Acts” shall have the meaning given thereto by Section 2 of the Companies Act 2006 but shall only extend to provisions which are in force at the relevant date.

The expression “Company Communications Provisions” shall have the same meaning as in the Companies Acts.

The expressions “hard copy form”, “electronic form” and “electronic means” shall have the same respective meanings as in the Company Communications Provisions.

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

The expression “entitled by transmission” means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law.

The expression “holder” means, in relation to a share, the member whose name is entered in the register as the holder of that share.

The expressions “recognised clearing house” and “recognised investment exchange” mean any clearing house or investment exchange (as the case may be) granted recognition under the Financial Services and Markets Act 2000.

The expression “register” means the register of members of the Company.

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

The expression “subsidiary undertaking” shall have the same meaning as in the Companies Acts.

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

In these presents any reference to any statutory provision or enactment shall include any statutory modification or re-enactment thereof for the time being in force (whether coming into force before or after the adoption of these presents or the incorporation of the Company).

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

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required.

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

Headings in these presents do not affect the interpretation of these presents.

LIABILITY OF MEMBERS

Liability of
members

3. The liability of each member is limited to the amount (if any) for the time being unpaid on the shares held by that member.

VARIATION OF RIGHTS

Class rights
and variation

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

Further issues not
variation

5. The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by (a) the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto or (b) the purchase or redemption by the Company of any of its own shares in accordance with the Statutes and these presents.

SHARES

Trusts not
recognised

6. Except as ordered by a court of competent jurisdiction or as required by law or pursuant to the provisions of Article 40, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even if it has notice of it) any equitable, contingent, future, partial or other claim to or interest in any share, or any claim to or interest in any fractional part of a share, or (except only as by these presents or by court order or law otherwise provided) any other right in respect of any share (or any fractional part thereof), except an absolute right to the entirety thereof in the holder.

Special rights

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

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

Directors' power to
allot securities and
to sell treasury
shares

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

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

(a) in connection with a rights issue; and

(b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 89 Amount as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment.

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

(iv) For the purposes of this Article:—

- (a) “rights issue” means an offer of equity securities open for acceptance for a period fixed by the Directors to (i) holders (other than the Company) on the register on a fixed record date of Ordinary Shares in proportion to their respective holdings and (ii) holders on the register on a fixed record date of other equity securities to the extent expressly required or (if considered appropriate by the Directors) permitted by the rights attached thereto, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
- (b) “prescribed period” means in the first instance the period from the date of the adoption of this Article to the date of the Annual General Meeting in 1997 or 31st July, 1997, whichever is the earlier, and shall thereafter mean any period (not exceeding 5 years on any occasion) for which the authority conferred by subparagraph (i) above is renewed or extended by Resolution of the Company in General Meeting stating the Section 80 Amount for such period;
- (c) the “Section 80 Amount” shall for the first prescribed period be £14,292,992 and for any other prescribed period shall be that stated in the relevant Resolution;
- (d) the “Section 89 Amount” shall for the first prescribed period be £2,143,949 and for any other prescribed period shall be that stated in the relevant Special Resolution renewing or extending the power conferred by paragraph (ii) above for such period;
- (e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and

- (f) words and expressions defined in or for the purposes of Part IV of the Companies Act 1985 shall bear the same meanings in this Article 8.

Commissions

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

Renunciation

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

Reduction of capital

11. The Company may by Special Resolution reduce or cancel its share capital, share premium account, capital redemption reserve or redenomination reserve in any way permitted by the Statutes.

Fractions arising on consolidation or subdivision

12. If, as a result of a subdivision or consolidation of shares, the holders of shares become entitled to fractions of a share, the Directors may on behalf of such holders of shares or otherwise deal with the fractions as they think fit. In particular, the Directors may, subject to the Statutes and provided that the necessary new shares are available, issue to a member credited as fully paid by way of capitalisation of reserves (and without the sanction required in Article 129) the minimum number of shares required to round up his holding of shares to an integral multiple of the number of shares to be consolidated into a single share (such issue being deemed to have been effected immediately prior to consolidation). The amount required to pay up such shares shall be appropriated at the Directors' discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including without limitation the Statutory Reserve, any share premium account and capital redemption reserve fund) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares. A resolution of the Directors capitalising part of the reserves shall have the same effect as if the capitalisation had been declared by Ordinary Resolution of the Company pursuant to Article 129. In relation to the capitalisation, the Directors shall be entitled to exercise all the powers conferred on them by Article 129 without an Ordinary Resolution of the Company.

SPECIAL SHARE

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

Issue of and rights attaching to Special Share

(B) Notwithstanding any provision in these presents to the contrary, the amendment, removal or alteration of the effect of all or any of the following Articles or, where specified, the relevant parts of the following Articles

shall be deemed to be a variation of the rights attaching to the Special Share and shall accordingly only be effective with the consent in writing of the Special Shareholder:—

- (i) the definitions of “Special Share”, “Special Shareholder” and “The United Kingdom” in Article 2;
- (ii) this Article 13;
- (iii) Article 40;
- (iv) Articles 71(A), 71(B) and 87(A) insofar as they impose requirements as to the citizenship of Directors and their alternates;
- (v) Article 78(B); and
- (vi) Articles 90, 99 and 101 insofar as they impose requirements as to Directors of any specified citizenship either in making up the quorum for meetings or on signing written resolutions or on forming a majority in the number of the members of any committee.

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

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

(E) The Special Shareholder may require the Company at any time, either (i) subject to the provisions of the Statutes, to redeem the Special Share at par, or (ii) to convert the Special Share into one ordinary voting share (within the meaning of Section 5 of the British Aerospace Act 1980) in the Company (“ordinary voting share”) by serving written notice upon the Company requiring such redemption or, as the case may be, conversion and delivering the share certificate for the Special Share to the Company, whereupon the Company shall, in the case of a redemption, redeem the Special Share for cash at par and, in the case of a conversion, issue to the Special Shareholder a certificate in respect of the share into which the Special Share is converted, in each case within 21 days of the receipt of the share certificate for the Special Share by the Company.

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

Special Share shall be treated as converted and the nominal value of £1 shall be applied in part payment of the nominal value of the ordinary voting share and the Special Shareholder shall pay up the balance of the nominal value in cash.

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

(H) (i) The Articles and parts of Articles listed in Article 13(B) (other than this Article 13(H)) shall have effect subject to anything to the contrary in any regulations made by the Directors and approved by the Special Shareholder. Without limitation, such regulations may provide that, with effect from a particular time or on the occurrence of a particular event or subject to any other conditions, any of the relevant Articles or parts of the Articles shall not apply or shall apply as if they were modified in such manner as the regulations may specify.

(ii) Such regulations may not have the effect of reducing the proportion of the votes which are ordinarily eligible to be cast on a poll at General Meetings of the Company or the votes which are attributable to all Shares in which any Foreign Person may have an Interest below 15 per cent. This paragraph (ii) shall be construed as if it were part of Article 40.

(iii) The Directors may from time to time abrogate, vary or otherwise modify any regulations made pursuant to this Article 13(H) in such manner as they consider appropriate and as the Special Shareholder may approve.

SHARE CERTIFICATES

14. Every definitive share certificate shall be issued under the Seal (or the Securities Seal or in the case of shares on a branch register, an official seal for use in the relevant territory) and shall specify the number and class of shares to which it relates and the amount paid up thereon. No definitive certificate shall be issued representing shares of more than one class. Unless the Directors otherwise determine no definitive certificate shall be issued in respect of shares held by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not required by law to complete and have ready for delivery a certificate.

Issue of certificates

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

Joint holders

16. Subject to the provisions of these presents, any person (excluding a recognised clearing house or a nominee of a recognised clearing house or of a

Entitlement to certificates

recognised investment exchange to whom no certificate is to be issued pursuant to Article 14 above) whose name is entered in the register in respect of any shares of any one class upon the issue or transfer thereof shall be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully-paid shares) within 14 days after lodgment of transfer or (in the case of a transfer of partly-paid shares) within two months after lodgment of transfer.

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

18. (A) Any two or more certificates representing shares of any one class held by any member may at his request and on surrender of the original certificate(s) be cancelled and a single new certificate for such shares issued in lieu without charge.

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

(C) If a share certificate shall be worn out, damaged or defaced, lost, stolen or destroyed (or alleged to have been lost, stolen or destroyed), a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if lost, stolen or destroyed or alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and (in either case) to the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

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

CALLS ON SHARES

Calls

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

Payment of calls

20. Each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A person on whom a call is made remains liable to pay the amount called despite the

subsequent transfer of the share in respect of which the call is made. A call may be revoked or postponed, in whole or in part, as the Directors may determine.

Interest on calls

21. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 25 per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

Deemed calls

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

Differentiation of calls

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

24. The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding 12 per cent. per annum) as the member paying such sum and the Directors agree upon.

Payment in advance of calls

FORFEITURE AND LIEN

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

26. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.

Contents of notice

27. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time

Forfeiture

thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared or other amounts payable in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

28. Until cancelled in accordance with the Statutes, a share so forfeited or surrendered and all rights attaching to it shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be annulled by the Directors on such terms as they think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid. The Company may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share(s).

