

THE COMPANIES ACT 1985

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PRIVATE COMPANY LIMITED BY SHARES

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WRITTEN RESOLUTIONS

OF

UNIVERSAL MUSIC OPERATIONS LIMITED (the "Company")

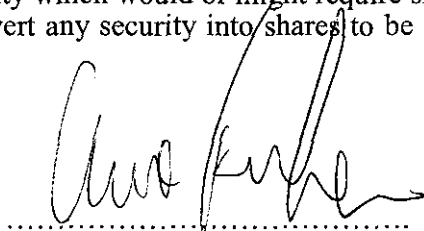
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Passed on 12 February 2002

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By resolutions in writing of the sole member of the Company dated 12 February 2002 the following resolutions were duly passed:

- (1) THAT the authorised share capital of the company be increased by £2,045 to £17,045 by the creation of an additional 2,045 preference shares of £1 each; having the rights and obligations set out in the articles of association of the company to be adopted by virtue of resolution no. 2 below;
- (2) THAT the regulations set out in the printed document marked "A" attached hereto be adopted as the articles of association of the company in substitution for and to the entire exclusion of all existing articles of association of the company; and
- (3) THAT the directors of the company be generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to allot, or to grant any right to subscribe for or to convert any security into, shares in the company up to a maximum nominal amount of £2,045 at any time or times for a period of five years from the date of the passing of this resolution on which date the authority given by this resolution shall expire and such authority shall allow the company to make an offer or agreement before the expiry of the authority which would or might require shares to be allotted, or rights to subscribe for or to convert any security into shares to be granted, after the expiry of the authority.



Director



No. 950138

THE COMPANIES ACTS 1985 - 1989

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PRIVATE LIMITED COMPANY

(LIMITED BY SHARES)

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**MEMORANDUM**

**- and -**

**NEW**

**ARTICLES**

**of**

**ASSOCIATION**

(as adopted by a written resolution  
passed on the 12th day of February 2002)

**of**

**UNIVERSAL MUSIC OPERATIONS LIMITED**

(Incorporated the 18 day of March 1969)

**WATSON FARLEY & WILLIAMS**  
**London**

THE COMPANIES ACTS 1985 - 1989

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PRIVATE LIMITED COMPANY  
(LIMITED BY SHARES)

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INCORPORATED THE 18TH DAY OF MARCH 1969

MEMORANDUM OF ASSOCIATION

(as amended by a written resolution passed on 12th February 2002)

OF

UNIVERSAL MUSIC OPERATIONS LIMITED

- 1 The name of the Company is Universal Music Operations Limited.<sup>1</sup>
- 2 The registered office of the Company will be situated in England and Wales.
- 3 The objects for which the Company is established are:
  - (a) to carry on the businesses of producers, manufacturers, distributors, exporters, importers, wholesalers, retailers of and dealers in all types of sound recordings, in particular, laser discs, gramophone records and reproduction tapes, and all kinds of machinery and apparatus for making the same;
  - (b) to carry on the business of general music and book publishers and printers and of a recording and video company and in particular to copyright, print, reprint, publish, copy, distribute, exploit, vend, purchase or otherwise acquire, sell, offer for sale, transfer, grant, license, dispose of, translate, make versions of, dramatise, arrange, adapt, transpose, transcribe, perform, record, represent, produce, reproduce, make, or procure the making of any transcription or record, deal in or otherwise use music, lyrics, poems, musical compositions and works, dramatic, artistic, musical and literary property, works and material, computer software, magazines, periodicals, journals, books, and other publications, and the copyright therein in all parts of the world, in any and every form and manner and by any and every method and means, now or hereafter known or in existence and any and all rights and interests therein and thereto;
  - (c) to manufacture, make, produce, buy, sell, acquire, import, export, distribute, license, exploit, turn to account and deal in sheet music, musical instruments and equipment, gramophone records, laser and vinyl discs, tapes and sound recordings and sound bearing contrivances of every description, scientific components, materials, substances, fittings, accessories and apparatus of all kinds, motion pictures, films, video cassettes, video discs, audio-visual recordings, photographs, computer software and contrivances of all kinds bearing audio visual recordings or visual recordings or computer software, audio visual and visual reproduction equipment, plant, machines, accessories, and devices of all kinds and machinery and appliances of all kinds used or capable of being used in or in connection with the manufacture, production, reproduction, performance and transmission of motion pictures, cinematograph and television films, videotapes, video discs, photographs, recordings of any kind, holograms and other laser based information

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<sup>1</sup> Incorporated under the name of Phonodisc Ltd. and changed to PolyGram Record Services Ltd. on 11 May 1979; changed to PolyGram Record Operations Ltd. on 1 January 1980 and to its present name on 29 March 1999.

retrieval systems, together with the images produced by them, and any other information which may be produced in a visible or audible form or both;

