

## THE COMPANIES ACT 1985

## PRIVATE COMPANY LIMITED BY SHARES

## ARTICLES OF ASSOCIATION

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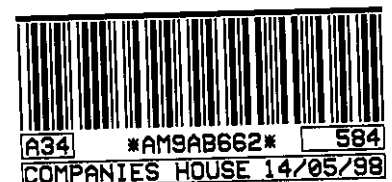
**J. WALTER THOMPSON U.K. HOLDINGS LIMITED\****(Adopted by Special Resolution passed on 19 March 1997)*PRELIMINARY

1. Regulations 2, 3, 24, 64, 81, 87 and 99 of Table A in the Statutory Instrument No. 805 of 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (hereinafter referred to as "Table A") will not apply to the Company. These Articles together with the remaining Regulations of Table A modified in accordance with the Articles will constitute the Regulations of the Company.
2. In these regulations "the Act" means the Companies Act 1985.

CAPITAL

3. 3.1 The shares of the Company, whether forming part of the original capital or of any increased capital, may be allotted or otherwise disposed of to such persons and for such consideration and upon such terms as the Directors may think fit subject in the case of any shares forming part of any increased capital directions as to their allotment or disposal being given by the Company in general meeting at the time of their creation.

(\*The name of the Company was changed from J. Walter Thompson Company Limited to J. Walter Thompson Group Limited on 10 December 1975 and to J. Walter Thompson UK Holdings Limited on 1 January 1983.)



3.2 The authorised share capital of the Company at the date of adoption of these articles is £82,220,000 divided into 18,720,000 ordinary shares of £1.00 each, 3,000,000 "A" Fixed Rate Cumulative Preference Shares of £10.00 each, 50,000 "B" Fixed Rate Cumulative Redeemable Preference Shares of £10.00 each, 20,000,000 "C" Fixed Rate Cumulative Preference Shares of £1.00 each, 1,500,000 "D" Fixed Rate Cumulative Redeemable Preference Shares of £1.00 each, 1,000,000 "E" Fixed Rate Cumulative Preference Shares of £10.00 each and 150,000 "F" Fixed Rate Cumulative Redeemable Preference Shares of £10.00 each.

4. 4.1 The special rights, restrictions and provisions applicable to the "A" Fixed Rate Cumulative Preference Shares of £10 each ("A" Fixed Rate Preference Shares") are as follows:-

**As Regards Income**

- (i) The holders of the "A" Fixed Rate Preference Shares ("the "A" Preferential Shareholders") will be entitled to a fixed cumulative preferential dividend of 1% (net of associated tax credit) per annum on each "A" Fixed Rate Preference Share held which is fully paid-up or credited as fully paid-up. The dividend is to be paid out of the profits available for distribution and which from time to time are resolved to be distributed in equal instalments half yearly on 1st January and 1st July in every year ("Payment Date") (or, in the event of any such date being a Saturday or Sunday or a day which is a public holiday in England, on the next working day).
- (ii) The "A" Fixed Rate Preference Shares shall rank equally with the "C" and "E" Fixed Rate Preference Shares for dividend but in priority to any other class of shares in the capital of the Company from time to time in issue.

*(\*replaced by special resolutions of the Company passed on 29 April 1997 and 19 December 1997)*

- (iii) For the avoidance of doubt, the "A" Preferential Shareholders shall be entitled at any time and from time to time to join with the other shareholders in exercising the Company's power to make bonus issues of "B" Fixed Rate Preference Shares subject to 4.2(iii) below in the form and manner determined by the Board, to the "A" Preferential Shareholders. Such power shall be exercised by an Ordinary Resolution of the Company or by the unanimous written consent of all the members of the Company entitled to attend and vote on all issues at General Meetings of the Company. To that end, a majority by nominal value of the "A" Preferential Shareholders shall be entitled any time and from time to time to require there to be convened an Extraordinary General Meeting of the Company to consider and vote on such an Ordinary Resolution by serving written notice on the Company at its registered office. This provision shall be without prejudice to the power of the Directors to exercise all the powers of the Company in accordance with Regulation 70.

4.2 The special rights, restrictions and provisions applicable to the "B" Fixed Rate Cumulative Redeemable Preference Shares of £10.00 each ("the "B" Fixed Rate Preference Shares") are:-

**As regards income**

- (i) The holders of the "B" Fixed Rate Preference Shares ("the "B" Preferential Shareholders") shall (subject as mentioned below) be entitled to a fixed cumulative preferential dividend of 1% (net of associated tax credit) per annum on each "B" Fixed Rate Preference Share held which is fully paid-up or credited as fully paid-up. The dividend is to be paid out of the profits available for distribution and which from time to time are resolved to be distributed in equal instalments half yearly on 1 January and 1 July in every year (or, in the event of any such date being a Saturday or Sunday, or a day which is a public holiday in England, on the next working day).