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

Liens

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

Liens

Power of sale

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

payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.

Proceeds of sale

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

Evidence of forfeiture
or surrender

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

TRANSFER OF SHARES

34. All transfers of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

Form of transfer

35. Without prejudice to the provisions of Article 40, the Directors may in their absolute discretion refuse to register any transfer of shares (not being fully paid shares) provided that, where any such shares are admitted to the official list maintained by the UK Listing Authority, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Directors may also refuse to register an allotment or transfer of shares (whether fully paid or not) in favour of more than four persons jointly. If the Directors refuse to register an allotment or transfer, whether pursuant to the provisions of this Article or Article 40, they shall as soon as practicable and in any

Refusal to register

event within two months after the date on which a letter of allotment or transfer was lodged with the Company send to the allottee or transferee notice of the refusal giving reasons for the refusal.

36. (A) The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is lodged (duly stamped if required) at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgment of share certificates will only be necessary if, and to the extent that, certificates have been issued in respect of the shares in question.

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

No fees

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

Destruction of transfers

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

- (i) The provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (ii) Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;

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

Untraced shareholders

39. (1) The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a member or the shares to which a person is entitled by virtue of transmission if and provided that:—

- (i) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares have become payable and no dividend in respect of those shares has been claimed;
- (ii) the Company shall on expiry of such period of 12 years have inserted advertisements in both a national daily newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected under these presents is located giving notice of its intention to sell the said shares;
- (iii) during the period of three months following the publication of such advertisements (or, if published on different dates, the second thereof) the Company shall have received no communication from such member or person; and
- (iv) notice shall have been given to the Stock Exchange of its intention to make such sale.

(2) To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

UNITED KINGDOM CONTROL

40.

Individual Foreign
Shareholding Restriction

- (A) (i) It is a cardinal principle that the Company should be and remain under United Kingdom control. The purpose of this Article is to support this principle by imposing restrictions on the holding of shares by Foreign Persons. These restrictions comprise provisions ensuring that no Foreign Person is able to be interested in Shares carrying more than 15% of those votes (the “**Individual Foreign Shareholding Restriction**”).
- (ii) The Individual Foreign Shareholding Restriction is set out in paragraph (B) below. Paragraphs (C) and (D) below require that registers of Foreign-held Shares and of Interests of Foreign Persons be maintained. Certain words and expressions used in this Article are defined in paragraphs (E) to (H) below and various ancillary provisions are contained in paragraphs (I) and (J) below.
- (iii) This Article shall apply notwithstanding any provisions to the contrary in any other Article but subject to the provisions of Article 13(H).
- (B) (i) In this paragraph (B), the expression “**Irregular Foreign Person**” means any Foreign Person who has Interests in Shares which carry more than 15% of either:—
 - (a) the votes which are ordinarily eligible to be cast on a poll at General Meetings of the Company; or
 - (b) the votes which are attributable to all Shares.
- (ii) The Directors shall not register any allotment or transfer of a Share to any person whom the Directors believe is an Irregular Foreign Person or to any other person if the Directors believe that, following the allotment or transfer, an Irregular Foreign Person would have an Interest in the relevant Share.
- (iii) If at any time, the Directors believe that a person is an Irregular Foreign Person, they shall as soon as is reasonably practicable give notice in writing to that person and to the registered holders of all Shares in which they believe that person is Interested requiring them within 21 days of the date of service of the notice (or such longer time as the Directors consider reasonable) to dispose of such number of Shares as will cause the relevant person to cease to be an Irregular Foreign Person.
- (iv) A Share in respect of which such a notice (a “**Disposal Notice**”) has been served shall not confer any right to receive notice of, or to attend and vote at, General Meetings of the Company or other meetings of shareholders or any class of shareholder from (and including) the date of service until the time of its transfer to another person so that it

ceases to be a Foreign-held Share or, if earlier, the time at which the relevant Disposal Notice is withdrawn.

- (v) If the requirements of any Disposal Notice are not complied with to the satisfaction of the Directors within the period specified in the relevant notice, unless the relevant Disposal Notice is withdrawn, the Director shall arrange for the Company to sell the Shares to which that notice relates. For this purpose, the Directors may make such arrangements as they deem appropriate. In particular, without limitation, they may authorise any officer or employee of the Company to execute any transfer or other document on behalf of the holder or holders of the relevant Share and, in the case of a Share in uncertificated form, may make such arrangements as they think fit on behalf of the relevant holder or holders to transfer title to the relevant Share through a Relevant System.
 - (vi) Any sale pursuant to sub-paragraph (v) above shall be at the best price reasonably obtainable but the Directors shall not be liable to the holder or holders of the relevant Share for any alleged deficiency in the amount of the sale proceeds or any other matter relating to the sale.
 - (vii) The net proceeds of the sale of any Share under this paragraph (B) shall be paid over by the Company to the former holder or holders of the relevant Share upon surrender of any certificate relating to it, without interest. The receipt of the Company shall be a good discharge for the purchase money.
 - (viii) The title of any transferee of shares shall not be affected by an irregularity or invalidity of any actions purportedly taken pursuant to this paragraph (B).
- (C) (i) The Directors shall not register any person as a holder of a Share unless they have received:
- (a) a declaration stating either (i) that, upon registration, the relevant Share will not be a Foreign-held Share or (ii) that, upon registration, that Share will be a Foreign-held Share;
 - (b) such evidence (if any) as the Directors may require of the authority of the signatory of that declaration;
 - (c) such evidence or information (if any) as to the matters referred to in the declaration as the Directors consider appropriate; and

Identification and
registration of
Foreign-held Shares

This shall not, however, apply to the registration of an allottee of any Share which is being issued paid up by way of capitalisation of profits or reserves or to the registration of a person as a trustee of any Profit-

sharing Scheme or Share Scheme (as defined in sub-paragraph (E)(i) below).

- (ii) The Directors may at any time:
 - (a) give notice in writing to the holder (or to any one of the joint holders) of a Share requiring him, within 21 days of the date of service of the notice (or such longer time as the Directors consider reasonable), to deliver to the Company a declaration as to whether or not the relevant Share is a Foreign-held Share; and
 - (b) to provide such evidence or information (if any) as to the matters referred to in the declaration as the Directors consider appropriate.
- (iii) If at any time, the Directors believe that a Share which is not then treated as a Foreign-held Share may be such a Share, they shall give notice in writing to the holder (or to any one of joint holders) requiring him, within 21 days of the date of service of the notice (or such longer time as the Directors consider reasonable) to show to their satisfaction that the relevant Share is not a Foreign-held Share.
- (iv) If within the period specified in a notice served under sub-paragraph (iii) above, or such longer time as the Directors consider reasonable, the Directors are not satisfied that the relevant Share is not a Foreign-held Share, they shall declare that Share to be a Foreign-held Share.
- (v) The Directors shall maintain a separate register in which shall be entered particulars of any Share which:
 - (a) has been acknowledged by the holder (or by any one of joint holders) or the Operator (as defined in the Crest Regulations) to be a Foreign-held Share; or
 - (b) has been declared to be a Foreign-held Share by virtue of a declaration of the Directors made pursuant to sub-paragraph (iv) above;and, in either case, which has not ceased to be a Foreign-held Share.
- (vi) The Directors shall remove from the Foreign-held Share Register any Share in respect of which they have received:
 - (a) a declaration stating that the relevant Share is not a Foreign-held Share;
 - (b) such evidence (if any) as the Directors may require of the authority of any signatory of that declaration; and

- (c) such evidence or information (if any) as to the matters referred to in the declaration as the Directors consider appropriate.

This shall not apply, however, if the Directors are not satisfied that the relevant Share is not a Foreign-held Share.

- (vii) A declaration under any of sub-paragraphs (i), (ii) or (vi) above shall not be valid unless it is in such form as the Directors may from time to time prescribe or approve and is either:
 - (a) signed by or on behalf of the person who is registered, or is proposed to be registered, as a holder of the relevant Share or, in the case of a corporation, executed under the seal of the corporation or signed on its behalf by an attorney or a duly authorised officer or agent; or
 - (b) in the case of shares in uncertificated form, received through a Relevant System.
- (viii) A declaration made pursuant to the Article which this Article replaced (or pursuant to regulations made under that Article) as to whether or not a Share is or will be a Foreign-held Share (as defined in that Article) shall be deemed for the purposes of this paragraph (C):—
 - (a) to be a declaration made pursuant to sub-paragraph (i) above; and
 - (b) in the case of a declaration that the relevant Share is or will be a Foreign-held Share (as so defined), to comprise an acknowledgement by the holder (or one of the joint holders) or the Operator that the Share is a Foreign-held Share (as defined in paragraph (F) below).
- (D) (i) The provisions of Part VI of the Act shall apply to the Company as if such provisions extended to Interests of Foreign Persons. The Company, its Members and all persons Interested in Shares shall have the rights and obligations referred to in Part VI of the Act in relation to all Interests of Foreign Persons.
- (ii) The Directors shall maintain a register (which shall be separate from that maintained under Part VI of the Act) in which shall be entered particulars of Interests of Foreign Persons disclosed to the Company.
- (E) (i) Subject to sub-paragraph (ii) below, in this Article, the word “Share” means any share in the capital of the Company which:

Identification and registration of interests of Foreign Persons

Shares to which this Article applies

- (a) carries the right to vote on a poll at General Meetings of the Company whether ordinarily or only in certain circumstances; and
 - (b) at the material time, is not either:
 - (I) held by the trustees of any profit sharing scheme established by the Company and approved by the Board of Inland Revenue in accordance with the provisions of Sections 186 and 187 and Schedules 9 and 10 of the Income and Corporation Taxes Act 1988 (a "Profit-sharing Scheme"); or
 - (II) held pursuant to arrangements approved by the Directors by trustees for the benefit of employees or officers (or former employees or officers) of the Company, of the Company's subsidiaries or any associated undertakings or their wives, husbands, widows, widowers or children or step-children under the age of 18 (a "Share Scheme").
 - (ii) A Share at any time which does not carry a present right to vote at any General Meeting of the Company shall be treated for the purposes of paragraphs (A) and (B) of this Article as if it were not a "Share" unless the Directors shall have resolved that those paragraphs should apply to it. The Directors may so resolve at any time and from time to time at their discretion and may, likewise, revoke any such resolution which they have previously passed.
 - (iii) If any such resolution is passed in respect of a Share which is a Foreign-held Share, for the purposes of sub-paragraph (B)(iii) above, particulars of that Share shall be deemed to have been entered into the Foreign-held Share Register at the time of the passing of the relevant resolution.
- Meaning of "Foreign-held Shares" and "Foreign Persons"
- (F) (i) Subject to sub-paragraph (ii) below in this Article, the expression **"Foreign-held Share"** means any Share in which any Foreign Person has an Interest.
 - (ii) For the purposes of paragraph (A) above, Shares registered in the Foreign-held Share Register shall be deemed to be Foreign-held Shares and Shares not so registered shall be deemed not to be Foreign-held Shares.
 - (iii) In this Article the expression **"Foreign Person"** means any person who is a Foreigner, a Foreign Corporation or a Corporation under Foreign Control and, for this purpose:

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

- (a) of which one third or more of the directors (or persons occupying the position of directors by whatever name called) are Foreigners or Foreign Corporations or are accustomed to act in accordance with the suggestions, instructions or directions of Foreigners or Foreign Corporations; or
- (b) of which shares carrying more than 30 per cent. of the votes which are ordinarily eligible to be cast on a poll at General Meetings of the corporation are for the time being held by Foreigners or Foreign Corporations.

“Foreign Corporation” means:

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

“Foreigner” means any individual who is not a British citizen, a British Dependent Territories citizen or a British Overseas citizen by virtue of the British Nationality Act 1981.

- (G) (i) Subject to sub-paragraphs (ii) to (viii) below, for the purposes of this Article, a person shall be deemed to have an “Interest” in Shares if he has any interest which would be taken into account in deciding whether a notification by that person to the Company would be required under Part VI of the Act if all Shares were “relevant share capital” for the purposes of that Part.
- (ii) Any right pursuant to the provisions of any agreement to control, influence or participate in the exercise of any right conferred by the holding of any Share (including, without prejudice to the generality of the foregoing, any right relating to the retention or disposal of any Share) shall be deemed to comprise such an interest and, for the purpose of this paragraph (ii):
 - (a) any restraint or restriction to which any such right is or may be subject shall be disregarded;

Meaning of
“Interest” in Shares

- (b) **“agreement”** includes any agreement, arrangement or understanding (whether formal or informal) irrespective of whether such agreement, arrangement or understanding includes a provision of the acquisition by any one or more of the parties to it of any interest in any Share or is part of a proposal to obtain or consolidate control of the Company; and
 - (c) **“provisions of any agreement”** includes any undertaking, expectation or understanding (whether express or implied and whether absolute or not) operative under any agreement, except that a right pursuant to an agreement which is not legally binding shall not be taken into account in determining whether a person has an interest unless the agreement involves mutuality in the undertakings, expectations or understandings of the parties to it.
- (iii) The following interests shall be disregarded:
 - (a) any interest of a bare trustee or which, if the incidents of the interest are governed by a law other than the law of England and Wales, is in all material respects identical to the interest of a bare trustee under the law of England and Wales;
 - (b) any interests which exist only by virtue of an obligation (contingent or otherwise) to purchase or subscribe for Shares pursuant to underwriting or sub-underwriting arrangements approved by the Directors and, for a period of three months following the relevant purchase or subscription, in respect of interests in Shares purchased or subscribed pursuant to such an obligation;
 - (c) any interest of a person which exists only by virtue of the entering into or performance by that person of an agreement approved by the Directors under which that person (whether alone or with other persons) is to procure purchasers or subscribers of the relevant Shares, as principal or as agent, as part of the distribution of those Shares (whether to the public or otherwise), provided that such interests shall only be disregarded for a period of three months from the date of the relevant agreement;

- (d) any interest of either the Chairman of a meeting of the Company or of a meeting of the holders of Shares of any class (acting in that capacity);
- (e) any interests of a Clearing House or Depositary acting in its capacity as such;
- (f) any interest of a person which exists only by virtue of that person being a trustee of:
 - (I) any retirement benefits scheme for the employees of a business or undertaking carried on (wholly or mainly) in the United Kingdom other than by a Foreign Person which is, or is treated by the Commissioners of Inland Revenue as, an exempt approved scheme for the purposes of Chapter 1 of Part XIV of the Income and Corporation Taxes Act 1988; or
 - (II) any charity which is registered under the provisions of the Charities Act 1993; or
 - (III) any exempt charity within the meaning of that Act,

other than (in any case) a retirement benefits scheme, charity or exempt charity of which the majority of the trustees are Foreign Persons.
- (iv) In calculating the number of Shares in which a trader in securities is interested at any particular time, the trader's gross sales (up to a maximum equal to the trader's gross purchases) shall be deducted from the number of Shares in which he would be interested but for this sub-paragraph (iv) and, in this paragraph:

"gross sales" means the number of Shares which, at the relevant time, the trader shall be under an obligation to sell pursuant to contracts entered into in the ordinary course of his business as a trader in securities each of which requires delivery to be made not later than 14 days after the contract shall have been entered into; and

"gross purchases" means the number of Shares which, at the relevant time, the trader shall be under an obligation to purchase pursuant to such contracts.
- (v) Section 209(1)(a) of the Act shall be disregarded.
- (vi) If, in respect of any Shares, the Directors resolve that they have made reasonable enquiries and have been unable to determine whether or not a specified person has an Interest in the relevant Shares, that person shall be deemed to have such an Interest.

(vii) Where Interests in Shares are held by a Clearing House or Depositary in its capacity as such:

- (a) any person who has rights in relation to Shares in which the Clearing House or Depositary holds such an Interest shall be deemed to be Interested in the number of Shares for which the Clearing House or Depositary is or may become liable to account to him; and
- (b) any Interest which (by virtue of his being a tenant in common in relation to or holding of common property Interests in Shares so held by the Clearing House or Depositary or otherwise) he would otherwise be treated as having in a larger number of Shares shall (in the absence of any other reason why he should be so treated) be disregarded.

(viii) **"Interested"** shall be construed accordingly.

(H) In this Article:

Other definitions

"Act" means the Companies Act 1985 (as amended), and all regulations made thereunder, as in force on 1 March 1998;

"Clearing House" means a recognised clearing house or a nominee of such a clearing house or of a recognised investment exchange (in each case as defined in the Financial Services and Markets Act 2000) or a pooled nominee service provided by an operator of any Relevant System (including, for the avoidance of doubt, CREPON Limited when acting in its capacity as nominee in connection with the pooled nominee service provided by CRESTCo Limited);

"Crest Regulations" means the Uncertificated Securities Regulations 2001;

"Depositary" means a person appointed by or with the approval of the Directors to issue depositary receipts or other securities which evidence the deposit of Shares or the right to receive or to call for the delivery of Shares or a custodian or nominee appointed by or with the approval of any such person in connection with any such securities or any clearing agent for such securities;

"Foreign-held Share Register" means the register maintained pursuant to paragraph (C) above;

"Relevant System" means a relevant system as defined as in Crest Regulations;

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

and reference to Shares being “**in uncertificated form**” is reference to Shares being uncertificated units of a security as defined in the Crest Regulations.

