

THE COMPANIES ACTS 1948 to 1980COMPANY LIMITED BY SHARESARTICLES OF ASSOCIATION

of

ARNOLD WASTE DISPOSAL LIMITED

(Amended by Special Resolution passed on 17th October 1989)

PRELIMINARY

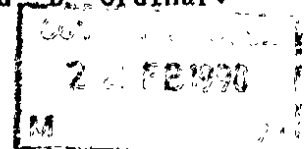
1. THE regulations contained in Part 1 of Table A in the First Schedule to the Companies Act 1948 (hereinafter called "the Act") shall, except as hereinafter provided and so far as the same are not inconsistent with the provisions of these Articles, apply to the Company. References herein to regulations of Table A are to Part 1 of Table A unless otherwise stated.

PRIVATE COMPANY

2. THE Company is a Private Company, and accordingly the restrictions contained in Regulation 2 of Part II of Table A shall apply.

SHARE CAPITAL

3. The share capital of the Company is £250,000 divided into 1,041,270 "A" Ordinary Shares of 1p each 1,041,270 "B" Ordinary Shares of 1p each 500 "C" Ordinary Shares of 1p each and 500 "D" Ordinary Shares of 1p each and 2,291,646 Deferred Shares of 10p each. The "A" "B" "C" and "D" Ordinary



Shares shall save as specifically provided in these Articles rank equally and pari passu in all respects. The rights of the said Deferred Shares shall be as follows:-

- (a) The said Deferred Shares shall entitle the holders thereof to a fixed non-cumulative dividend at the rate of 5 per cent per annum for any financial year of the Company in respect of which the net profits of the Company available for dividend (as certified by the auditors of the Company, whose decision shall be final and binding) exceed £10,000,000.
- (b) On a winding up the holders of the Deferred Shares shall be entitled out of the surplus assets of the Company to a return of the capital paid up on the Deferred Shares held by them respectively after a total sum of £100,000 has been distributed in such winding up in respect of each of the "A" "B" "C" and "D" Ordinary Shares of 1p of the Company.
- (c) Save as provided in this Article the holders of the Deferred Shares shall not be entitled to any participation in the profits or assets of the Company.
- (d) The Deferred Shares shall not entitle the holders thereof to attend or vote at any General Meeting of the Company by virtue or in respect of their holdings of such Deferred Shares.

4. IN these Articles the expression "Class Consent" shall mean the consent in writing of the holders of three fourths of the issued shares of the relevant class or the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of shares of that class and to every such separate General Meeting the provisions of Table A relating to general meetings shall apply except that the necessary quorum shall be two persons at least holding or representing by proxy three fourths of the

issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

ISSUE OF SHARES AND INCREASE OF CAPITAL

5. (A) The capital of the Company shall not be increased nor shall the Directors have power to issue or allot further shares without Class Consent of each class of shares. Accordingly regulation 44 of Table A shall not apply.

(B) Any shares issued after the date of adoption of these Articles shall consist partly of "A" Ordinary Shares partly of "B" Ordinary Shares partly of "C" Ordinary Shares and partly of "D" Ordinary Shares and shall be divided amongst such classes of shares in proportion to the number of "A" Ordinary Shares "B" Ordinary Shares "C" Ordinary Shares and "D" Ordinary Shares respectively in issue immediately prior to such new issue. The following provisions shall apply to any such new shares:-