- (d) to produce, direct, organise, finance, perform, manage, arrange, distribute, sell, rent out, exploit, turn to account, and otherwise deal in and to promote, assist, finance, and generally be concerned with and act as agents for the production, direction, organisation, performance, management, arrangement, distribution, sale, renting, leasing, exploitation, turning to account of and otherwise dealing in and exploiting all kinds of plays, motion pictures, films, video cassettes, video discs, radio and television shows, computer software, holograms, photographs, recordings, performances and appearance engagements and entertainments and material of any kind ancillary to any of the foregoing;
- (e) to acquire and exploit the services and abilities of, and enter into engagements with, and to act as managers, organisers, promoters, publishers and employers of and agents of all kinds for composers, artists, artistes, poets, entertainers, performers, singers, comedians, comediennes, authors, journalists, scriptwriters, playwrights, choreographers, sportsmen, sportswomen, lecturers, composers, musicians, actors, actresses, dancers, dramatists, painters, sculptors, illustrators, photographers, designers, printers, radio, television, film and theatrical producers and directors and record producers and all persons in any way or in any capacity engaged in or connected with any creative art or any entertainment of any kind whatsoever in any part of the world and to exploit, license, lease, subcontract, assign or provide the services and the products of the services of any such person to any third party upon such terms and conditions as the Company shall think fit in any part of the world;
- (f) to carry on the business of the hotel keepers, restaurant keepers, wine and spirit merchants, licensed victuallers, entertainment agents, box office keepers, mail order specialists, marketing and business consultants, advertising agents and contractors, discount traders, shipping and forwarding agents, travel agents, importers and exporters, dealers in motor and other vehicles, haulage and transport contractors, insurance brokers, and consultants, warehousemen, printers, confectioners, refreshment providers, caterers and contractors, tobacconists, bill-posters, billiard, concert, dancing, meeting and assembly room proprietors, managers and lessees, proprietors of residential or business premises and caterers for public and private entertainments of all kinds;
- (g) to carry on business as theatrical consultants and advisers, and to act as managers, agents, organisers, promoters, impresarios, directors, proprietors, producers and lecturers in the sphere of music theatre, films and in all other spheres of creative commercial art or entertainment of any and every kind;
- (h) to carry on any business connected with television, films, video cinemas, radio, laser discs, telerecording, recording studios, recording, record production, theatre, satellite transmission and recording, cable television, music hall, pageant, circus, ballet, opera, and pantomime and to be proprietors of any premises where entertainments, exhibitions, dances, concerts, sports and/or amusements are provided and to carry on the business of theatre and cinema proprietors and managers and, in particular to provide for the production, transmission, representation and performance of variety shows, stage plays, vaudevilles, burlesques, operettas, ballets, pantomimes, spectacular pieces, concerts, film motion pictures and television performances and other literary, musical, artistic and dramatic performances and entertainments of all kinds and to permit the Company's premises to be used for such other purposes as may in the opinion of the directors be expedient;
- (i) to provide all or any of the management, secretarial, advertising, publicity, accountancy, marketing, distribution, administration, recording, rehearsal, personal and social facilities and services required or used by singers, composers, musicians, actors, authors, songwriters, playwrights, photographers, artists, producers, scriptwriters, technicians and

entertainers of all kinds and all and any such other persons as the Company shall think fit; to carry on the business of theatrical, literary, advertising, public relations, publicity, press and employment agents and managers and to promote and to employ or otherwise acquire, assign, hire out, make available, exploit, develop and dispose of such services and products as aforesaid and the benefit of any arrangements relating thereto;

- (j) to carry on business as creators, designers, manufacturers, dealers in and to exploit by every means toys, books, games, souvenirs and articles of amusement, entertainment, decoration, education and recreation and merchandise of every kind and to carry on the business of merchandising of individual persons;
- (k) to manufacture, produce, buy, sell, hire, lease, distribute, transport, store, and generally deal in all kinds of goods, articles, substances, minerals, raw and artificial materials, vehicles, clothing and things whether wholly or partly in their natural state or manufactured and generally in respect of all or any of the foregoing and in any other manner whatsoever, to act as agents, wholesalers, retailers, factors, brokers, warehousemen, bailees, concessionaires, franchisees, carriers, sub-contractors, general commission agents, exporters, and importers;
- (l) to purchase or otherwise acquire, and to hold, develop, turn to account, exploit, sell, exchange lease, hire, charge, convert, dispose of and deal with rights of copyright in and all other kinds of rights over or in respect of, and contracts, obligations and options in any way concerning journalistic, musical, dramatic, theatrical, literary, artistic and pictorial works, scripts of all kinds, television and performing rights, photographs, videos, films, motion pictures, radio productions, and generally entertainments and artistic creations of all kinds;
- (m) to carry on in any part of the world any other business or trade which may seem to the Company capable of being conveniently carried on in connection with or ancillary to all or any of the above-mentioned businesses or objects or calculated directly or indirectly to enhance the value of or render more profitable any property, rights or privileges real or personal belonging to the Company or in which the Company may be interested;
- (n) to apply for, register, purchase or otherwise acquire and protect, prolong and renew in any part of the world any patents, patent rights, brevets d'invention, trade marks, service marks, designs, copyrights, formulae, licenses, processes, privileges, protections, concessions, and the like conferring any exclusive or non-exclusive or limited right to their use of any secret or other information which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the Company and to use, exercise, work, experiment and carry on research in respect of any property, rights or information of the Company whether acquired as aforesaid or otherwise and to expend money in experimenting upon, testing or improving any such patents, inventions or rights;
- (o) to manufacture and sell, or otherwise dispose of any of the articles which can be manufactured under any of the aforesaid rights or any other rights of whatsoever nature held by the Company and to work, grant licenses in respect of, promote, develop, hold, sell, hire, charge, convert, dispose of and otherwise turn to account all property, rights or information held by the Company whether as owner, licensee or otherwise, and contracts, obligations and options relating thereto and in particular by carrying on any business which may be conducive thereto;
- (p) to purchase, take in exchange, or on lease or hire or by any other means acquire and hold any freehold, leasehold or other property for any estate or interest whatsoever and any licenses, privileges, concessions, easements and any other rights, options, or interests over or in respect of any such property and any other real or personal property or rights whatsoever which may be necessary for, or may be conveniently used with, or may enhance the value of any property of the Company and to vest any real or personal