Provided always that the aggregate dividend entitlement of the "B", "D" and "F" Fixed Rate Preference Shares shall not exceed 25% of the profits (as defined in Section 6(4) Income and Corporation Taxes Act 1988) of the Company.

- (ii) Subject to 4.2(i) above, the "B" Fixed Rate Preference Shares shall rank for dividend after the "A", "C" and "E" Fixed Rate Preference Shares, equally with the "D" and "F" Fixed Rate Preference Shares but in priority to any other class of shares in the capital of the Company from time to time.
- (iii) No "B" Fixed Rate Preference Shares shall be issued credited as fully paid if the effect of such issue would be to reduce the nominal value of ordinary shares (as defined in Section 832 Income and Corporation Taxes Act 1988) held from time to time by a subsidiary (as defined in section 736 of the Act) of WPP Group plc incorporated in England and Wales to below 75% of such ordinary shares of the Company as may be in issue from time to time.

4.3 The special rights, restrictions and provisions applicable to the "C" Fixed Rate Cumulative Preference Shares of £10.00 each ("C" Fixed Rate Preference Shares") are as follows:

**As regards income**

- (i) The holders of the "C" Fixed Rate Preference Shares ("the "C" Preferential Shareholders") will be entitled to a fixed cumulative preferential dividend of 1% (net of associated tax credit) per annum on each "C" Fixed Rate Preference Share held which is fully paid-up or credited as fully paid-up. The dividend is to be paid out of the profits available for distribution and which from time to time are resolved to be distributed in equal instalments half yearly on 1 January and 1 July in every year (or, in the event of any such date being a Saturday or Sunday or a day which is a public holiday in England on the next working day).

- (ii) The "C" Fixed Rate Preference Shares shall rank for dividend equally with the "A" and "E" Fixed Rate Preference Shares but in priority to any other class of shares in the capital of the Company from time to time in issue.
- (iii) For the avoidance of doubt, the "C" Preferential Shareholders shall be entitled at any time and from time to time to join with the other shareholders in exercising the Company's power to make bonus issues of "D" Fixed Rate Preference Shares subject to 4.4(iii) below in the form and manner determined by the Board, to the "C" Preferential Shareholders. Such power shall be exercised by an Ordinary Resolution of the Company or by the unanimous written consent of all the members of the Company entitled to attend and vote on all issues at General Meetings of the Company. To that end, a majority by nominal value of the "C" Preferential Shareholders shall be entitled any time and from time to time to require there to be convened an Extraordinary General Meeting of the Company to consider and vote on such an Ordinary Resolution by serving written notice on the Company at its registered office. This provision shall be without prejudice to the power of the Directors to exercise all the powers of the Company in accordance with Regulation 70.

4.4 The Special rights, restrictions and provisions applicable to the "D" Fixed Rate Cumulative Redeemable Preference Shares of £10.00 each (the "D" Fixed Rate Preference Shares") are:-

**As regards income**

- (i) The holders of the "D" Fixed Rate Preference Shares ("the "D" Preferential Shareholders") shall (subject as mentioned below) be entitled to a fixed cumulative preferential dividend of 1% (net of associated tax credit) per annum on each "D" Fixed Rate Preference

Share held which is fully paid-up or credited as fully paid-up. The dividend is to be paid out of the profits available for distribution and which from time to time are resolved to be distributed in equal instalments half yearly on 1 January and 1 July in every year (or, in the event of any such date being a Saturday or Sunday or a day which is a public holiday in England, on the next working day). Provided always that the aggregate dividend entitlement of the "B", "D" and "F" Fixed Rate Preference Shares shall not exceed 25% of the profits (as defined in Section 6(4) Income and Corporation Taxes Act 1988) of the Company.

- (ii) Subject to 4.4(i) above, the "D" Fixed Rate Preference Shares shall rank for dividend after the "A", "C" and "E" Fixed Rate Preference Shares, equally with the "B" and "F" Fixed Rate Preference Shares but in priority to any other class of shares in the capital of the Company from time to time.
- (iii) No "D" Fixed Rate Preference Shares shall be issued credited as fully paid if the effect of such issue would be to reduce the nominal value of ordinary shares (as defined in Section 832 Income and Corporation Taxes Act 1988) held from time to time by a subsidiary (as defined in section 736 of the Act) of WPP Group plc incorporated in England and Wales to below 75% of such ordinary shares of the Company as may be in issue from time to time.

