Members eligible for office of Director if prescribed notice and consent lodged at office.

104. No person not being a Director retiring at the meeting shall unless recommended by the Directors for election, be eligible for the office of Director at any General Meeting unless, not less than the prescribed time before the day appointed for the meeting, there have been given to the Secretary notice in writing by some Member duly qualified to be present and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing, signed by the person to be proposed, of his willingness to be elected. The prescribed time above mentioned shall be such that, between the date when the notice is served, or deemed to be served, and the day appointed for the meeting, there shall be not less than four nor more than fourteen clear intervening days.

If at meeting at which Directors retire places not filled up, meeting to stand adjourned.

105. Subject as hereinafter provided, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors, or some of them, are not filled up, the meeting shall stand adjourned till the same day in the next week at the same time and place, and if at such adjourned meeting the places of the retiring Directors, or some of them, are not filled up, the retiring Directors, or such of them as have not had their places filled up, shall be deemed to have been re-elected.

Number of Directors may be increased or reduced.

106. The Company may from time to time in General Meeting increase or reduce the number of Directors, and may make the appointments necessary for effecting any such increase, and may determine in what rotation such increased or reduced number shall go out of office.

Director may be removed by Extraordinary Resolution.

107. The Company may by Extraordinary Resolution remove any Director, other than the life Managing Director, before the expiration of his period of office, and may, if thought fit, by an Ordinary Resolution appoint another qualified person in his stead; any person so appointed shall retain his office so long only as the Director in whose place he is appointed would have held the same if he had not been removed, but shall be eligible for re-election.

PROCEEDINGS OF DIRECTORS.

Meeting of Directors.

108. The Directors or any Committee of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and determine the quorum necessary

Quorum.

for the transaction of business. Until otherwise determined two shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote. Casting vote of Chairman.

109. A Director may, and, on the request of a Director, the Secretary shall, at any time summon a meeting of the Directors by notice served upon the several Members of the Board. But a Director who is absent from the United Kingdom shall not be entitled to notice of any meeting of Directors. Director may call meeting of Board.

110. The Directors or any Committee of the Directors may from time to time elect a Chairman who shall preside at their meetings, but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, a substitute for that meeting shall be appointed by such meeting from among the Directors present. Directors may elect Chairman.

111. The Directors may delegate any of their powers, other than the powers to borrow and make calls, to committees consisting of such Members of their body as they think fit. Any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upom them by the Board. Directors may delegate powers to committees.

112. All acts *bona fide* done by any meetings of Directors or by a Committee of Directors, or by any person acting as a Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director. All acts done by Directors to be valid.

113. The Directors shall cause proper Minutes to be made in books to be provided for the purpose of all appointments of officers made by the Directors, of the proceedings of all meetings of Directors and Committees of Directors, and of the attendances thereat, and of the proceedings of all meetings of the Company, and all business transacted, resolutions passed and orders made at such meetings, and any such Minute of any meeting, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting of the Company or Directors or Committee, as the case may be, shall be sufficient evidence without any further proof of the facts therein stated. Minutes to be made and when signed by Chairman to be conclusive evidence.

RECORD OF ANNUAL VALUE OF THE ORDINARY SHARES.

114. The Directors shall, fourteen days before the Annual General Meeting, specify the sum which, in their opinion, is the fair value of the Ordinary Shares, and the sum so fixed shall be recorded by the Directors in their Minute Book.

DIVIDENDS AND RESERVE FUND.

Application of Profits.

115. Subject as hereinafter provided, and to any rights or privileges for the time being attached to any Shares in the Capital of the Company having preferential or special rights in regard to dividend, the profits or other moneys of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the Shares of the Company in proportion to the amounts paid up or credited as paid up thereon respectively otherwise than in advance of calls.

Declaration of Dividends.

116. The Directors may from time to time declare dividends, but no dividend or interim dividend shall be payable except out of the profits of the Company, but this shall not prevent the Directors from paying interest on moneys received by them in anticipation of calls, provided such interest does not exceed £7 10s. 0d. per centum per annum.

117. With the sanction of a General Meeting, dividends or bonuses may be paid wholly or in part in specie, and may be satisfied in whole or in part by the distribution amongst the Members in accordance with their rights of fully paid Shares, debentures, or other securities of this or any other company, or of any other property suitable for distribution as aforesaid. The Directors shall have full liberty to make all such valuations, adjustments and arrangements, and to issue all such certificates or documents of title as may, in their opinion, be necessary or expedient with a view to facilitating the equitable distribution amongst the Members of any dividends or bonuses, or portions of dividends or bonuses to be satisfied as aforesaid or to giving them the benefit of their proper Shares and interests in the property, and no valuation, adjustment or arrangement so made shall be questioned by any Member. Where requisite a proper contract shall be filed pursuant to Section 88 of The Companies (Consolidation) Act, 1908, and the Directors may appoint any person to sign such contract on behalf of the Members, or any of them.

118. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sum or sums as they think proper as a reserve fund or reserve funds, which shall at the discretion of the Directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company, or for repairing or maintaining any works connected with the business of the Company, or shall, with the sanction of the Company in General Meeting, be as to the whole or in part applicable for equalising dividends, or for distribution by way of special dividend or bonus, or for any other purposes for which the profits of the Company may lawfully be applied, and the Directors may divide the reserve fund into separate funds for special purposes, and may invest the sums from time to time carried to the credit of such fund or funds upon such securities (other than the Shares of the Company) as they may select. The Directors may also from time to time carry forward such sums as may be deemed expedient in the interests of the Company. **Directors may form reserve fund and invest.**

119. Notice of any dividend or bonus that may have been declared shall be given in manner hereinafter provided to such Members as are entitled under these Articles to receive notices from the Company. **Unpaid calls and debts may be deducted from dividends.**

120. The Directors may deduct from any dividend, bonus, or other monetys payable in respect of any Shares held by a Member, either alone or jointly with any other Member, all such sums of money (if any) as may be due and payable to him either alone or jointly with any other person to the Company on account of calls or otherwise.

121. A transfer of a Share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.

122. Any dividend, instalment of dividend, bonus or interest in respect of any Share may be paid by cheque or warrant payable to the order of the Member entitled thereto, or (in the case of joint holders) of that Member whose name stands first on the Register in respect of the joint holding.

Dividend warrants to be sent to Members by post.

123. Every such cheque or warrant shall be sent by post to the last registered address of the Member entitled thereto, and the receipt of the person whose name appears on the Register of Members as the owner of any Share, or, in the case of joint holders, of any one of such holders, shall be a good discharge to the Company for all dividends, bonuses or other payments made in respect of such Share. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

Unpaid dividends not tobear interest.

124. No unpaid dividend, bonus or interest shall bear interest as against the Company.

ACCOUNTS.

Accounts to be kept.

125. The Directors shall cause true accounts to be kept :—

(A) Of the assets and liabilities of the Company.

(B) Of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place.

Books to be kept at registered office.

The books of account shall be kept at the office, or at such other place or places as the Directors shall think fit, and shall always be open to the inspection of the Directors.

Accounts and books may be inspected by Members.

126. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of Members, and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in General Meeting.

Yearly statement of income and expenditure to be made up and laid before Company.

127. Once at least in every year the Directors shall lay before the Company in General Meeting a profit and loss account for the period since the preceding account, or (in the case of the first account) since the incorporation of the Company made up to a date not more than six months before such meeting.

128. A balance sheet shall be made out in every year and laid before the Company in General Meeting. Such balance sheet shall be made up to a date not more than six months before such meeting, and shall be accompanied by a report of the Directors as to the state of the Company's affairs and the amounts (if any) which they recommend to be paid in dividend or propose to carry to reserve. A printed copy of such report, accompanied by the balance sheet and statement of accounts, shall, seven days at least before each meeting, be delivered or sent by post to the registered address of every Member, and two copies of each of the said documents shall at the same time be forwarded to the Secretary of the Share and Loan Department, the Stock Exchange, London. But any want of compliance with this Article shall not invalidate any of the proceedings at the meeting. Balance Sheet to be made out yearly.

AUDIT.

129. Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditor or Auditors. Accounts to be audited.

130. The appointment, powers, rights, remuneration and duties of the Auditors shall be regulated by Sections 112 and 113 of The Companies (Consolidation) Act, 1908, and any statutory modification, extension or re-enactment thereof for the time being in force. Provisions as to audit.

NOTICES.

131. A notice or other document may be served by the Company upon any Member either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address. Service of notices by Company.

132. All notices directed to be given to the Members shall with respect to any Share to which persons are jointly entitled be given to whichever of such persons is named first in the Register of Members, and notice so given shall be sufficient notice to all the holders of such Share. How joint holders of Shares may be served.

133. Any Member described in the Register of Members by an address not within the United Kingdom, or any holder of a Share Warrant, who shall from time to time give the Company an address Members abroad not entitled to notices unless they give address.

within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him, at such address, but, save as aforesaid, no Member other than a registered Member described in the Register of Members by an address within the United Kingdom shall be entitled to receive any notice from the Company.

Service of notices on Company.

134. Any summons, notice, order or other document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid registered letter addressed to the Company, or to such officer, at the office.

When service effected.

135. Any notice or other document if served by post shall be deemed to have been served on the day following that on which the letter containing the same is put into the post, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office as a prepaid letter or prepaid registered letter as the case may be.

How time to be counted.

136. Where a given number of days' notice or notice extending over any other period is required to be given, the day of service shall be counted in such number of days or other period.

137. Any notice or other document served upon or sent to any Member in accordance with these Articles shall, notwithstanding that he be then deceased or bankrupt, and whether the Company have notice of his death or bankruptcy or not, be deemed to be duly served or sent in respect of any Shares held by him (either alone or jointly with others) until some other person is registered in his stead as the holder or joint holder of such Shares, and such service or sending shall be a sufficient service or sending on or to his heirs, executors, administrators or assigns and all other persons (if any) interested in such Shares.

CLUB RULES.

138. The Directors may from time to time by instrument under Seal make by-laws in relation to the Club referred to in the Memorandum of Association registered herewith, and may at any