property, rights or interests acquired by or belonging to the Company in any person or company on behalf or for the benefit of the Company, with or without any declared trust in favour of the Company;

- (q) to make, erect, construct, build, lay down or acquire by purchase, loan, lease or otherwise and from time to time maintain, renew, repair, enlarge, restrict, improve, alter, modify, rebuild, remove, replace and otherwise deal with any buildings, works, warehouses, factories, sheds, stores, offices, shops, houses, workshops, railways and roads, sidings, bridges, wharves, machinery, boilers, steam, gas, electric, diesel and other engines, implements, tools, utensils, lighters and other vessels, lorries, wagons and other vehicles and any other erection, plant, work, stock, article, or thing which may from time to time be requisite or convenient for carrying on or developing the business for the time being carried on by the Company or expedient to be used therein or for the purposes thereof;
- (r) to invest and deal with the moneys of the Company not immediately required in any manner and to lend and advance money or give credit to such persons or companies and on such terms as may seem expedient and in particular to customers and others having dealings with the Company and to guarantee the performance of any contract or obligation and the payment of moneys of or by any such persons or companies and in particular of or by the holding company of the Company or any subsidiary of the Company or any other company being with the Company (or with such holding company of the Company as the case may be) a member of a group of companies having a common holding company (hereinafter called an associated company) and generally to give guarantees and indemnities;
- (s) to receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit and in particular by the issue of debentures or debentures stock on whatever terms the Company or the holding company of the Company may deem expedient and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the undertaking and all or any of the property or assets of the Company (both present and future) including its uncalled capital and also by a like mortgage, charge or lien to secure and guarantee the performance by the Company, the holding company of the Company, and any subsidiary of the Company, any associated company or any other person or company or any obligation undertaken by the Company, the holding company of the Company, any subsidiary of the Company, any associated company or any other person or company as the case may be;
- (t) to support and subscribe to any charitable or public object or any institution, society or club which may be for the benefit of the Company or any holding, subsidiary or associated company as hereinbefore defined or the employees thereof or which may be connected with any town or place where the Company or such other companies as aforesaid carries on business and to establish and maintain or procure the establishment and maintenance of any contributory or noncontributory pension or superannuation funds or life assurance schemes for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons, who are or were at any time in the employment or service of the Company or of any such other companies as aforesaid or who are or were at any time directors or officers of the Company or of any such other companies as aforesaid and the wives, widows, families and dependants of any such persons and to establish and contribute to any scheme for the purchase by trustees of shares in the Company or in any of such other companies as aforesaid to be held for the benefit of the employees of the Company and subject to the provisions of Sections 151 to 158 inclusive of the Companies Act 1985 to lend money to the employees of the Company or of any such other companies as aforesaid to enable them to purchase shares in the Company or in any such other companies as aforesaid;
- (u) to remunerate any individual firm or company rendering services, including the directors, managers and employees of the company or any of them out of or in proportion to the returns or profits of the Company or otherwise as the Company may think fit and to

formulate and carry into effect any scheme for sharing profits of the Company or of its holding company or any subsidiary or associated company or any of them with the directors, managers and employees of the company or of such other company as aforesaid or any of such persons;