4.5 The Special rights, restrictions and provisions applicable to the "E" Fixed Rate Cumulative Preference Shares of £10.00 each (the "E" Fixed Rate Preference Shares") are as follows:-

**As regards income**

- (i) The holders of the "E" Fixed Rate Preference Shares ("the "E" Preferential Shareholders") will be entitled to a fixed cumulative preferential dividend of 1% (net of associated tax credit) per annum on each "E" Fixed Rate Preference Share held which is fully paid-up or credited as fully paid-up. The dividend is to be paid out of the profits available for distribution and which from time to time are resolved to be distributed in equal instalments half yearly on 1 January and 1 July in every year (or, in the event of any such date being a Saturday or Sunday or a day which is a public holiday in England, on the next working day).
- (ii) The "E" Fixed Rate Preference Shares shall rank for dividend equally with the "A" and "C" Fixed Rate Preference Shares and in priority to any other class of shares in the capital of the Company from time to time in issue.
- (iii) For the avoidance of doubt, the "E" Preferential Shareholders shall be entitled at any time and from time to time to join with the other shareholders in exercising the Company's power to make bonus issues of "F" Fixed Rate Preference Shares subject to 4.6(iii) below in the form and manner determined by the Board, to the "E" Preferential Shareholders. Such power shall be exercised by an Ordinary Resolution of the Company or by the unanimous written consent of all the members of the Company entitled to attend and vote on all issues at General Meetings of the Company. To that end, a majority by nominal value of the "E" Preferential Shareholders shall be entitled any time and from time to time to require there to be convened an Extraordinary General Meeting of the Company to consider and vote on such an Ordinary Resolution by serving written notice on the Company at its registered office. This provision shall be without prejudice to the power of the Directors to exercise all.

- 4.6 The special rights, restrictions and provisions applicable to the "F" Fixed Rate Cumulative Redeemable Preference Shares of £10.00 each (the "F" Fixed Rate Preference Shares") are:-

**As regards income**

- (i) The holders of the "F" Fixed Rate Preference Shares ("the "F" Preferential Shareholders") shall (subject as mentioned below) be entitled to a fixed cumulative preferential dividend of 1% (net of associated tax credit) per annum on each "F" Fixed Rate Preference Share held which is fully paid-up or credited as fully paid-up. The dividend is to be paid out of the profits available for distribution and which from time to time are resolved to be distributed in equal instalments half yearly on 1 January and 1 July in every year (or, in the event of any such date being a Saturday or Sunday or a day which is a public holiday in England, on the next working day), provided always that the aggregate dividend entitlement of the "B", "D" and "F" Fixed Rate Preference Shares shall not exceed 25% of the profits (as defined in Section 6(4) Income and Corporation Taxes Act 1988) of the Company.
- (ii) Subject to 4.6(i) above, the "F" Fixed Rate Preference Shares shall rank for dividend after the "A", "C" and "E" Fixed Rate Preference Shares, equally with the "B" and "D" Fixed Rate Preference Shares but in priority to any other class of shares in the capital of the Company from time to time.
- (iii) No "F" Fixed Rate Preference Shares shall be issued credited as fully paid if the effect of such issue would be to reduce the nominal value of ordinary shares (as defined in Section 832 Income and Corporation Taxes Act 1988) held from time to time by a subsidiary (as defined in section 736 of the Act) of WPP Group plc incorporated in England and Wales to below 75% of such ordinary shares of the Company as may be in issue from time to time.

#### **4.7 First Preferential Dividend**

The first preferential dividend payable on each new "A", "B", "C", "D", "E" and "F" Fixed Rate Preference Shares shall not accrue or become payable until 6 months from the date of issue thereof ("Qualifying Date") and shall then accrue and be payable in respect of the period from the Payment Date immediately preceeding, to the Payment Date immediately following, the Qualifying Date.