(i) Such new "A" Ordinary Shares shall (upon being issued) be offered by the Directors at such price per share ("the Issue Price") as the Directors shall think fit to the then existing holders of "A" Ordinary Shares in proportion to the "A" Ordinary Shares then held by them respectively and they shall be entitled to accept such offer as to the whole or part of the "A" Ordinary Shares comprised therein by notice in writing served upon the Company at its registered office within 28 days from the date of receipt of the offer and they may further specify in such notice their willingness to take surplus shares. If any shares shall not be accepted as aforesaid the same

shall be offered to the holders of "A" Ordinary Shares who have specified their willingness to take surplus shares as aforesaid but so that no holder shall be required to take more surplus shares than he has expressed his willingness to accept. In the case of competition between holders of "A" Ordinary Shares the surplus shares shall be offered to them in proportion to their holdings of "A" Ordinary Shares immediately prior to such new issue. Subject thereto, any new "A" Ordinary Shares still unaccepted shall be offered by the Directors at the Issue Price to the then existing holders of "B" Ordinary Shares "C" Ordinary Shares and "D" Ordinary Shares then held by them respectively and like provisions as to acceptance and surplus shares shall apply.

(ii) Such new "B" Ordinary Shares shall be offered at the Issue Price and upon the like conditions as to acceptance and surplus shares to the then existing holders of "B" Ordinary Shares in proportion to the "B" Ordinary Shares then held by them respectively. Any "B" Ordinary Shares still unaccepted shall then be offered at the Issue Price to the holders of "A" Ordinary Shares "C" Ordinary Shares and "D" Ordinary Shares according to their holdings of "A" Ordinary Shares "C" Ordinary Shares and "D" Ordinary Shares upon the like conditions as to acceptance and surplus shares.

(iii) Such new "C" Ordinary Shares shall be offered at the Issue Price and upon the like conditions as to acceptance and surplus shares to the then existing holders of "C" Ordinary Shares in proportion to the "C" Ordinary Shares

then held by them respectively. Any "C" Ordinary Shares still unaccepted shall then be offered at the Issue Price to the holders of "A" Ordinary Shares "B" Ordinary Shares and "D" Ordinary Shares according to their holding of "A" Ordinary Shares "B" Ordinary Shares and "D" Ordinary Shares upon the like conditions as to acceptance and surplus shares.

(iv) Such new "D" Ordinary Shares shall be offered the Issue Price and upon the like conditions as to acceptance of surplus shares to the then existing holders of "D" Ordinary Shares in proportion to the "D" Ordinary Shares then held by them respectively. Any "D" Ordinary Shares still unaccepted shall be offered at the Issue Price to the holders of "A" Ordinary Shares and "B" Ordinary Shares and "C" Ordinary Shares according to their holding of "A" Ordinary Shares "B" Ordinary Shares and "C" Ordinary Shares upon the like conditions as to acceptance and surplus shares.

(v) Any Ordinary Shares issued to a person who is already a holder of Ordinary Shares of a particular class shall be designated as shares of that class and shall accordingly be subject to such of the provisions of these Articles as are applicable to the shares of that class.

6. SUBJECT as aforesaid and save as provided by any other provision in these Articles to the contrary all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise deal with or dispose of the same to such persons, at such times, and generally on such terms as they think most beneficial to the Company but so that no

shares shall be issued at a discount except in accordance with Section 57 of the Act.

#### TRANSFER OF SHARES

7. AN instrument of transfer of fully-paid shares need not be signed by or on behalf of the transferee. Regulation 22 of Table A shall be modified accordingly.

8. ANY share may at any time be transferred (and the Directors shall register such transfer):-

- (1) to a member holding shares of the same class, or
- (2) by a member (in this sub-paragraph (2) called "the Member") being a corporate body to any Associated Company of the Member (as hereinafter defined) and so that any shares so transferred may be at any time transferred to any other Associated Company of the Member. For the purpose of these Articles "Associated Company of a Member" shall mean :-

- (a) in the case of a member holding "A" Ordinary Shares and "C" Ordinary Shares (when issued) any company in which lineal descendants of George Whittle and Carrington Whittle and/or their respective spouses widowers or widows and/or personal representatives or Trustees of any trust holding assets principally for the benefit of such persons as aforesaid shall hold between them (or have the power to exercise) voting rights conferring in aggregate more than fifty per centum of the total voting rights conferred by all the shares in the capital of such company other than those with restricted voting rights and