Miscellaneous
provisions

- (I) (i) The Directors shall be entitled to presume without enquiry, unless any Director has reason to believe otherwise, that all Shares particulars of which are entered in the Foreign-held Shares Register (including those entered by reason of sub-paragraph (C)(viii) above) are Foreign-held Shares, that all other Shares are not Foreign-held Shares and that no person is an Irregular Foreign Person.
- (ii) The Directors shall not be required to give any reasons for any decision or determination pursuant to this Article and any such determination or decision shall be final and binding on all persons unless and until it is revoked or changed by the Directors. Any disposal or transfer made or other thing done by or on behalf of the Board or any Director pursuant to this Article shall be binding on all persons and shall not be open to challenge on any ground whatsoever.
- (iii) The Directors shall not be obliged to serve any notice required under this Article upon any person if they do not know either his identity or his address. The absence of service of such a notice in such circumstances any accidental error in or failure to give any notice to any person upon whom notice is required to be served under this Article shall not prevent the implementation of or invalidate any procedure under this Article.
- (iv) The provisions of Articles 136 to 142 shall apply to the service upon any Member of any notice required by this Article. Any notice required by this Article to be served upon a person who is not a Member or to a person who is a Member but whose address is not within the United Kingdom and who has failed to supply to the company an address within the United Kingdom pursuant to Article 136, shall be deemed validly served if such notice is sent through the post in a pre-paid cover addressed to that person or Member at the address, if any, at which the Directors believe him to be resident or carrying on business or, in the case of a holder of depository accepts or similar securities, to the address, if any, in the register of holders of the relevant securities. Service shall, in such a case be deemed to be effected on the day of posting and it shall be sufficient proof of service if that notice was properly addressed, stamped and posted.
- (v) Any notice required or permitted to be given pursuant to this Article may relate to more than one Share and shall specify the Share or Shares to which it relates.
- (vi) The Directors shall be under no liability to the Company or any other person for:

- (a) failing to treat a Share (other than one particulars of which are entered in the Foreign-held Share Register) as a Foreign-held Share;
- (b) treating a Share particulars of which are entered in the Foreign-held Share Register as a Foreign-held Share; or
- (c) doing anything or failing to do anything pursuant to this Article 40 in consequence of any such classification,

unless any Director has reason to believe that the classification of the relevant Share is incorrect.

- (J) The Directors may make such regulations as they consider appropriate and as the Special Shareholder may approve with a view to ensuring that any shares can become or remain units of “a participating security” (as defined in the Uncertificated Securities Regulations 2001) without prejudicing the fulfilment of the objective of this Article 40. The Directors may also from time to time abrogate, vary or otherwise modify such regulations in such manner as they consider appropriate and as the Special Shareholder may approve. This Article 40 shall not apply to the extent specified in such regulations, which shall bind the Company and its members to the same extent as if they had been set out herein.

Crest

TRANSMISSION OF SHARES

Death of
shareholder

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

Entitlement on
death or bankruptcy

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

share to some other person. If that notice is not complied with within 60 days, the Directors may withhold payment of all dividends and other amounts payable in respect of the share until the notice as aforesaid has been given or the transfer as aforesaid has been made.

Entitlement to
dividend etc.

43. Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder or other event giving rise by operation of law to such entitlement (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to receive notice of or exercise any right conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares until he shall have been registered as a member in respect of the share.

GENERAL MEETINGS

44. An Annual General Meeting shall be held once in each period of 6 months beginning on the day following the Company's accounting reference date at such place, date and time as may be determined by the Directors.

Annual General Meetings

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

Other General Meetings

NOTICE OF GENERAL MEETINGS

46. An Annual General Meeting shall be called by notice of at least 21 days. Any other General Meeting shall be called by notice of at least 14 days. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such (if any) as are not under the provisions of these presents entitled to receive such notices from the Company and to all Directors and the Auditors: Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:—

Notice of meetings

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

Provided also that the accidental omission to give notice to or, in cases where it should have been sent out with the notice, an instrument of proxy to, or the non-receipt of either by, any person entitled thereto shall not invalidate any General Meeting or any proceedings thereat.

47. (A) Every notice calling a General Meeting shall specify the place and the date and time of the meeting and there shall appear with reasonable prominence in every such notice a statement that a member is entitled to appoint another person or persons (pursuant to Article 65) as his proxy or proxies to exercise all or any of his rights to attend, to speak and to vote, and that a proxy or proxies need not be a member of the Company.

Contents of notice

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

(C) In the case of any General Meeting the notice shall specify the general nature of the business to be transacted; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.

PROCEEDINGS AT GENERAL MEETINGS

Chairman of
meetings

48. The Chairman of the Board of Directors, failing whom the Deputy Chairman (and, if more than one, the Deputy Chairman who shall have held that office for the greater or greatest length of time), shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither shall be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, a member may be elected by a resolution of the Company passed at the meeting), to be chairman of the meeting.

Quorum

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

Absence of quorum

50. If within fifteen minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, or if during the meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day (not being less than seven days thereafter) and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. At the adjourned meeting any two members present in person or by proxy shall be a quorum. If a quorum is not present within fifteen minutes from the time fixed for the start of the adjourned meeting, the meeting shall be dissolved.

51. The chairman of the meeting may with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned *sine die*, the time and place for any adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or *sine die*, not less than seven days' notice of any adjourned meeting shall be given in like manner as in the case of the original meeting.

Notice of
adjournment

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

Amendment to
resolutions

53. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution

no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. Subject to the Statutes and without prejudice to any other restriction on the right to move amendments to Substantive Resolutions, in the case of a Substantive Resolution duly proposed as an Ordinary Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) shall be considered or voted upon unless written notice of the intention to move it shall have been lodged at the Office no later than the seventh day prior to the date appointed for the holding of the relevant meeting (or adjourned meeting).

54. At any General Meeting all Substantive Resolutions (and proposed amendments to Substantive Resolutions) put to the vote of the meeting shall be determined on a poll and all other resolutions (including any amendments thereto) put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:—

Voting

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

55. A demand for a poll may, before the poll is taken, be withdrawn but only with the approval of the chairman of the meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. In the case of a poll demanded before the declaration of the result of show of hands, the meeting shall continue as if the demand had not been made. If a poll is required or demanded, it shall be taken in such a manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers (who need not be members). The chairman may decide the time and place for the declaration of the result of the poll or may decide that the result should be publicised as soon as is reasonably practicable through The Stock Exchange or in such other manner as he may determine. The chairman may, having announced his decision, adjourn or close the relevant meeting.

56. On a vote on a resolution at a meeting on a show of hands, a declaration by the Chairman that the resolution has or has not been passed or has been passed with a particular majority, is conclusive evidence of that fact without

Validity and result
of vote

proof of the number or proportion of the votes recorded in favour of or against the resolution. An entry in respect of such a declaration in minutes of the meeting recorded in accordance with the Companies Acts is also conclusive evidence of that fact without such proof. This Article does not have effect if a poll is demanded in respect of the resolution (and the demand is not subsequently withdrawn).

Taking of polls

57. A poll demanded on the election of a chairman of the meeting or on a question of adjournment shall be taken forthwith. A poll required or demanded on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately if the time, date and place at which it is to be taken are announced at the meeting at which it is required or demanded. In any other case, at least seven days' notice shall be given specifying the time, date and place at which the poll is to be taken.

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

58. Subject to the Statutes and without prejudice to any other restriction on the consideration of resolutions at General Meetings, no Substantive Resolution shall be considered or voted upon at a General Meeting unless either (1) the full text of the relevant Substantive Resolution (or, in the case of a Substantive Resolution to be considered or voted upon at an Annual General Meeting, reference to the substance of such Resolution) is set out in the notice of the relevant meeting or (2) written notice of the intention to propose the Substantive Resolution shall have been lodged at the Office no later than (i) in the case of an Annual General Meeting the proposed date of which shall have been announced by the Company prior to the despatch of the notice of meeting, no later than the sixtieth day prior to that proposed date or, if later, the twenty-first day after the date of the relevant announcement or (ii) in all other cases, the seventh day prior to the date appointed for the holding of the relevant meeting (or adjourned meeting). A valid notice given pursuant to this Article 58 shall not be rendered invalid by any subsequent change in the date or proposed date of the relevant General Meeting.

VOTES OF MEMBERS

Voting rights

59. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents to any shares or class of shares, on a show of hands every member who is present in person and every proxy present who has been duly appointed by a member entitled to vote on the resolution shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

Joint holders

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

by the order in which the names stand in the Register of Members in respect of the share.

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

Receiver etc. for shareholder

62. (A) No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or meetings of the holders of any class of shares of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

Suspension of voting etc. rights

(B) If any member, or any other person appearing to be interested in shares (within the meaning of Part 22 of the Companies Act 2006) held by such member, has been duly served with a notice under Section 793 of the Companies Act 2006 and is in default for the prescribed period in supplying to the Company the information thereby required then (unless the Directors otherwise determine), in respect of the shares in the shareholding account in the Register of Members which comprises or includes the shares in relation to which the default occurred (or such of them as the Directors may determine from time to time) (all, or the relevant number as appropriate, of such shares being the "default shares" which expression shall include any further shares which are issued in respect of such shares), for so long as the default continues the member shall not, nor shall any transferee to whom any of such shares are transferred otherwise than pursuant to an approved transfer or pursuant to Article 62(C)(ii)(a), be entitled to vote either personally or by representative or by proxy at a General Meeting of the Company or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to General Meetings of the Company or meetings of the holders of any class of shares of the Company.