#### **4.8 As Regards Capital**

On a return of capital on liquidation or otherwise the assets of the Company available for distribution among the members are to be paid in the following order of priority:-

- (i) first in repaying to the "A", "C" and "E" Preferential Shareholders the amounts paid-up or credited as paid-up on such shares and a sum equal to any unpaid amount of the fixed rate cumulative preferential dividend calculated down to the date of the return of capital and payable whether or not such dividend has been declared or earned, which unpaid sum, for the avoidance of doubt, shall be paid out of the profits available for distribution;
- (ii) secondly, in repaying to the "B", "D" and "F" Preferential Shareholders the amounts paid up or credited as paid-up on such shares and a sum equal to any unpaid amount of the fixed rate cumulative preferential dividend calculated down to the date of the return of capital and payable whether or not such dividend has been declared or earned, which unpaid sum, for the avoidance of doubt shall be paid out of profits available for distribution PROVIDED always that the right of the "B", "D" and "F" Preference Shareholders on a winding up shall be subject to a limitation that under no circumstances may assets in excess of 25% of the total available for distribution be distributed in respect of the "B", "D" and "F" Fixed Rate Preference Shares, and the amount of any such distribution shall be reduced on a pro rata basis accordingly;

- (iii) thirdly, the balance, if any, to the holders of the Ordinary Shares.

#### 4.9 **As Regards Voting**

The "A" Preferential Shareholders, "B" Preferential Shareholders, "C" Preferential Shareholders, "D" Preferential Shareholders, "E" Preferential Shareholders and "F" Preferential Shareholders shall have identical rights as shall the Ordinary Shareholders in respect of voting and shall consequently be entitled to receive notice of and to attend and vote at General Meetings of the Company in which case on a show of hands every "A" Preferential Shareholder, "B" Preferential Shareholder, "C" Preferential Shareholder, "D" Preferential Shareholder, "E" Preferential Shareholder and "F" Preferential Shareholder who is present in person shall have one vote and on a poll every such holder who is present in person or by proxy shall have one vote for every "A" Fixed Rate Preference Share, "B" Fixed Rate Preference Share, "C" Fixed Rate Preference Share, "D" Fixed Rate Preference Share, "E" Fixed Rate Preference Share and "F" Fixed Rate Preference Share respectively of which he is the holder.

#### 4.10 **As Regards Redemption**

- (i) A majority by nominal value of the "B" Preferential Shareholders shall be entitled to require there to be convened an Extraordinary General Meeting of the Company at which a Special Resolution will be considered for the Company to redeem all or such lesser number of the "B" Fixed Rate Preference Shares held by them as shall be specified in the relevant notice by serving written notice on the Company at its registered office at any time and from time to time.
- (ii) Subject to being authorised so to do by an Extraordinary Resolution of the Company or by the unanimous written consent of all the members of the Company entitled to attend and vote on all issues at General Meetings of the Company, the Company shall be entitled (subject to the provisions of these Articles)

to redeem some or all of the "B" Fixed Rate Preference Shares for the time being issued and outstanding at any time upon giving to the holders of the particular shares to be redeemed not less than thirty days' previous notice in writing. In the case of any partial redemption, the Company will for the purpose of ascertaining the particular shares to be redeemed cause a drawing to be made at the registered office or at such place as the Directors may determine in the presence of a representative of the Auditors for the time being of the Company.

- (iii) On the date duly determined by the Directors in accordance with Section 159A of the Act the Company shall redeem any "B" Fixed Rate Preference Shares then remaining in issue and shall serve written notice on "B" Preferential Shareholders to that effect not less than thirty days before such date.
- (iv) Any notice of redemption shall be irrevocable (save with the consent in writing of the Company) and is to specify the particular shares to be redeemed, the date fixed for redemption and (if served by the Company) the place at which the certificates for such shares are to be presented for redemption. Upon the specified date each of the holders of the shares concerned will be bound to deliver to the Company at such place or, if not specified by the Company, to the Company's registered office for the time being, the certificates for the shares to be redeemed so that they may be cancelled. Upon such delivery the Company will pay to such holder (or, in the case of joint holders, to the holder whose name stands first in the Register of Members) the amount due to him in respect of the redemption. If any certificate so delivered to the Company includes any shares not redeemable on that occasion, a certificate for those shares will be issued to the holder without charge.

- (v) There shall be paid on each share redeemed the amount paid up on that share and a sum equal to any unpaid amount of the fixed rate cumulative preferential dividend calculated down to the date fixed for redemption and payable whether or not such dividend has been declared or earned which unpaid sum, for the avoidance of doubt, shall be paid only out of the profits available for distribution.
- (vi) The right to dividends for periods following the date fixed for redemption of any share will lapse on the date fixed for redemption of that share unless the Company refuses upon the presentation of the relevant certificate to pay the monies due at redemption.
- (vii) If any "B" Preferential Shareholder whose shares are liable to be redeemed under this paragraph fails or refuses to deliver up the certificate for his shares the Company may retain the redemption monies until the certificate or a satisfactory indemnity in respect of it is delivered to it. The Company will within seven days of receipt pay (by cheque despatched at the holders' risk) the redemption monies to the shareholder. No claim will lie against the Company for interest on any redemption monies so retained.