- (b) in the case of a member holding "B" Ordinary Shares and "D" Ordinary Shares (when issued) Tarmac plc and any company for the time being its subsidiary. On any transfer to an Associated Company of the Member the Member shall require the transferee to agree that upon the transferee ceasing to be an Associated Company of the Member the transferee shall transfer the shares to the Member or an Associated Company of the Member and, unless the Member produces evidence to the satisfaction of the Directors that the transferees have so agreed, the transfer shall not be regarded as being made pursuant to this sub-paragraph (2); or
- (3) to any person with a Class Consent of the holders of "A" Ordinary Shares and the holders of "B" Ordinary Shares and the holders of the "C" Ordinary Shares and the holders of the "D" Ordinary Shares; or
- (4) in accordance with the provisions of Article 9 hereof.

Provided always that on any member who acquired shares as an Associated Company of a Member pursuant to sub-paragraph (2) of this Article ceasing to be an Associated Company of a Member or former member such former Associated Company shall give written notice of such cessation to the Company and the Directors shall give written notice to such Member requiring it to transfer the shares to the Member or an Associated Company of the Member and if such Member shall fail to deliver such a transfer of the shares for registration within 14 days of such notice then it shall at the expiration of such period of fourteen days be deemed to have given a Transfer Notice in respect of the shares under the provisions of Article 9 hereof but so that such member shall be deemed to have given written notice pursuant to Article 9(4) hereof for the fair value of such shares to be determined.

9. (1) No share shall save as provided in Article 8 be transferred to any person unless and until the rights of pre-emption conferred by this Article shall have been exhausted.
- (2) Any Member (hereinafter called "the Vendor") desiring to transfer its shares (a transfer of part only of its shares not being permitted under the provisions of this Article) shall give notice in writing of such desire (hereinafter called "a Transfer Notice") to the Company and shall specify therein the price at which the Vendor is prepared to sell such shares. A Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the shares or share specified therein (hereinafter called "the Sale Shares") in accordance with the following provisions of this Article. A Transfer Notice may contain a provision that unless all the Sale Shares are sold by the Company pursuant to this Article none shall be sold and any such provision shall be binding on the Company.
- (3) The Company shall, within seven days of receipt of the Transfer Notice offer the whole of the said shares at the price in manner following :-
- (i) So far as the Transfer Notice comprises "A" Ordinary Shares in the capital of the Company such shares shall be offered in the first instance to all the members other than the Vendor holding "A" Ordinary Shares in the capital of the Company and next (failing acceptance within the period hereinafter specified by members holding "A" Ordinary Shares) to all the members (other than the Vendor) holding "B" Ordinary Shares
- (ii) So far as the Transfer Notice comprises "B" Ordinary Shares in the capital of the Company such shares shall be



offered in the first instance to all the members holding "B" Ordinary Shares in the capital of the Company other than the Vendor and next (failing acceptance within the period hereinafter specified by members holding "B" Ordinary Shares) to all the members (other than the Vendor) holding "A" Ordinary Shares

(iii) So far as the Transfer Notice comprises "C" Ordinary Shares in the capital of the Company such shares shall be offered in the first instance to all the members holding "C" Ordinary Shares in the capital of the Company other than the Vendor and next (failing acceptance within the period hereinafter specified by members holding "C" Ordinary Shares) to all the members (other than the Vendor) holding "B" Ordinary Shares

(iv) So far as the Transfer Notice comprises "D" Ordinary Shares in the capital of the Company such shares shall be offered in the first instance to all the members holding "D" Ordinary Shares in the capital of the Company other than the Vendor and next (failing acceptance within the period hereinafter specified by members holding "D" Ordinary Shares) to all the members (other than the Vendor) holding "A" Ordinary Shares

Each of the shareholders of the class to whom any such shares are offered may accept the whole of the shares comprised in the offer but not part hereof within three months from the date of receipt of such offer but so that any acceptance may be withdrawn at any time before the expiry of such period but unless so withdrawn shall become binding at the expiration of such period. If more than one of the said shareholders

accept the whole of the said shares such shares shall be deemed to be accepted by the shareholders so accepting in proportion to their respective holdings of shares in the Company. The Directors shall register any transfer made pursuant to the foregoing provisions of this sub-paragraph (3).