- (v) to draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments and to buy, sell and deal in foreign currencies;
- (w) to purchase or otherwise acquire and undertake all or any of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate or enter into any arrangement for sharing profits or for co-operation or for limiting competition or for mutual assistance, with any such person, firm or company, including in such case, if thought fit, the conferring of a participation in the management or its directorate and to give or accept by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or other securities that may be agreed upon, and to hold and retain or sell, mortgage and deal with any shares, debentures, debenture stock or other securities so received and to give to any company special rights or privileges in connection with or control over the Company and in particular the right to nominate one or more directors of the Company;
- (x) to pay for any property or rights or services acquired by the Company and to remunerate any person or company either in cash or fully or partly paid-up shares, with or without preferred or deferred or guaranteed rights in respect of dividends or repayments of capital or otherwise, or by any securities which the Company has power to issue or partly in one mode and partly in another, and generally on such terms as the Company may determine;
- (y) to take part in the management, supervision, finance, subsidisation and control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any directors, trustees, accountants or other expert or agent;
- (z) to sell, exchange, lease, assign, mortgage, improve, let on rent, develop, turn to account by means of royalty or share of profits or otherwise grant licenses, easements and other rights in or over and in any other manner deal with or dispose of the undertaking, property, rights and assets of the Company or any part thereof for such consideration as the Company may at its discretion think fit;
- (aa) to accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise or in fully or partly paid up shares of any company or corporation with or without deferred or preferred or guaranteed rights in respect of dividends or repayments of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another and generally on such terms as the Company may determine and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired;
- (bb) to amalgamate, enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests, joint venture or reciprocal concession or co-operation with any company, firm or person carrying on or proposing to carry on any business capable of being conducted so as directly or indirectly to benefit the Company, and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such company and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company;

- (cc) to establish or promote or concur in establishing or promoting any other company (either in the United Kingdom or abroad) whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of the Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of the Company, and to subscribe, hold or otherwise acquire and dispose of shares, stock or securities issued by or any other obligations of any such company;
- (dd) to pay all expenses of and preliminary to or in any way relating to the formation, establishment and registration of the Company, or any negotiations, act, deed, or thing in connection therewith, and to remunerate any person or company rendering services to the Company including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting, of shares, debentures, debenture stock or other securities of the Company, either by cash payments or by the allotment of shares or securities of the Company credited as paid up in full or in part, or otherwise, as may be thought expedient;
- (ee) to apply for, promote, obtain, carry out, exercise and comply with any Act of Parliament, charter, privilege, concession, Provisional Order or License of the Department of Trade and Industry or other authority for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests and to enter into any arrangements with any governments or authorities (supreme, municipal, local or otherwise) or any corporations, companies or persons that may seem conducive to the objects of the Company or any of them;
- (ff) to act as agents or brokers and as trustees for any person, firm or company and to undertake and perform sub-contracts and also to act in any of the businesses of the Company through or by means of agents, brokers, sub-contractors or others;
- (gg) to distribute among the members any property of the Company, or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (hh) to insure with any other company or person(s) against losses, damages, risks and liabilities of all kinds which may affect the Company or any associated company;
- (ii) to procure the Company to be registered or recognised in any part of the world outside the United Kingdom;
- (jj) to conduct any research or development which may seem necessary or desirable for the purposes of any of the Company's businesses;
- (kk) to carry on any business which the Company is authorised to carry on by means, or through the agency of, any subsidiaries and to enter into any agreement with any such subsidiary for taking the profits and bearing the losses of any business or guaranteeing its liabilities, or to make any other arrangement which may seem desirable with reference to any business so carried on including power at any time, and either temporarily or permanently, to close any such branch of business;
- (ll) to do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors, or otherwise, and either alone or in conjunction with others, and either by or through agents, brokers, sub-contractors, trustees or otherwise; and
- (mm) to do all such other things which in the opinion of the Directors may be incidental or conducive to the above objects or any of them.



4 It is hereby expressly declared that each sub-clause of this Clause shall be construed independently of the other sub-clauses hereof, and that none of the objects mentioned in any sub-clause shall be deemed to be merely subsidiary to the objects mentioned in any other subclause but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said sub-clauses defined the objects of a separate and distinct company.

5 The liability of the members is limited.

6 The share capital of the Company is £10,000 divided into 10,000 shares of £1 each.<sup>2</sup>

We, the several persons whose names and addresses are subscribed are desirous of being formed into a Company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Names, addresses and description of subscribers	No. of shares taken by each subscriber
L. GOULD 96 Albion Gate London W2  Company Director	ONE
S.W. TURNER 31 Garrard Road Banstead Surrey  Accountant	ONE
TOTAL SHARES TAKEN	TWO

Dated the 20th day of February 1969

Witness to the above signatures:

R.A.P. BURRILL  
Century House  
Shaftesbury Avenue  
London WC2

Solicitor

<sup>2</sup> The nominal share capital of the Company was altered:

- (a) by Special Resolution passed on the 11th day of August 1975 to £15,000 divided into 10,000 Deferred Shares of £1 each and 5,000 Ordinary Shares of £1 each; and
- (b) by Written Resolution passed on 12th day of February 2002 to £17,045 by the creation of an additional 2,045 preference shares of £1 each.

"A"

**THE COMPANIES ACT 1985**  
**A PRIVATE COMPANY LIMITED BY SHARES**  
**NEW**  
**ARTICLES OF ASSOCIATION**  
**(as adopted by written resolution dated 12 February, 2002)**  
**of**  
**UNIVERSAL MUSIC OPERATIONS LIMITED**

**INTERPRETATION**

1. In these articles:

"**the Act**" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force.

"**the articles**" means these articles of association .