(C) Where the default shares represent at least 0.25 per cent in nominal value of the issued share capital of the class of shares concerned (excluding any shares in the Company held as treasury shares), the Directors may in their absolute discretion at any time by a notice (a "direction notice") to such members direct that:—

- (i) in respect of the default shares any dividend or part thereof or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon

when such money is finally paid to the member and the member shall not be entitled to elect to receive shares in lieu of dividend; and/or

- (ii) no transfer of any of the shares held by such member shall be registered unless:—
 - (a) the member is not himself in default as regards supplying the information requested and the transfer is of part only of the member's holding which, when presented for registration, is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or
 - (b) the transfer is a transfer duly made in accordance with Article 40(G); or
 - (c) the transfer is an approved transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

- (D) (i) Save as herein provided, any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice is issued continues and shall cease to have effect thereafter upon the Directors so determining (such determination to be made within a reasonable period, not exceeding one week of the default being duly remedied). Written notice of such determination shall be given to the member.
- (ii) Any direction notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or in accordance with Article 62(C)(ii)(a) above.

(E) For the purpose of this Article:—

- (i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification whether under the said Section 793 or otherwise which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares

and (after taking into account the said notification and any other relevant Section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

- (ii) the prescribed period is 28 days from the date of service of the notice under the said Section 793 except that if the shares in respect of which the said notice is given represent at least 0.25 per cent. in nominal value of the issued share capital of the class of shares concerned at the time of the giving of the relevant notice under the said Section 793, the prescribed period is 14 days from such date; and
- (iii) a transfer of shares is an approved transfer if but only if:—
 - (A) it is a transfer of shares to an offeror by way of or in pursuance of acceptance of a takeover offer (as defined in Section 974 of the Companies Act 2006) for a company; or
 - (B) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the member or with any person appearing to be interested in such shares (including any such sale made through a stock exchange on which the Company's shares of the class in question are normally traded). For the purposes of this paragraph any associate (as that term is defined in Section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares.

(F) The provisions of this Article are in addition and without prejudice to the provisions of the Companies Act 2006.

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

Objections to votes

Proxy votes

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

Proxy not member

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

(B) A member is entitled to appoint a proxy or (subject to Article 65(C)) proxies to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company.

(C) A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

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

- (a) in the case of an individual must either be signed by the appointor or his attorney or authenticated in accordance with Article 141; and
- (b) in the case of a corporation must be either given under its common seal or be signed on its behalf by an attorney or a duly authorised officer of the corporation or authenticated in accordance with Article 141.

Any signature on or authentication of such appointment need not be witnessed. Where an appointment of a proxy is signed or authenticated in accordance with Article 141 on behalf of the appointor by an attorney, the power of attorney or a copy thereof certified notarially or in some other way approved by the Directors must (failing previous registration with the Company) be submitted to the Company, failing which the appointment may be treated as invalid.

67. (A) The appointment of a proxy (together with any supporting documentation required under Article 66) must be received at the address or one of the addresses (if any) specified for that purpose in, or by way of note to, or in any document accompanying, the notice convening the meeting (or if no address is so specified, at the Transfer Office):

- (1) in the case of a meeting or adjourned meeting, not less than 48 hours before the commencement of the meeting or adjourned meeting to which it relates;
- (2) in the case of a poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after the poll was demanded, not less than 48 hours before the commencement of the meeting or adjourned meeting at which the poll was demanded; and

- (3) in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for the taking of the poll;

and in default shall not be treated as valid.

(B) The Directors may at their discretion determine that, in calculating the periods mentioned in Article 67(A), no account shall be taken of any part of any day that is not a working day (within the meaning of Section 1173 of the Companies Act 2006).

(C) The appointment of a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Provided that an appointment relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

68. (A) A proxy shall have the right to exercise all or any of the rights of his appointor, or (where more than one proxy is appointed) all or any of the rights attached to the shares in respect of which he is appointed the proxy to attend, and to speak and vote, at a meeting of the Company.

(B) Unless his appointment provides otherwise, a proxy may vote or abstain at his discretion on any resolution put to the vote at a shareholders' meeting.

69. (A) Neither the death or insanity of a member who has appointed a proxy, nor the revocation or termination by a member of the appointment of a proxy (or of the authority under which the appointment was made), shall invalidate the proxy or the exercise of any of the rights of the proxy thereunder, unless notice of such death, insanity, revocation or termination shall have been received by the Company in accordance with Article 69(B).

Revocation
of proxy

(B) Any such notice of death, insanity, revocation or termination must be received at the address or one of the addresses (if any) specified for receipt of proxies in, or by way of note to, or in any document accompanying, the notice convening the meeting to which the appointment of the proxy relates (or if no address is so specified, at the Transfer Office):

- (1) in the case of a meeting or adjourned meeting, not less than one hour before the commencement of the meeting or adjourned meeting to which the proxy appointment relates;
- (2) in the case of a poll taken following the conclusion of a meeting or adjourned meeting, but not more than 48 hours after it was demanded, not less than one hour before the commencement of the meeting or adjourned meeting at which the poll was demanded; or

- (3) in the case of a poll taken more than 48 hours after it was demanded, not less than one hour before the time appointed for the taking of the poll.

CORPORATIONS ACTING BY REPRESENTATIVES

Corporate
representatives

70. Subject to the Statutes, any corporation which is a member of the Company may by resolution of its directors or other governing body authorise a person or persons to act as its representative or representatives at any meeting of the Company or of any class of members of the Company. The Solicitor for the affairs of Her Majesty's Treasury may, so long as he is a member of the Company, authorise in writing under his hand such person as he thinks fit to act as his representative at any meeting of the Company or of any class of members of the Company.

DIRECTORS

Nationality of
Directors

71. (A) Any Director (and their alternate) who holds the office of either Chairman (where such office is held in an executive capacity) or Chief Executive shall be a person who is a British Citizen or British Dependent Territories citizen or British Overseas citizen by virtue of the British Nationality Act 1981. In addition, if at any time the Company has a Deputy Chairman as well as a Chairman and the persons holding those offices each hold office in a non-executive capacity, at least one of such Directors (and their alternate) shall be a person who is a British Citizen or British Dependent Territories citizen or British Overseas citizen by virtue of the British Nationality Act 1981. If any such persons for the time being cease to be such a citizen and as a result the requirements of this Article 71(A) cease to be fulfilled, his office of Director shall thereupon be vacated.

(B) The majority of the Directors holding office with the Company for the time being shall be persons who are British citizens or British Dependent Territories citizens or British Overseas citizens by virtue of the British Nationality Act 1981. If at any time one half or more of the Directors are persons who are not such citizens, then such a number of such Directors shall forthwith vacate their offices with the Company as shall be necessary to comply with this Article 71(B).

(C) The Directors who are not such citizens shall vacate office, so as to ensure compliance with Article 71(B), in such order that those who have been in office for the shortest period since their appointment shall vacate their office first (unless all of the Directors otherwise agree amongst themselves).

(D) Each Director shall for the purposes of this Article 71 inform, and keep informed, as fully and promptly as is reasonably possible, the Directors of any change, or possible change, in his nationality.

(E) The Directors shall not (subject to compliance with the foregoing provisions of this Article) be less than six in number. If at any time the number of Directors shall, to comply with such foregoing provisions, be reduced to less than six (or other such minimum number as may be fixed in accordance with the following sentence), then such number of persons shall be appointed as Directors as soon as is reasonably practicable to reinstate the number of Directors to six (or such other minimum number as aforesaid) or more. The Company may by Ordinary Resolution from time to time vary the minimum number and/or fix and from time to time vary a maximum number of Directors.

72. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall be entitled to attend and speak at General Meetings.

No share
qualification

73. Each Director shall be entitled to receive remuneration for his services at such rate as the Directors may from time to time determine and such remuneration shall accrue *de die in diem*. The Company in General Meeting may increase the amount of the remuneration to the Directors either permanently or for a year or longer term.

Directors' fees

74. Any Director who holds any executive office (including for this purpose the office of Chairman or Deputy Chairman whether or not such office is held in an executive capacity), or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

Directors'
remuneration

75. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

Directors' expenses

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

Directors' pensions

(B) Without prejudice to the provisions of Article 145 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, any holding company of the Company or of any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or has had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other body (together "Relevant Company"), or who are or were at any time trustees of any pension fund or employees' share scheme in which any employees of any Relevant

Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company or any such pension fund or employees' share scheme.

Executive Directors

77. (A) Subject to the provisions of these presents, the Directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of Chairman or Deputy Chairman) on such terms and (subject to the Statutes) for such period as they may determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.

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

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

Delegation by
Directors

78. (A) The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit and either collaterally with or to the exclusion of their own powers, and (without prejudice to the terms of any contract entered into in any particular case) may from time to time revoke, withdraw, alter or vary all or any of such powers.

(B) If the Directors appoint any person to the office of Chief Executive who is not a Director, the Directors shall ensure that such person is a British citizen or British Dependent Territories citizen or British Overseas citizen by virtue of the British Nationality Act 1981 and that, if any such person for the time being ceases to be such a citizen, the office of Chief Executive shall thereupon be vacated.

APPOINTMENT AND RETIREMENT OF DIRECTORS

Vacation of office

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

- (i) If he shall become prohibited by law from acting as a Director.