- (4) If any member receiving such an offer shall within a period of 14 days from the date of such offer so request by notice in writing to the Company the fair value of the Sale Shares shall be determined at the joint expense of the requesting member and the Vendor as at the date of the Transfer Notice. The fair value shall be such value as an independent firm of chartered accountants shall certify in writing as being in their opinion the fair value of the Sale Shares (valued by assessing the value as between a willing purchaser and a willing vendor of the whole of the issued share capital of the Company and ascribing to the Sale Shares the same proportion of the value so assessed as the Sale Shares bear to the total number of shares in the capital of the Company then in issue) and such certificate shall be binding on the Vendor. Such independent firm of chartered accountants shall be appointed by agreement between the Vendor and the requesting member or in default of agreement by the President for the time being of the Institute of Chartered Accountants in England and Wales and in giving their opinion shall act as experts and not as Arbitrators.
- (5) If a request is made under paragraph (4) any offer made under paragraph (3) shall remain open for acceptance until the expiry of 28 days after the giving of a certificate under paragraph (4) copies of which shall be sent by the Company to the Vendor and each member who shall have received an offer of Sale Shares

and any acceptance of such offer whether made before or after the date of such certification shall be deemed to be an acceptance at a lower of the price specified in the Transfer Notice and the fair value so certified. Provided however that if the Vendor shall be dissatisfied with the fair value as so certified he shall be entitled by notice in writing to the Company at any time within the periods of 28 days after receipt of such certificate to withdraw his Transfer Notice in which event all acceptances shall be void and of no effect.

- (6) If any acceptance of any offer shall become binding in accordance with its terms or this Article the Vendor shall be bound to transfer the Sale Shares so accepted to the purchasing member upon payment of the purchase price and if he shall fail to do so the Chairman of the Company or some other person appointed by the Directors shall be deemed to have been appointed the attorney of the Vendor with full power to execute complete and deliver in the name and on behalf of the Vendor transfers of the shares to the purchasing member against payment of the price to the Company. On payment of the price to the Company the purchasing member shall be deemed to have obtained a good receipt for such payment and on execution and delivery of the transfer the purchasing member shall be entitled to insist upon his name being entered in the Register of Members as the holder by transfer of the shares. The Company shall forthwith pay the price into a separate bank account in the Company's name and shall hold such price in trust for the Vendor.

- (7) Provided the Vendor shall not have withdrawn his Transfer Notice pursuant to paragraph (5) of this Article he shall be

entitled at any time within 3 months after the expiry of the period for acceptance of offers made pursuant to paragraph (3) above to transfer:

- (a) any Sale Shares which shall not have been accepted by other members and
- (b) any Sale Shares for which the member accepting the offer shall have failed to make payment within 14 days after his acceptance shall have become binding to any person at any price not less than that specified by him in the Transfer Notice and the Directors shall be bound to register any such transfer.