4.11 The rights and obligations conferred by paragraph 4.10 on the holders of the "B" Fixed Rate Preference Shares shall mutatis mutandis apply in respect of the holders of the "D" Fixed Rate Preference Shares and "F" Fixed Rate Preference Shares.

#### 4.12 **Modification of Rights**

- (i) The creation or issue of further shares ranking as regards participation in the profits or assets of the Company in any respects in priority to the Ordinary Shares will be treated as a variation of the special rights attached to the "A" Fixed Rate Preference Shares, "B" Fixed Rate Preference Shares, "C" Fixed Rate Preference Shares, "D" Fixed Rate Preference Shares, "E" Fixed Rate Preference Shares and "F" Fixed Rate Preference Shares.

- (ii) Subject to the provisions of the Companies Act 1985:-
- (a) the "A" Preferential Shareholders may by unanimous agreement in writing or by an Extraordinary Resolution passed at a separate meeting of such class consent to any variations of the rights or privileges attaching to the "A" Fixed Rate Preference Shares.
  - (b) the "B" Preferential Shareholders may by unanimous agreement in writing or by an Extraordinary Resolution passed at a separate meeting of such class, consent to any variation of the rights or privileges attaching to the "B" Fixed Rate Preference Shares.
  - (c) the "C" Preferential Shareholders may by unanimous agreement in writing or by an Extraordinary Resolution passed at a separate meeting of such class, consent to any variation of the rights or privileges attaching to the "C" Fixed Rate Preference Shares.
  - (d) the "D" Preferential Shareholders may by unanimous agreement in writing or by an Extraordinary Resolution passed at a separate meeting of such class, consent to any variation of the rights or privileges attaching to the "D" Fixed Rate Preference Shares.
  - (e) the "E" Preferential Shareholders may by unanimous agreement in writing or by an Extraordinary Resolution passed at a separate meeting of such class, consent to any variation of the rights or privileges attaching to the "E" Fixed Rate Preference Shares.
  - (f) the "F" Preferential Shareholders may by unanimous agreement in writing or by an Extraordinary Resolution passed at a separate meeting of such class, consent to any variation of the rights or privileges attaching to the "F" Fixed Rate Preference Shares.

## REDEMPTION

5. Subject to the provisions of Chapter VII of Part V of the Act any shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed.

## PURCHASE OF OWN SHARES

6. Subject to Chapter VII of Part V of the Act the Company may purchase its own shares (including redeemable shares) whether out of distributable profits or the proceeds of a fresh issue of shares or otherwise.

## FINANCIAL ASSISTANCE

7. Subject to Chapter VI of Part V of the Act the Company may give financial assistance for the purpose of or in connection with any acquisition of shares made or to be made in the Company or its Holding Company for the time being.

## SHARE CERTIFICATES

8. Regulation 6 of Table A shall be amended by the insertion of the words ". . . or signed by any two Directors or any one Director and the Company Secretary . . ." after the words "Every certificate shall be sealed with the seal . . .".

## TRANSFER OF SHARES

9. The Directors, in their absolute discretion and without assigning any reason whatsoever, may decline to register the transfer of any share whether or not it is a fully paid share.

## PROCEEDINGS AT MEETINGS

10.
  - 10.1 All meetings other than the Annual General Meeting of the Company shall be referred to as Extraordinary General Meetings. All business transacted at an Extraordinary General Meeting of the Company shall be referred to as special and will be subject to regulation 38 of Table A.
  - 10.2 Notices convening any General Meeting shall comply with Section 372(3) of the Act thereby notifying Members of their right to appoint proxies.

- 10.3 No business shall be transacted at a General Meeting unless a quorum comprising of at least two members who are also entitled to vote is present. If such a quorum is not present within half an hour of the time appointed for an adjourned meeting then notwithstanding the provisions in regulation 41 of Table A the meeting may be dissolved.

### VOTES OF MEMBERS

11. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person will have one vote, and on a poll every Member will have one vote for each share of which he is a holder.