- (ii) If he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer.
- (iii) If he shall have a bankruptcy order made against him or in Scotland has his estate sequestrated or shall compound with his creditors generally or shall apply to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act.
- (iv) If in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of his mental disorder or his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs.
- (v) If he shall be removed from office by notice in writing served upon him signed by all his co-Directors, to the effect that his office as Director shall on receipt (or deemed receipt) of such notice *ipso facto* be vacated, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- (vi) If he shall be absent from meetings of the Directors for six months without leave and the Directors shall resolve that his office be vacated.

80. At the Annual General Meeting in every year:

Retirement by
rotation

- (i) any Director who was elected or last re-elected a Director at or before the Annual General Meeting held in the third calendar year before the current year shall retire by rotation; and
- (ii) such further Directors (if any) shall retire by rotation as would bring the number retiring by rotation up to one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but greater than one-third).

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

Directors to retire

Re-election of
Directors

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

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

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

Separate resolutions
to appoint Directors
etc.

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

Eligibility for
appointment

84. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed or authenticated in accordance with Article 141 by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed (or sufficiently authenticated to the satisfaction of the Directors) by the person to be proposed of his willingness to be elected.

Removal of
Directors

85. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office and any person so appointed shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In

default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

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

Appointment of
Directors

ALTERNATE DIRECTORS

87. (A) Any Director may at any time by writing under his hand and deposited at the Office, or delivered at a meeting of the Directors, appoint any person (including another Director but provided that where the appointor is a British citizen or British Dependent Territories citizen or British Overseas citizen by virtue of the British Nationality Act 1981 his appointee shall also be a person who is a British citizen or British Dependent Territories citizen or British Overseas citizen by virtue of the British Nationality Act 1981) to be his alternate Director and may in like manner at any time terminate such appointment. Such appointment, unless previously approved by the Directors, shall have effect only upon and subject to being so approved.

Alternate Directors

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

(C) An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and shall be entitled to attend and vote as a Director at any such meeting at which the Director for whom he is appointed an alternate is not personally present and generally at such meeting to perform all the functions of a Director and for the purposes of the proceedings at such meeting the provisions of these presents shall apply as if he (instead of the Director for whom he is appointed an alternate) were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director his voting rights shall be cumulative but he shall not be counted more than once for the purposes of a quorum. If the Director for whom he is appointed an alternate is for the time being absent from the United Kingdom or temporarily unable to act through ill-health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of the Director for whom he is appointed an alternate. To such extent as the Directors may from time to time determine in relation to any committee of the Directors the foregoing provisions of this paragraph shall also apply *mutatis mutandis* to any

meeting of any such committee of which the Director for whom he is appointed an alternate is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these presents.

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

MEETINGS AND PROCEEDINGS OF DIRECTORS

Meetings of Directors

88. Subject to the provisions of these presents the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. Any Director may waive notice of any meeting and any such waiver may be retrospective. Notice must be given to all Directors, except those to whom it is not possible to give reasonable notice or who waive their entitlement to notice, prospectively or retrospectively.

Telephone Meetings

89. The Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and to speak to each other, and a quorum in that event may be constituted by persons so linked. 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.

Quorum

90. The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two, provided that such quorum shall not be satisfied in relation to any business transacted during any part of the relative proceedings at a time when the number of the Directors present and entitled to vote who are British citizens or British Dependent Territories citizens or British Overseas citizens by virtue of the British Nationality Act 1981 does not exceed one half of the total number of the Directors then present and entitled to vote. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

Voting

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

92. (A) For the purposes of Section 175 of the Companies Act 2006, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that Section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

(B) Authorisation of a matter under Article 92(A) shall be effective only if:

- (1) the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may determine;
- (2) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "**Interested Directors**"); and
- (3) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

(C) Any authorisation of a matter under Article 92(A) extends to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

(D) Any authorisation of a matter under Article 92(A) shall be subject to such conditions or limitations as the Directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the Directors at any time. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

(E) A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under Article 92(A) and any contract, transaction, arrangement or proposal relating thereto shall not be liable to be avoided on the grounds of any such benefit.

93. (A) Subject to compliance with Article 93(B), a Director, notwithstanding his office, may have an interest of the following kind:

Directors may have
interests

- (1) where a Director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company;
- (2) where a Director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction, arrangement or proposal with a Relevant Company, or in which the Company is otherwise interested;

- (3) where the Director (or a person connected with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any Relevant Company (other than as Auditor) whether or not he or it is remunerated therefor;
- (4) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (5) an interest, or a transaction, arrangement or proposal giving rise to an interest, of which the Director is not aware;
- (6) any matter already authorised under Article 92(A); or
- (7) any other interest authorised by Ordinary Resolution.

No authorisation under Article 92(A) shall be necessary in respect of any such interest.

(B) The Director shall declare the nature and extent of any interest permitted under Article 93(A), and not falling within Article 93(C), at a meeting of the Directors or in the manner set out in Section 184 or 185 of the Companies Act 2006.

(C) No declaration of an interest shall be required by a Director in relation to an interest:

- (1) falling within paragraph (4) or (5) or (6) of Article 93(A);
- (2) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (3) if, or to the extent that, it concerns the terms of his service contract (as defined in Section 227 of the Companies Act 2006) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

(D) A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any interest referred to in Article 93(A), and no contract, transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest.

(E) For the purposes of this Article, "**Relevant Company**" shall mean the Company; a subsidiary undertaking of the Company; any holding company of the Company or a subsidiary undertaking of any such holding company; any body corporate promoted by the Company; or any body corporate in which the Company is otherwise interested.

94. (A) Save as provided in this Article 94, and whether or not the interest is one which is authorised pursuant to Article 92(A) or permitted under Article 93(A), a Director shall not be entitled to vote on any resolution in respect of any contract, transaction, arrangement or proposal, in which he (or a person connected with him) is interested. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded.

(B) A Director shall not be counted in the quorum for a meeting of the Directors in relation to any resolution on which he is not entitled to vote.

(C) Subject to the provisions of the Statutes, a Director shall (in the absence of some other interest than is set out below) be entitled to vote, and be counted in the quorum, in respect of any resolution concerning any contract, transaction, arrangement or proposal:

- (1) in which he has an interest of which he is not aware;
- (2) in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (3) in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;
- (4) which involves the giving of any security, guarantee or indemnity to the Director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (5) concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings (i) in which offer he is or may be entitled to participate as a holder of securities; or (ii) in the underwriting or sub-underwriting of which he is to participate;
- (6) concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) is not the holder of, or beneficially interested in, one per cent or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of the relevant body corporate;

- (7) relating to an arrangement for the benefit of the employees or former employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;
- (8) concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of Directors or for the benefit of persons who include Directors;
- (9) concerning the giving of indemnities in favour of Directors;
- (10) concerning the funding of expenditure by any Director or Directors on (i) defending criminal, civil or regulatory proceedings or actions against him or them, (ii) in connection with an application to the court for relief, or (iii) defending him or them in any regulatory investigations;
- (11) concerning the doing of anything to enable any Director or Directors to avoid incurring expenditure as described in paragraph (10); and
- (12) in respect of which his interest, or the interest of Directors generally, has been authorised by Ordinary Resolution.

(D) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company (or any body corporate in which the Company is interested), the proposals may be divided and considered in relation to each Director separately. In such case, each of the Directors concerned (if not debarred from voting under paragraph (6) of Article 94(C)) shall be entitled to vote, and be counted in the quorum, in respect of each resolution except that concerning his own appointment or the fixing or variation of the terms thereof.

(E) If a question arises at any time as to whether any interest of a Director prevents him from voting, or being counted in the quorum, under this Article 98, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive, except in a case where the nature or extent of the interest of such Director has not been fairly disclosed. If any such question shall arise in respect of the chairman of the meeting, the question shall be decided by resolution of the Directors and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the Directors.

95. (A) Subject to Article 95(B), if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required to

disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

(B) Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 95(A) shall apply only if the conflict arises out of a matter which has been authorised under Article 92(A) above or falls within Article 93 above.

(C) This Article is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 95.

96. (A) For the purposes of Articles 92 to 95:

Directors' interests -
general

- (1) an interest of a person who is connected with a Director shall be treated as an interest of the Director; and
- (2) Section 252 of the Companies Act 2006 shall determine whether a person is connected with a Director.

(B) Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may, and shall if so requested by the Directors take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:—

- (1) absenting himself from any meeting or part of a meeting of the Directors at which the relevant situation or matter falls to be considered; and
- (2) not reviewing documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

(C) The Company may by Ordinary Resolution ratify any contract, transaction, arrangement or proposal, not properly authorised by reason of a contravention of any provisions of Articles 92 to 95.

97. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents the continuing Directors or Director

Vacancies

may act for the purpose of filling up such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

Chairman

98. The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed, or if at any meeting neither be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting. If the Chairman is absent from any meeting and at the relevant time there is more than one Deputy Chairman then (unless the Directors present resolve otherwise) the Deputy Chairman present (if more than one) who shall have held that office for the greater or greatest length of time shall be entitled to preside at the meeting.

Written resolutions

99. A resolution in writing signed by all the Directors for the time being in the United Kingdom shall (provided that more than half of the Directors signing the same are British citizens or British Dependent Territories citizens or British Overseas citizens by virtue of the British Nationality Act 1981) be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents in the like form, each signed by one or more Directors.