(8) In any of the following events:-

- (a) the death or bankruptcy of a member
- (b) in the case of a corporate member the commencement of winding-up thereof (other than for the purposes of amalgamation or reconstruction) or the appointment of a receiver and manager of any part of its undertaking
- (c) in the case of a corporate member a change of control of such member which for the purpose of these Articles shall mean:-

- (i) in the case of a member holding "A" Ordinary Shares or "C" Ordinary Shares the lineal descendants of George Whittle and Carrington Whittle and/or their respective spouses widowers or widows and/or personal representatives or Trustees of any trust holding assets principally for the benefit of such persons as aforesaid ceasing to hold between them or have the power to exercise voting rights conferring in aggregate more than fifty per centum

of the total voting rights conferred by all the shares in the capital of such corporate member other than those with restricted voting rights

(ii) in the case of a member holding "B" Ordinary Shares or "D" Ordinary Shares the occasion of that member ceasing to be a subsidiary of Tarmac plc or Tarmac plc itself becoming a subsidiary of some other company

(d) in the case of all members holding "B" Ordinary Shares or "D" Ordinary Shares the termination for whatever reason of an Agreement dated Seventh June 1982 between the Company and Tarmac Econowaste Limited (then Econowaste Limited)

the Company shall forthwith upon becoming aware of such event notify all members thereof and shall subject to first obtaining a Class Consent from either the holders of "A" Ordinary Shares or the holders of "B" Ordinary Shares serve notice upon such member or members his personal representatives its Receiver or Liquidator as the case may be requiring such member or members as aforesaid within 28 days of such notice to transfer all his or its shares in accordance with Article 8 hereof and in the event of such member failing to make such transfer within the said period of 28 days the member shall be deemed to have given a transfer notice or notices in respect of all his or its shares (but so that such member shall be deemed to have given written notice of a request pursuant to Article 9(4) hereof for the fair value of such shares to be determined) at the date of expiration of the said period of 28 days and thereupon all the provisions of this Article shall apply as if such notice or notices had then been given.

- (9) The members holding all the issued Ordinary Shares in the Company may if they think fit agree in writing to waive the provisions of this Article in any particular case.

#### PROCEEDINGS AT GENERAL MEETINGS

10(a) TWO members present in person or by proxy shall be a quorum at any General Meeting provided that such quorum shall throughout the meeting include one person being or representing a holder of any of the "A" or "C" Ordinary Shares and one being or representing a holder of any of the "B" or "D" Ordinary Shares. Regulation 53 of Table A shall be modified accordingly.

(b) If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the adjourned meeting the meeting shall be dissolved. Regulation 54 of Table A shall be modified accordingly.

11. A poll may be demanded at any General Meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 58 of Table A shall be modified accordingly.

12. THE Chairman shall not be entitled to a second or casting vote. Regulation 60 of Table A shall not apply.

13. ON a show of hands every member present in person shall have one vote, and on a poll each member holding an "A" Ordinary Share shall have one vote for every "A" Ordinary Share of which he is the holder and a member holding a "B" Ordinary Share shall have one vote for every "B" Ordinary Share of which he is a holder and a member holding a "C" Ordinary Share shall have one vote for every "C" Ordinary Share of which he is the holder and a member holding a "D" Ordinary Share shall have one vote for every "D" Ordinary Share of which he is the holder. Provided that:

- (i) No shares of any one class shall confer any right to vote upon a resolution for the removal from office of a Director appointed by holders of shares of the other class, and
- (ii) on a resolution of the Company in General Meeting to remove an A Director the "A" Ordinary Shares shall on a poll carry ten votes for every such "A" Ordinary Share. On such a resolution to remove a B Director the "B" Ordinary Shares shall on a poll carry ten votes per share, and
- (iii) on any resolution of the Company in General Meeting to remove a Director appointed by the holders of shares of either "A" or "B" shares the holders of shares of the other of such classes shall be deemed to have given and not withdrawn a proxy in favour of the holders of shares of the class which appointed such director or such of them as attend such meeting and a vote given in pursuance of such proxy shall be accepted in preference to any vote cast by a member or members deemed to have given it
- (iv) if at any meeting a holder of any shares of either class "A" or "B" is not present in person or by proxy the votes exercisable on a poll in respect of the shares of the same class held by members present in person or by proxy shall be pro tanto increased so that such shares shall together entitle such members to the same aggregate number of votes as could be cast in respect of all the shares of that class if all the holders thereof were present. Regulation 62 of Table A shall not apply.