"**business day**" means a day (other than a Saturday or a Sunday) on which banks are generally open in London and Paris for normal business.

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

"**communication**" has the meaning given in the Electronic Communications Act 2000.

"**electronic communication**" has the meaning given in the Electronic Communications Act 2000.

"**executed**" includes any mode of execution.

"**LIBOR**" means:

- (a) the rate per annum which appears on Page 3750 on the Telerate Screen; or
- (b) if no such rate appears, the arithmetic mean (rounded upward to four decimal places) of the relevant offered rates which appear on the relevant page (if any) on the Reuters Screen; or

- (c) if no such rate appears on the Telerate Screen and one only or no offered rate appears on the relevant page of the Reuters Screen or there is no relevant page on the Reuters Screen, the arithmetic mean (rounded upward to four decimal places) of the rates as quoted by Credit Lyonnais S.A., London branch to leading banks in the London interbank market;

at or about 11.00 a.m. at the relevant time for the offering of Sterling deposits for the relevant period.

**"office"** means the registered office of the company.

**"Sterling"** or **"£"** means the lawful currency for the time being of the United Kingdom.

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

**"the seal"** means the common seal of the company.

**"secretary"** means the secretary of the company or any other person appointed to perform the duties of the secretary of the company, including a joint, assistant or deputy secretary.

**"the United Kingdom"** means Great Britain and Northern Ireland.

Unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these articles become binding on the company.

In these articles, words importing the singular shall where the context so admits, include the plural and vice versa. Words importing the masculine gender shall include the feminine gender. Words importing persons shall include corporations.

## SHARE CAPITAL

2. The company is a private limited company and in accordance with section 81 of the Act shall not offer to the public (whether for cash or otherwise) any shares in or debentures of the company, nor allot, or agree to allot, any such shares or debentures with a view to all or any of them being offered for sale to the public.
3. The directors are generally authorised (subject to article 4) to allot, issue, grant options over or otherwise deal with or dispose of all the unissued shares in the initial authorised share capital of the company to such persons, at such times, and generally on such terms as they think proper, subject always to sections 100 and 130 of the Act.

Any shares may be issued by the company on the terms that they are, or at the option of the company or the holder of the shares are liable, to be redeemed on such terms and in such manner as the company, before the issue of the shares, may by special resolution determine.

4. The authority given to the directors to issue shares in the capital of the company under article 3 above:
  - (a) shall extend to and include the issue of any other form of security which is, by its terms of issue, capable of being converted into ordinary shares of the company,

- provided that on allotment the nominal amount of such security together with the nominal amount of shares in the capital of the company issued prior to the aforesaid date of allotment does not exceed the authorised share capital of the Company;
- (b) shall cease on the fifth anniversary of the date of adoption of these articles or on such earlier date as the company may by ordinary resolution determine until such authority is renewed in such manner as the members may resolve in accordance with section 80 of the Act;
  - (c) shall be subject to such variations and amendments as the company may by ordinary resolution resolve; and
  - (d) shall include power to allot equity securities as defined in section 94 of the Act as if section 89(1) thereof did not apply.

Where the said authority to issue shares is given, varied, revoked or renewed in connection with any variation of the rights attaching to any class of shares in the company then the provisions of section 125 of the Act shall apply to such variation.

- 4A The share capital of the Company at the date of adoption of these articles is £17,045 divided into 2,045 non-redeemable preference shares of £1 each ("preference shares") and 15,000 ordinary shares of £1 each ("ordinary shares"). The preference shares have the special rights and privileges and are subject to the restrictions set out in articles 7B to 7E inclusive but in all other respects shall enjoy all rights accorded to, and be subject to the restrictions imposed upon, the members of the Company generally either by operation of law or under the articles.
- 5. The rights of pre-emption contained in sections 89 and 90 of the Act shall not apply to the allotment of equity securities (as defined in section 94 of the Act) of the company.
- 6. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the company may by ordinary resolution determine.
- 7. The company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

#### 7A **Variation of rights**

- (1) Whenever the capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.
- (2) All the provisions of these articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every such separate general meeting of the holders of each class of share, except that:
  - (a) the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class or, where all the shares of a class are held by a sole person, that person shall constitute a quorum;

- (b) at an adjourned meeting the necessary quorum shall be one person holding shares of the class or his proxy;
  - (c) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
  - (d) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.
- (3) Each of the following shall be deemed to be a variation of the rights attached to the preference shares:
- (a) the issue or allotment by the Company of any further preference shares or any other shares ranking *pari passu* or in priority to the preference shares or the grant by the Company of any rights to subscribe for or to convert securities into such shares;
  - (b) the amendment or replacement of these articles or any part of them;
  - (c) the reduction or repayment of all or any part of the share capital of the Company, or of its share premium account or capital redemption reserve, or the acquisition by the Company or any of its subsidiaries of any share capital of the Company;
  - (d) the amendment of any or all of the rights attaching to the preference shares;
  - (e) any variation to the share capital of the Company, or any rights attaching thereto, or any dilution of the interest of the holders of preference shares in the Company, which in each case may have an adverse effect on the interests of the holder of preference shares and/or may result in the holders of the preference shares having less than 5% of the voting rights of the Company; and
  - (f) the passing of a resolution for the voluntary winding-up of the Company or any of its subsidiaries or any other transaction that might result in the holders of the preference shares receiving proceeds other than shares in the resulting entity that have rights identical to those of the preference shares.