Committees

100. The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees. Any such committee shall, unless the Directors otherwise resolve, have power to sub-delegate to sub-committees any of the powers or discretions delegated to it. Any such committee or sub-committee shall consist of one or more Directors and (if thought fit) one or more other named person or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee or sub-committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee or sub-committee. Any committee or sub-committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee or sub-committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee or sub-committee.

Committees' proceedings

101. The meetings and proceedings of any such committee or sub-committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of these presents regulating the meetings and proceedings of the Directors so far as the same are not superseded by any regulations made by the Directors under the last preceding Article. The number of Directors on any such committee or sub-committee from time to time who are British citizens or British

Dependent Territories citizens or British Overseas citizens by virtue of the British Nationality Act 1981 shall exceed one half of the total number of the members of such committee or sub-committee.

102. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

Validity of
Directors' acts

BORROWING POWERS

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

Borrowing powers

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

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

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

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

- (i) excluding any sums set aside for taxation;
- (ii) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (iii) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (iv) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;
- (v) making all such adjustments, if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, as would be appropriate if such transaction had been carried into effect;
- (vi) excluding minority interests in subsidiaries;
- (vii) excluding post-employment assets and liabilities as calculated in accordance with International Accounting Standard ("IAS") 19 – Employee Benefits, as from time to time amended, and any standards, principles, practices or rules that may from time to time, directly or indirectly, supplement or replace this standard or any part of it; and
- (viii) excluding amounts recognised in accordance with IAS 32 Financial Instruments: Disclosure and Presentation ("IAS 32") and IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") (as from time to time amended, and any standards, principles, practices or rules that may from time to time, directly or indirectly, supplement or replace any of these standards or any part of them) and including the relevant amounts that would have been recognised had the

accounts been prepared in accordance with the relevant accounting standards applicable to the Company's accounts for the year ended 31 December 2004 under United Kingdom generally accepted accounting principles in so far as they relate to the matters dealt with by IAS 32 and IAS 39 (as so amended, supplemented or replaced from time to time).

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

- (1) there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed money of the relevant member of the Group (but only to the extent that the same would not otherwise fall to be taken into account):—
 - (a) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
 - (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
 - (c) the nominal amount of any issued and paid-up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by any member of the Group;
 - (d) the nominal amount of any other issued and paid-up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which or borrowed moneys the indebtedness in respect of which are for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or (to the extent the same is partly secured) partly secured by any member of the Group;
 - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account; and
 - (f) sums representing rental payments whether due and payable or contingently payable by any member of the Group under hire purchase agreements in respect of plant, equipment or machinery hired by any member of the Group and any agreements ancillary thereto;
- (2) moneys borrowed by any members of the Group for the purposes of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be

applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves fall to be taken into account;

- (3) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other institution or body carrying on a similar business shall be deemed not to be borrowed moneys;
- (4) moneys borrowed (including share capital to which paragraph (C) (1) (c) applies) by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion of the borrower and moneys borrowed (including such share capital as aforesaid) by a member of the Group from and owing to a partly-owned subsidiary shall be taken into account to the extent of a proportion thereof equal to the minority proportion of the lender; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of the partly-owned subsidiary which is not attributable to the Company or any subsidiary of the Company;
- (5) for the avoidance of doubt it is hereby expressly provided that for the purposes of the foregoing limit the following sums shall be deemed not to be borrowed moneys of the Group:—
 - (a) sums which, but for the provisions of this paragraph (5), would be borrowed moneys of any member of the Group at the time of, and for a period of six months after, such company becoming a subsidiary of the Company otherwise than pursuant to the provisions of the British Aerospace Act 1980;
 - (b) sums advanced or paid to any member of the Group (or their agent or nominee) by customers of any member of the Group as unexpended customer receipts or progress payments pursuant to any contract between such customer and a member of the Group or any guarantees or indemnities given by any member of the Group in relation thereto;
 - (c) sums representing rental or other payments whether due and payable or contingently payable by any member of the Group under leases or credit sale agreements in respect of plant, equipment or machinery leased to or the subject of any such credit sale agreement with any member of the Group, and any agreements ancillary thereto;
 - (d) sums which otherwise would fall to be treated as borrowed moneys of any member of the Group which were treated, with the

concurrence of the Auditors and in accordance with any current Statement of Standard Accounting Practice or other accountancy principle or practice generally accepted for the time being in the United Kingdom, in the latest audited balance sheet of the relevant member of the Group on which such consolidation was based as otherwise than borrowed moneys of that member of the Group;

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

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

GENERAL POWERS OF DIRECTORS

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

Directors' powers

(B) Without prejudice to the foregoing provisions of this Article, the Directors may at any time seek the views of all or any of the shareholders of the Company (or any class thereof) on any matter in such manner as the Directors shall think fit. In particular, without limitation, the Directors may organise postal ballots and determine all matters relating to the conduct of such ballots.

105. The Directors may establish any local, group or divisional boards, agencies or committees for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such

Local etc. boards

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

Attorneys

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

Title "Director"

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

Branch Register

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

Cheques etc.

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

Change of name

110. The Company may change its name by resolution of the Directors.

111. The Directors may make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director, former Director or shadow Director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

Provision for employees on cessation or transfer of business

SECRETARY

112. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they think fit one or more Assistant Secretaries.

Secretary

THE SEAL

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

Seals

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

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

(D) Any instrument signed by one Director and the Secretary or by two Directors or by a Director in the presence of a witness who attests to the signature and expressed to be executed by the Company shall have the same effect as if executed under the Seal.

AUTHENTICATION OF DOCUMENTS

Authentication of documents

114. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating

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

RESERVES

Reserves

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

DIVIDENDS

Dividends

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

Fixed dividends

117. Insofar as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit. Subject to the Directors acting 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 share having deferred or non-preferred rights.

118. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the

purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

119. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

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

No interest on dividends

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

Pre-acquisition profits

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

Retention of dividends

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

123. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed or authenticated in accordance with Article 141 by the holder thereof (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

Waiver of dividend

124. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend shall be forfeited and shall revert to the Company if such dividend is unclaimed after a period of twelve years from the date it was declared or became due for payment.

Unclaimed dividends

Dividends in specie

125. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as

they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

126. (A) Any dividend or other moneys payable in cash on or in respect of a share may be paid (i) by cheque or warrant sent through the post to the registered address of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event, to any one of such persons) or to such person at such address as such member or person or persons may in writing direct, or (ii) by inter-bank transfer to such account as the payee or payees may in writing direct, or (iii) by such other method of payment as the member (or in the case of joint holders of a share, all of them) may agree to. In the case of payment by cheque or warrant, every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any other event may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

(B) Subject to the provisions of these presents and to the rights attaching to any shares, any dividend or other moneys payable on or in respect of a share may be paid in such currency as the Directors may determine.

(C) The Company may cease to send any cheque, warrant or order by post for any dividend on any shares which is normally paid in that manner if, on each of the three most recent occasions when dividends have been payable on those shares, the cheque, warrant or order has been returned undelivered or remains uncashed but, subject to the provisions of these presents, shall recommence sending cheques, warrants or orders in respect of the dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

Payments to joint holders etc.

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

128. Notwithstanding any other provision of these presents but subject always to the Statutes, the Company or the Directors may by resolution specify any date (the "Record Date") as the date at the close of business (or such other time as the Company or the Directors, as the case may be, may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any

Record dates

dividend, distribution, interest, allotment, issue, notice, information, document or circular and such Record Date may be on or at any time before the date on which the same is paid, made, given or despatched but without prejudice to the rights *inter se* in respect of the same of transferors and transferees of any such shares or other securities.

CAPITALISATION OF PROFITS AND RESERVES

129. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including without limitation the Statutory Reserve, Share Premium Account and Capital Redemption Reserve Fund) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of Ordinary Shares on the Register of Members at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Shares and applying such sum on their behalf in paying up in full new Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

Capitalisation of
profits and
reserves

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

- (i) the said Resolution may specify a particular dividend or may specify all or any dividends declared or resolved in respect of a specified period but such period may not end later than the expiry of two months following the conclusion of the fifth Annual General Meeting following the date of the Meeting at which such Resolution is passed provided nevertheless that the Directors may in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination;