#### DIRECTORS

14. UNLESS and until otherwise resolved by Special Resolution of the Company, the Directors shall not be more than six in number of whom not more than three shall be appointed as provided in Article 17 below by the holders of the "A" Ordinary Shares and not more than three shall be appointed as provided in Article 17 below by the holders of the "B" Ordinary Shares. Regulation 75 of Table A shall not apply to the Company.



15. IN these Articles the expressions "A Director" and "B Director" respectively designate Directors according to the class of shares, holders of a majority of which have appointed them.

16. EACH Director shall hold office subject only to Article 19 hereof but may at any time be removed from office under Articles 13 or 17 hereof

17. ANY appointment or removal of a Director shall be in writing served on the Company and signed by or on behalf of the holders of a majority of the issued "A" Ordinary Shares or "B" Ordinary Shares as the case may be.

18. THE proviso in Regulation 79 of Table A shall not apply to the Company.

19. THE office of a Director shall be vacated in any of the following events, namely:

- (a) if he shall become prohibited by law from acting as a Director;
- (b) if he shall resign by writing under his hand left at the registered office;
- (c) if he shall have a receiving order made against him or shall compound with his creditors generally;
- (d) if he becomes a patient for the purposes of Part VIII of the Mental Health Act 1959 or becomes of unsound mind; or
- (e) if he shall be removed from office as herein provided, Regulation 88 of Table A shall not apply.

20. THE Directors shall not be subject to retirement by

rotation and accordingly Regulations 89 to 92 of Table A shall not apply and all other references in Table A to retirement by rotation shall be disregarded.

21. NO Director shall be appointed otherwise than as herein provided and accordingly Regulations 93 to 97 of Table A shall be modified appropriately.

22. THE quorum for a meeting of the Directors shall throughout the meeting .e at least one A Director and one B Director (or in either case or both cases the Alternate Director of such a Director). Regulation 99 of Table A shall not apply.

23. THE Chairman of the Board of Directors shall be appointed initially by a majority of the holders of the "A" Ordinary Shares from amongst either the A or B Directors for a term of one year from the date of adoption of these Articles of Association. After the expiration of the said period of one year the Chairman shall be appointed by a majority of the holders of the "B" Ordinary Shares from amongst either the A or B Directors for a term of one year from the end of the period of office of the preceding Chairman. The appointment of the Chairman thereafter shall be made turn and turn about by the majority of the holders of the "A" Ordinary Shares and the majority of the holders of the "B" Ordinary Shares respectively and each such appointment to be of the duration of one year from the end of the period of office of the preceding Chairman. In the absence from any meeting of the Directors of the person

elected Chairman a Director or Alternate Director appointed by the same class of shareholder as appointed the Chairman shall act as Chairman. The Chairman shall not have a casting vote. Regulations 98, 101 and 104 of Table A shall be modified accordingly.

24. AT any meeting of the Directors each Director shall have one vote but no resolution of the Directors shall be effective unless the vote of at least one of the A Directors and one of the B Directors present or of their respective Alternate Directors is cast in favour thereof.

25. THE Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they shall think fit. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a meeting of Directors shall be in writing and delivered or sent by post to each Director at his address in the United Kingdom last notified to the Company.

26. A resolution in writing signed by all the A Directors and all the B Directors or their respective Alternate Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form each signed by one or more persons. Regulation 106 of Table A shall not apply.

27. (a) The holders of a majority of the "A" Ordinary Shares may at any time appoint any person to be the

Alternate Director of any A Director or a number of such persons of whom anyone present at any meeting shall be the Alternate Director of such A Director and such holders may at any time terminate such appointment. Any such appointment or termination shall be effected as provided in Article 17 hereof. The same person may be appointed as the Alternate Director of more than one Director. If at any meeting of the Directors less than three A Directors or their Alternates shall be present the A Director or A Directors present at such meeting shall be deemed to be the Alternate or Alternates of the A Director or A Directors not attending. The holders of a majority of the "B" Ordinary Shares shall have a similar right to appoint or terminate the appointment of any Alternate Director of any B Director and the provisions set out above shall apply mutatis mutandis to the B Directors or their Alternates.