#### **Rights, privileges and restrictions attached to the preference shares**

##### **7B Income**

- (1) The profits which the Company may decide to distribute to its shareholders in respect of any financial year or other period for which its accounts are made up shall be applied in paying to each holder of a preference share, in priority to any payment to the holders of any other class of shares, a fixed preference dividend (the "preferential dividend") payable in pounds sterling of an amount per annum equal to 4.82 per cent. of the capital and premium paid up on each preference share at the time of issue.
- (2) The preferential dividend accrues from day to day and is payable on the basis set out in article 7B(3) on 30th June and 31st December in each year or, if either of those dates do not fall on a business day, then the business day immediately preceding the relevant date (each such date on which the preferential dividend is payable being a "preferential dividend payment date").

- (3) The preferential dividend payable on a preferential dividend payment date is that amount (calculated on a daily basis) which has accrued in respect of the period ending on (and including) the day before that preferential dividend payment date and beginning on (and including) the previous preferential dividend payment date. If the preferential dividend payment date is the first preferential dividend payment date in respect of the preference shares, then the preferential dividend payable on that first preferential dividend payment date is that amount (calculated on a daily basis) which has accrued in respect of the period ending on (and including) the day before that first preferential dividend payment date and beginning on (and including) the date on which the preference shares are issued by the Company.
- (4) The preferential dividend shall be due and payable on the relevant preferential dividend payment dates and it shall on those dates *ipso facto* and without any resolution of the board or of the Company in general meeting (and notwithstanding anything contained in articles 99 to 105 (inclusive)) become a debt due from and immediately payable by the Company to the holders of the preference shares. Without prejudice to the dividend being due and payable in accordance with this article on the relevant preferential dividend payment dates, payment of the dividend is subject to there being profits (as defined in section 263(3) of the Act) out of which the same may be lawfully paid.
- (5) Subject to the Act, the board shall be obliged to declare and pay the preferential dividend on each preferential dividend payment date together with any arrears or accruals of any preferential dividend.
- (6) If the whole or any part of the preferential dividend is not paid on the relevant preferential dividend payment date, to the extent that the preferential dividend shall have become a debt due in accordance with paragraph (3) above, interest shall be payable by the Company on the unpaid amount of preferential dividend at the rate of LIBOR plus 1.6 per cent. per annum calculated on a daily basis from that preferential dividend payment date to the date of payment.
- (7) The preferential dividend shall be paid in priority to any dividends and other distributions made in respect of the ordinary shares or any other shares issued from time to time.
- (8) A preference share shall entitle the holder to rights of participation in the profits of the Company as set out in article 7B(1) which shall be the only rights of participation in such profits to which the holder of a preference share shall be entitled.

#### 7C **Capital**

- (1) On a return of capital on a winding-up (or otherwise) (but not in respect of any redemption, conversion or purchase of shares by the Company) the assets of the Company available for distribution to its members shall be applied:
  - (a) first, in paying to each holder of a preference share a sum equal to any arrears or accruals of the preferential dividend on that share, whether or not the preferential dividend has been earned or declared, calculated down to and including the date of the commencement of the winding-up;
  - (b) secondly, in repaying the capital paid up on each preference share together with the premium paid on each preference share at the time of issue; and

- (c) thirdly, in any surplus assets existing after the payments under sub-paragraphs (a) and (b) (inclusive) above being distributed rateably amongst the holders of the ordinary shares (according to the amounts paid up on their respective holdings of ordinary shares).
- (2) Except as provided in this article 7C, a preference share does not entitle the holder to any other rights on a return of capital of the Company.
- 7D **Non-redeemable**  
  
The preference shares are not redeemable.
- 7E **Other matters**  
  
The Company shall at the same time send to the holders of the preference shares a copy of every document sent to the holders of ordinary shares
- 8. Except as required by law, no person shall be recognised by the company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

#### **SHARE CERTIFICATES**

- 9. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates, each for one or more of his shares, upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.
- 10. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

#### **LIEN**

- 11. The company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a first and paramount lien on all shares standing registered in the name of any person for all moneys presently payable by him or by his estate to the company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The company's lien, if any, on a share shall extend to all dividends payable thereon.

12. The company may sell in such manner as the directors determine any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
13. To give effect to a sale the directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
14. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES AND FORFEITURE**

15. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect whereof the call was made.
16. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
18. If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Act) but the directors may waive payment of the interest wholly or in part.
19. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid the provisions of the articles shall apply as if that amount had become due and payable by virtue of a call.
20. Subject to the terms of allotment, the directors may make arrangements on the issue of shares for a difference between the holders in the amounts and times of payment of calls on their shares.