- (ii) the entitlement of each Ordinary Shareholder to new Ordinary Shares shall be determined by the Directors so that the Relevant Value thereof shall be as nearly as possible equal to (but not in excess of) the cash amount that such Shareholders would have received by way of dividend. For this purpose "Relevant Value" shall be calculated by reference to the average of the middle market quotations for the Company's Ordinary Shares on The Stock Exchange, as derived from the Daily Official List on the day when the Ordinary Shares are first quoted "ex" the relevant dividend and on the four subsequent dealing days, adjusted (if need be) as the Auditors may consider appropriate;
- (iii) the Directors may specify a minimum number of Ordinary Shares in respect of which the right of election may be exercised. The basis of allotment shall be such that no member may receive a fraction of a share and the Directors may make such provision as they think fit for any fractional entitlements including provisions whereby the benefit of fractional entitlements in whole or in part is disregarded or accrues to the Company and/or under which the benefit of fractional entitlements is accumulated on behalf of any shareholder without entitlement to interest on terms that the relevant amount may subsequently be applied to the allotment by way of bonus or cash subscription on behalf of such shareholder of fully paid ordinary shares (or in payment to such shareholder in cash). Any such allotment shall be made in accordance with the foregoing provisions of this Article;
- (iv) the Directors may make exclusions or restrictions as respects the rights of certain shareholders to elect to receive Ordinary Shares instead of cash as they think necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory;
- (v) the Directors, after determining the basis of allotment, shall notify the holders of Ordinary Shares in writing of the right of election offered to them, and shall issue forms of election and specify the procedure to be followed and place at which, and the latest time by which, duly completed forms of election must be lodged in order to be effective and may also from time to time establish or vary a procedure for election mandates, under which a holder of Ordinary Shares may elect in respect of future rights of election to be offered to that holder under this Article until the election mandate is revoked in accordance with the procedure;
- (vi) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect whereof the said election has been duly made (the "elected Ordinary Shares") and instead thereof additional Ordinary Shares shall be allotted to the holders of the elected Ordinary Shares on the basis of allotment determined as aforesaid; for such purpose the Directors shall

capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on such basis and apply the same in paying up in full the appropriate number of new Ordinary Shares for allotment and distribution to and amongst the holders of the elected Ordinary Shares on such basis. A resolution of the Directors capitalising any part of the reserves of profits hereinbefore mentioned shall have the same effect as if such capitalisation had been sanctioned by an Ordinary Resolution of the Company in accordance with Article 129; and

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

ACCOUNTS

131. Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or as ordered by a court of competent jurisdiction or as authorised by the Directors.

Accounting records

132. Subject as provided by this Article and Article 133, a copy of the Company's annual accounts and reports which are to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto shall not less than 21 days before the date of the meeting be sent to every member of, and every holder of debentures of the Company and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Statutes or of these presents. Provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office. If all or any of the shares or debentures of the Company shall for the time being be listed on the official list maintained by the UK Listing Authority, there shall be forwarded to the UK Listing Authority such number of copies of such documents as may for the time being be required under its regulations or practice.

Deliver accounts
etc. to shareholders
etc.

133. If the Statutes so permit the Company need not send copies of the documents referred to in Article 132 to members to whom are sent summary financial statements or such other documents as may be authorised by the Statutes.

AUDITORS

Validity of acts of
auditors

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

Auditors may attend
meetings

135. An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor. To the extent permitted by Statute, the notices and other communications relating to any General Meeting referred to in this Article may be sent by electronic communication.

COMMUNICATIONS WITH MEMBERS

Notices

136. (A) The Company may, subject to and in accordance with the Companies Acts and these Articles, send or supply all types of notices, documents or information to members by electronic means and/or by making such notices, documents or information available on a website.

(B) The Company Communications Provisions have effect for the purposes of any provision of the Companies Acts or these Articles that authorises or requires notices, documents or information to be sent or supplied by or to the Company.

(C) Any notice, document or information (including a share certificate) which is sent or supplied by the Company in hard copy form, or in electronic form but to be delivered other than by electronic means, and which is sent by pre-paid post and properly addressed shall be deemed to have been received by the intended recipient at the expiration of 24 hours (or, where first class mail is not employed, 48 hours) after the time it was posted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed, pre-paid and posted.

(D) Any notice, document or information which is sent or supplied by the Company by electronic means and/or by means of a website shall be deemed to have been received by the intended recipient at 9 a.m. on the day following that on which it was transmitted, and in proving such receipt it shall be sufficient to show that such notice, document or information was properly addressed.

(E) Any notice, document or information which is sent or supplied by the Company by means of a website shall be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

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

(G) The provisions of this Article shall have effect in place of the Company Communications Provisions relating to deemed delivery of notices, documents or information.

137. (A) Anything which needs to be agreed or specified by the joint holders of a share shall for all purposes be taken to be agreed or specified by all the joint holders where it has been agreed or specified by the joint holder whose name stands first in the register in respect of the share.

Notices to joint holders

(B) Any notice, document or information which is authorised or required to be sent or supplied to joint holders of a share may be sent or supplied to the joint holder whose name stands first in the register in respect of the share, to the exclusion of the other joint holders. For such purpose, a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices may, subject to the Statutes, be disregarded.

(C) The provisions of this Article shall have effect in place of the Company Communications Provisions regarding joint holders of shares.

138. (A) A person who claims to be entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of law shall supply to the Company:

Notices to persons entitled to shares

(i) such evidence as the Directors may reasonably require to show his title to the share,

(ii) an address at which notices may be sent or supplied to such person,

whereupon he shall be entitled to have sent or supplied to him at such address any notice, document or information to which the said member would have been entitled. Any notice, document or information shall for all purposes be deemed to be duly sent or supplied to all persons interested (whether jointly with or as claiming through or under him) in the share.

(B) Save as provided by paragraph 138(A), any notice, document or information sent or supplied to the address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company has notice of his death or bankruptcy or liquidation, be deemed to have been duly sent or supplied in respect of any share registered in the name of such member as sole or first-named joint holder.

(C) The provisions of this Article shall have effect in place of the Company Communications Provisions regarding the death or bankruptcy of a holder of shares in the Company.

Notices where no registered address

139. Subject to the Statutes, the Company shall not be required to send notices, documents or information to a member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices.

Suspension of postal services

140. If at any time by reason of the total suspension or curtailment of postal services within the United Kingdom the Company is unable to give notice by post in hard copy form of a General Meeting, such notice shall be deemed to have been given to all members entitled to receive such notice in hard copy form if such notice is advertised in at least two leading daily newspapers (at least one of which shall be a London newspaper) and such notice shall be deemed to have been given at noon on the day when the advertisement appears. In any such case, the Company shall (i) make such notice available on its website from the date of such advertisement until the conclusion of the meeting or any adjournment thereof and (ii) send confirmatory copies of the notice by post to such members if at least 48 hours prior to the meeting the posting of notices again becomes practicable.

SIGNATURE OR AUTHENTICATION OF DOCUMENTS SENT BY ELECTRONIC MEANS

141. Where these Articles require a notice or other document to be signed or authenticated by a member or other person then any notice or other document sent or supplied in electronic form is sufficiently authenticated in any manner authorised by the Company Communications Provisions or in such other manner as may be approved by the Directors. The Directors may designate mechanisms for validating any such notice or other document, and any such notice or other document not so validated by such mechanisms shall be deemed not to have been received by the Company.

Statutory provisions as to notices

142. Nothing in any of the preceding six Articles shall affect any provision of the Statutes that requires or permits any particular notice, document or information to be sent or supplied in any particular manner.

WINDING-UP

Winding-up

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

144. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution and subject to any provision sanctioned in accordance with the provisions of Section 187 of the Insolvency Act 1986, divide among the members

Powers of liquidator

in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributor shall be compelled to accept any shares or other property in respect of which there is a liability. The Liquidator may make any provision referred to in, and sanctioned in accordance with the provisions of, Section 187 of the Insolvency Act 1986.

INDEMNITY

145. (A) Subject to the provisions of, and so far as may be permitted by and consistent with, the Statutes, the rules of the UK Listing Authority and subject as mentioned below, every Director of the Company may be indemnified by the Company out of its own funds against: (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company or the Company other than (i) any liability to the Company or any Associated Company of the Company and (ii) any liability of the kind referred to in Sections 234(3) of the Companies Act 2006; and (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

Indemnity of
Directors

(B) Subject to the provisions of, and so far as may be permitted by and consistent with, the statutes, the rules of the UK Listing Authority and subject as mentioned below, every Director of the Company may be indemnified by the Company out of its own funds against (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any Associated Company of the Company if it is the trustee of an occupational pension scheme (within the meaning of Section 235(6) of the Companies Act 2006), in so far as such liability relates to the Company's or any such Associated Companies' activities as trustee of such occupational pension scheme and other than any liability of the kind referred to in Sections 235(3) of the Companies Act 2006 and (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

(C) Indemnities provided for under this Article 145 shall not, however, extend to any liability incurred by or attaching to a Director as a result of his own fraud or wilful default but shall extend to other liabilities arising after he ceased to be

a Director in respect of acts or omissions while he was a Director. Where a person is indemnified against any liability in accordance with this Article 145, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

(D) In this Article “Associated Company” shall have the meaning given thereto by Section 256 of the Companies Act 2006.

No. 1470151

*The Companies Act 1948 to 1983,
The Companies Act 1985 and 1989
and The Companies Act 2006*

COMPANY LIMITED BY SHARES

Articles of Association

*(Adopted by Special Resolution passed on
1st May, 1996 and amended by
Special Resolutions passed on
29th April, 1998, 4th May, 2000, 3rd May, 2002,
5th May, 2004, 4th May, 2005, 9th May, 2007, 7th May, 2008 and 6th May, 2009
with effect from 1st October, 2009)*

OF

BAE SYSTEMS plc

Incorporated the 31st day of December, 1979.

LINKLATERS LLP
ONE SILK STREET,
LONDON EC2Y 8HQ.