(b) The appointment of an Alternate Director shall ipso facto determine:-

- (i) on the happening of any event which if he were a Director would render him legally disqualified from acting as a Director; or
- (ii) if he shall have a receiving order made against him or shall compound with his creditors generally; or
- (iii) if he becomes a patient for the purposes of Part

VIII of the Mental Health Act 1959 or becomes of unsound mind; or

(iv) if he shall resign by writing under his hand left at the registered office.

His appointment as Alternate Director of a Director shall also determine ipso facto if the Director concerned (below called "his principal") shall cease for any reason to be a Director

(c) An Alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notice of meetings of the Directors and of any committee of the Directors or Management Committee of which his principal is a member and to attend and vote as a Director and be counted in the quorum at any such meeting at which his principal is not personally present and generally at such meeting to perform all functions of his principal as a Director.

(d) An Alternate Director may be repaid by the Company such expenses as might properly be repaid to him if he were a Director but shall not in respect of such appointment be entitled to receive any remuneration from the Company. An Alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.

28. THE Directors may from time to time appoint any person to an 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. The inclusion of the word "Director" in the designation or title of any office or employment with the Company (other than the office of Managing or Joint Managing or Deputy or Assistant Managing Director) 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 Articles.

29. A Director may vote in respect of any contract or arrangement in which he is interested and be counted in the quorum present at any meeting at which any such contract or arrangement is proposed or considered, and if he shall so vote his vote shall be counted. This Article shall have effect in substitution for paragraphs (2) and (4) of Regulation 84 of Table A which paragraphs shall not apply to the Company.

30. THE Directors shall have no power to make any decision or pass any resolution upon any of the following matters without the Class Consent of the holders of both "A" Ordinary Shares and "B" Ordinary Shares :-

- (a) the creation of any mortgage charge lien or other encumbrance on the undertaking property or assets of the Company
- (b) the acquisition or disposal of any freehold or

leasehold lands

- (c) the adoption of any programme of capital expenditure or any acquisition or disposal of a capital item at a cost in either case exceeding an amount fixed by the Company from time to time by Ordinary Resolution (or such other sum as all the members of the Company may from time to time agree in writing) and for this purpose capital expenditure shall be deemed to include the capital value (determined on an open market basis) of any items acquired on lease hire purchase credit or deferred sale terms
- (d) any borrowings other than bank overdraft facilities not exceeding £50,000 and for this purpose "borrowings" shall mean the total of :-
  - (i) all amounts owing on any debenture debenture stock bond or other security (whether or not secured on a charge on assets of the Company)
  - (ii) all amounts owing in respect of any loan advance facility or acceptance credit from or with any bank acceptance house or finance company
  - (iii) the maximum amount that could fall to be paid by the Company under any guarantee or indemnity
  - (iv) the total amount payable under any agreement for the conditional purchase of any asset and the total amount raised under any agreement for factoring debts or discounting bills or any similar transaction

- (e) the giving of any guarantee or indemnity
- (f) any increase or reduction in authorised or issued share capital
- (g) any increase in the total emoluments of the Directors for any financial year above the sum fixed from time to time by the Company by Ordinary Resolution
- (h) any loans to members or an Associated Company of a Member
- (i) any merger or amalgamation with or the acquisition of any interest in any other corporate body firm or business
- (j) the incorporation of a subsidiary as defined in the Act

#### INDEMNITY .

31. SUBJECT to the provisions of the Act, every Director, Auditor, Secretary or other office of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto. Regulation 136 of Table A shall be extended accordingly.

B/1579