21. If a call remains unpaid after it has become due and payable, the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.
22. If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
23. Subject to the provisions of the Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and, at any time before sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorise some person to execute an instrument of transfer of the share to that person.
24. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the company for cancellation the certificate for the shares forfeited but shall remain liable to the company for all moneys which at the date of forfeiture were presently payable by him to the company in respect of those shares with interest at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Act) from the date of forfeiture until payment but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
25. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

### **TRANSFER OF SHARES**

26. The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
27. The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless:
  - (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;
  - (b) it is in respect of only one class of shares; and

- (c) it is in favour of not more than four transferees.
28. If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.
29. The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
30. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
31. The company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

### **TRANSMISSION OF SHARES**

32. If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the company as having any title to his interest; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
33. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder, he shall give notice to the company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
34. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the company or at any separate meeting of the holders of any class of shares in the company.

### **ALTERATION OF SHARE CAPITAL**

35. Subject to article 7A the company may by ordinary resolution:
- (a) increase its share capital by new shares of such amount as the resolution prescribes;
  - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and

- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
36. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
37. Subject to the provisions of the Act, the company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

#### **PURCHASE OF OWN SHARES**

38. Subject to the provisions of the Act, the company may purchase its own shares (including any redeemable shares) and, if it is a private company, make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the company or the proceeds of a fresh issue of shares.

#### **GENERAL MEETINGS**

39. Every notice convening a General Meeting shall comply with the provisions of section 372 of the Act as to giving information to members in regard to their right to appoint proxies.
40. An annual general meeting or an extraordinary general meeting called for the purpose of, inter alia, passing a resolution either:
- (a) to remove a director before the expiration of his period of office under section 303 of the Act; or
  - (b) to appoint as auditor a person other than a retiring auditor; or
  - (c) to fill a casual vacancy in the office of auditor; or
  - (d) to re-appoint as auditor a retiring auditor who was appointed by the directors to fill a casual vacancy; or
  - (e) to remove an auditor before the expiration of his term of office; or
  - (f) to appoint a director of the company who is at the time of the appointment aged 70 or over,

shall be called by at least twenty-one clear days' notice.

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

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

### **NOTICE OF GENERAL MEETINGS**

43. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:
- (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 any other meeting, by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety five per cent in nominal value of the shares giving that right.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.

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

### **PROCEEDINGS AT GENERAL MEETINGS**

45. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
46. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine. If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting, shall be dissolved.
47. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

48. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
49. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the company.
50. The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fifty-six days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
51. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- (a) by the chairman; or
  - (b) by at least two members having the right to vote at the meeting; or
  - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;
- and a demand by a person as proxy for a member shall be the same as a demand by the member.
52. Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
53. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
54. A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
55. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

56. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
57. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
58. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

#### **VOTES OF MEMBERS**

59. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every share of which he is the holder.
60. In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the register of members.
61. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
62. No member shall vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
63. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
64. On a poll, votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion.

65. The appointment of a proxy shall be executed by or on behalf of the appointor and shall be in the following form (or in a form as near thereto as circumstances allow or in any other form which is usual or which the directors may approve):

“ PLC/Limited

I/We, , of

, being a

member/members of the above-named company, hereby appoint

of

, or failing him,

of , as my/our proxy to vote in my/our name[s] and on my/our behalf

at the annual/extraordinary general meeting of the company to be held on

20 , and at any adjournment thereof.

Signed on 20 .”

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

“ PLC/Limited

I/We, , of

, being a

member/members of the above-named company, hereby appoint

of

, or failing him,

of , as my/our proxy to vote in my/our name[s] and on my/our behalf

at the annual/extraordinary general meeting of the company to be held on

20 , and at any adjournment thereof.

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

Resolution No 1 \*for \*against

Resolution No 2 \*for \*against

\*Strike out whichever is not desired.

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

Signed this                      day of                      20                      ."

67. The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:

- (a) in the case of an instrument in writing, be deposited at the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the company in relation to the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:
  - (i) in the notice convening the meeting; or
  - (ii) in any instrument of proxy sent out by the company in relation to the meeting; or
  - (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the company in relation to the meeting,

be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

- (c) in the case of a poll taken more than 48 hours after it is demanded, be deposited or received as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (d) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an appointment of proxy which is not deposited, delivered or received in a manner so permitted shall be invalid.

In this article and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

68. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at the office or at such other place at which the instrument of proxy was duly deposited or, where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.



### **NUMBER OF DIRECTORS**

69. Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall be not less than two. If and so long as there is a sole director, such director may act alone in exercising all the powers and authorities vested in the directors.

### **POWERS OF DIRECTORS**

70. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors who may exercise all the powers of the company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
71. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

### **DELEGATION OF DIRECTORS' POWERS**

72. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers, and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

73. The directors shall not be required to retire by rotation
74. The directors may appoint a person who is willing to act as a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors.
75. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person who is recommended by the directors for appointment as a director at the meeting or in respect of whom notice has been duly given to the company of the intention to propose him at the meeting for appointment as a director. The notice shall give the particulars of that person which would, if he were so appointed, be required to be included in the company's register of directors.
76. Subject as aforesaid, the company may by ordinary resolution appoint a person who is willing to act as a director either to fill a vacancy or as an additional director.