### DIRECTORS

12. A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company will declare the nature of his interest at a meeting of the Directors in accordance with Section 317(1) of the Act. A Director who has disclosed his interest may vote in respect of any contract, proposed contract or any arrangement in which he is interested directly or indirectly and such director will be counted in the quorum present at any meeting at which such contract or proposed contract or arrangement is being considered. Regulations 94, 95 and 98 of Table A will not apply to the Company.
13. 13.1 Other than the office of Auditor, a Director may hold any other office or profitable position with the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine.
- 13.2 The Directors will not be subject to retirement by rotation. Regulations 73 to 75 of Table A will not apply and all other references in Table A to retirement by rotation shall be disregarded.
- 13.3 Any Director may act by himself or through his firm in a professional capacity for the Company. He or his firm will be entitled to remuneration for professional services as if he were not a Director; although this does not authorise a Director to act as Auditor for the Company.

- 13.4 The Company will not be subject to Section 293 of the Act, and accordingly any person may be appointed or elected as Director whatever his age. No Director will be required to vacate his office of Director by reason of his attaining or having attained the age of seventy years or any other age.
14. The office of a Director will be vacated:-
- 14.1 if by notice in writing to the Company he resigns the office of Director;
  - 14.2 if he becomes bankrupt or insolvent, or enters into an arrangement with his creditors;
  - 14.3 if he becomes of unsound mind;
  - 14.4 if he is prohibited from being a Director by any order made under Section 188 of the Act;
  - 14.5 if he is removed from office by a resolution duly passed under Sections 295 to 300 (inclusive) of the Act.
  - 14.6 Without prejudice to the powers of the Company under Section 303 of the Act, the members for the time being of the Company shall have the power at any time to appoint any person or persons as a Director or Directors of the Company either as an additional Director or to fill any vacancy and to remove from office any Director howsoever appointed. Any such appointment or removal shall be effected by an instrument in writing signed by each of the members and shall take effect upon lodgement at the registered office of the Company.

#### POWERS OF DIRECTORS

15. In addition to and without limitation of any other powers they have the Directors may:-
- 15.1 either alone or with any subsidiaries of the Company or companies with which it is associated in business establish and make contributions out of the Company's moneys to any schemes or funds providing pensions, annuities, sickness or compassionate allowances, life assurance benefits, donations, gratuities or other benefits for employees. Employees will include for the purpose of this Article 15 any director who may

hold or have held any office or position with the Company and ex-employees of the Company and of any subsidiary or associated company and their wives, widows, relatives or dependants;

- 15.2 pay, enter into agreements to pay or make grants revocable or irrevocable (whether subject to any terms and conditions) of pensions or other retirement, superannuation, death or disability benefits to employees in addition to any monies due to an employee under a scheme established under Article 15.1. Any pension or benefit granted, pursuant to this Article, may be granted to an employee either before and in anticipation of or upon or at any time after his actual retirement;
- 15.3 procure the establishment and subsidy of or subscription to and support of any institutions, association, clubs, funds or trusts calculated to be for the benefit of any employee or to advance the interests and well-being of the Company or of any subsidiary or associated company, or its members;
- 15.4 may make payment for or towards the insurance of these people and subscriptions or guarantees of money for charitable or benevolent, general or useful objects.

#### BORROWING POWERS

16. The Directors may:-

- 16.1 Exercise all the powers of the Company to borrow money and to mortgage or charge all or part of its undertaking, property, assets (both present and future) and uncalled capital;
- 16.2 issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or its holding company (if any) or any subsidiary of the Company or its holding company or of any third party.

#### QUORUM

17. The quorum necessary for the transaction of the business of the Board of Directors may be fixed by the Board, and unless so fixed shall be one. For the purpose of determining whether the quorum for the transaction of the business of the Board exists resolutions may be

agreed by Directors by telephone and any Director consulted by telephone about the resolution will be counted in the quorum.

### MANAGING DIRECTORS AND MANAGERS

18. The Directors may from time to time appoint one or more of their number to the office of Managing Director for such period and on such terms as they think fit. The appointment may be revoked by the Directors at any time and for any reason. A Managing Director's appointment, will automatically be terminated if he ceases from any cause to be a Director.

### SECRETARY

19. The Secretary will be appointed by the Directors on such terms as they think fit, and any Secretary appointed may be removed by them. If at any time there is no Secretary or for any reason no Secretary capable of acting, the Directors may appoint an assistant or deputy Secretary.

### INDEMNITY

20. 20.1 Every Director or other officer, or Auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- 20.2 The Directors shall have power to purchase and maintain for any Director, Officer or Auditor of the Company insurance against any such liability as is referred to in Section 310 (1) of the Act.