### **BORROWING POWERS**

77. The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof.

### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

78. The office of a director shall be vacated if:
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
  - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) he is, or may be, suffering from mental disorder and either:
    - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
    - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
  - (d) he resigns his office by notice to the company; or
  - (e) a member or members holding a majority in nominal value of the issued shares for the time being in the company shall have the power from time to time to remove from office any director howsoever appointed. Any such removal shall be effected by notice in writing to the company signed by the member or members making the same or in the case of any member being a company, signed by any director thereof or by any person so authorised by resolution of the directors or of the governing body thereof. Any such removal shall take effect when the notice effecting the same is delivered to the registered office of the company or to the secretary or is produced at a meeting of the directors, and any such removal shall be without prejudice to any claim which a director so removed may have under any contract between him and the company.

### **REMUNERATION OF DIRECTORS**

79. The directors shall be entitled to such remuneration as the company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

### **DIRECTORS' EXPENSES**

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

### **DIRECTORS' APPOINTMENTS AND INTERESTS**

81. Subject to the provisions of the Act, the directors may appoint one or more of their number to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the company.
  
82. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director, notwithstanding his office:
  - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
  - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the company or in which the company is otherwise interested; and
  - (c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
  
83. For the purposes of article 82:
  - (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
  - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

### **DIRECTORS' GRATUITIES AND PENSIONS**

84. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or a predecessor in business of the company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

## PROCEEDINGS OF DIRECTORS

85. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
86. (1) A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:
- (a) to hear each of the other participating directors addressing the meeting; and
  - (b) if he so wishes, to address all of the other participating directors simultaneously,
- whether directly, by conference telephone or by any other form of communications equipment (whether in use when these articles are adopted or not) or by a combination of those methods.
- (2) A quorum is deemed to be present if those conditions are satisfied in respect of at least the number of directors required to form a quorum, subject to the provisions of article 93.
- (3) A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.
87. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
88. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
89. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.

90. All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
91. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed (which includes being approved by letter, facsimile, telegram, telex or other form of written communication, whether electronic or otherwise) by one or more directors.
92. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the company shall declare his interest in the manner required by section 317 of the Act.
93. Subject to article 94, provided that he has disclosed to the directors the nature and extent of any material interest of his, a director may vote as a director on a resolution concerning any matter in which he has, directly or indirectly, an interest or duty and, if he votes, his vote shall be counted and he shall be counted in the quorum when that resolution or matter is under consideration.
94. Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the company or any body corporate in which the company is interested the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
95. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

#### **SECRETARY**

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

#### **MINUTES**

97. The directors shall cause minutes to be made in books kept for the purpose:
  - (a) of all appointments of officers made by the directors; and
  - (b) of all proceedings at meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

### THE SEAL

98. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director. Any use of the seal or signature of any instrument to which the seal is affixed shall be valid notwithstanding any failure to comply with this article if subsequently ratified by a resolution of the board of directors.

### DIVIDENDS

99. Subject to the provisions of the Act, the company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
100. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear or if the payment of the interim dividend would be likely to prevent payment of any future preferential dividend. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
101. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
102. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees. Notwithstanding the above the preferential dividend may not be satisfied wholly or partly by the distribution of assets without the prior written consent of the holder of the relevant preference shares.
103. Any dividend or other moneys payable in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and

payment of the cheque shall be a good discharge to the company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.

104. No dividend or other moneys payable in respect of a share shall bear interest against the company unless otherwise provided by the rights attached to the share.
105. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

### **ACCOUNTS**

106. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

### **CAPITALISATION OF PROFITS**

107. The directors may with the authority of an ordinary resolution of the company:
  - (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the company's share premium account or capital redemption reserve;
  - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
  - (c) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this article in fractions; and
  - (d) authorise any person to enter on behalf of all the members concerned into an agreement with the company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

### **NOTICES**

108. Any notice to be given to or by any person pursuant to the articles (other than a notice calling a meeting of the directors) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice. In this article, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

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

In this article and the next, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

110. A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
111. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from whom he derives his title.
112. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.
113. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description at the address, if any, within the United Kingdom supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

#### WINDING UP

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



### INDEMNITY

115. Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against 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 in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.
116. Subject to the provisions of section 310 of the Act and in addition to such indemnity as is contained in article 115, every director and other officer of the company shall be entitled to be indemnified out of the assets of the company against all losses and liabilities incurred by him in or about the execution and discharge of the duties of his office.

### INFORMATION

117. The directors may at any time require any person whose name is entered in the register of members of the company to furnish them with any information, supported (if the directors so require) by a statutory declaration, which the directors consider necessary for the purpose of determining whether or not the company is a close company as defined by section 414 of the Income & Corporation Taxes Act 1988 or any statutory modification or re-enactment thereof.