

COMPANY NUMBER: 1882358

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
WRITTEN RESOLUTION  
OF


CHARLOTTE STREET RESTUARANTS PLC  
(the "Company")

DATED 5 July 2005

We, the undersigned, being all of the members for the time being of the Company entitled to receive notice of, and to attend and vote at, general meetings of the Company, **HEREBY PASS** the following resolutions as a special resolutions and agree that the said resolutions shall, pursuant to Regulation 53 in Table A as contained in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended), for all purposes be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held:

**SPECIAL RESOLUTION**

THAT the new articles of association of the Company in the form attached to this written resolution be approved and adopted as the articles of association of the Company to the exclusion of the Company's existing articles of association.

Signed   
For and on behalf of  
Groupe Chez Gerard Limited



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THE COMPANIES ACTS 1948 to 1983

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PUBLIC COMPANY LIMITED BY SHARES

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NEW ARTICLES OF ASSOCIATION  
(as adopted by Special Resolution passed 5 July 2005)  
of

CHARLOTTE STREET RESTAURANTS PLC

Incorporated the 1st day of February, 1985

Company No. 1882358

## CONTENTS

Clause		Page
1.	OTHER REGULATIONS EXCLUDED	1
2.	INTERPRETATION	1
3.	BUSINESS	2
4.	REGISTERED OFFICE	2
5.	SHARE CAPITAL	3
6.	SHARE ISSUES	3
7.	SPECIAL RIGHTS MAY BE ATTACHED TO SHARES	3
8.	COMMISSION AND BROKERAGE	3
9.	JOINT HOLDERS OF SHARES	3
10.	TRUSTS NOT TO BE RECOGNISED	3
11.	SHARE CERTIFICATES	3
12.	LIEN ON SHARES	4
13.	CALLS ON SHARES	4
14.	TRANSFER AND PURCHASE OF SHARES	5
15.	TRANSMISSION OF SHARES	9
16.	FORFEITURE OF SHARES	9
17.	CONVERSION OF SHARES INTO STOCK	10
18.	ALTERATIONS OF CAPITAL	10
19.	INCREASE OF CAPITAL	11
20.	MODIFICATION OF CLASS RIGHTS	11
21.	GENERAL MEETINGS	12
22.	PROCEEDINGS AT GENERAL MEETINGS	12
23.	VOTES OF MEMBERS	14
24.	UNTRACED MEMBERS	16
25.	DIRECTORS	16
26.	DIRECTORS' REMUNERATION	16
27.	VACATION OF OFFICE BY DIRECTORS	17
28.	DIRECTOR CONTRACTING WITH THE COMPANY	17
29.	POWERS AND DUTIES OF DIRECTORS	19
30.	DIRECTORS' BORROWING POWERS	19
31.	CONSEQUENCES OF VACANCY ON BOARD	21
32.	BANKING ARRANGEMENTS	21
33.	COMMITTEES	21
34.	PENSIONS	22
35.	ATTORNEYS	22
36.	MANAGING DIRECTOR AND OTHER APPOINTMENTS	22

37.	ROTATION, APPOINTMENT AND REMOVAL OF DIRECTORS	22
38.	ASSOCIATE DIRECTORS	23
39.	ALTERNATE DIRECTORS	24
40.	PROCEEDINGS OF DIRECTORS	24
41.	CHAIRMAN	25
42.	DELEGATION OF POWERS	25
43.	EFFECTS OF DEFECT IN DIRECTOR'S APPOINTMENT	25
44.	MINUTES	26
45.	THE SEAL	26
46.	THE SECRETARY	26
47.	RECORD DATES	26
48.	DIVIDENDS	27
49.	RESERVES	27
50.	CAPITALISATION OF RESERVES	28
51.	ACCOUNTS	28
52.	AUDIT	28
53.	AUTHENTICATION OF DOCUMENTS	29
54.	NOTICES	29
55.	WINDING UP	30
56.	INDEMNITY	30

**THE COMPANIES ACTS 1948 to 1983**

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**PUBLIC COMPANY LIMITED BY SHARES**

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**NEW ARTICLES OF ASSOCIATION**

**of**

**CHARLOTTE STREET RESTAURANTS PLC**  
**(as adopted by Special Resolution passed on 5 July 2005)**

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**1. OTHER REGULATIONS EXCLUDED**

No regulations for management of a company set out in any schedule to any statute concerning companies shall apply to the Company, but the following shall be the Articles of Association of the Company.

**2. INTERPRETATION**

**2.1 In these Articles the following expressions have the following meanings:**

"the Company"	Charlotte Street Restaurants PLC
"the Act"	the Companies Act, 1948 as amended by the other enactments mentioned in section 119(2) of the Companies Act 1981 and section 7(2) of the Companies (Beneficial Interests) Act 1983.
"the Statutes"	the Companies Acts 1948 to 1983 and every other Act for the time being in force concerning companies and affecting the Company.
"these Articles"	these Articles of Association as altered from time to time.
"the Board"	the Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present.
"dividend"	includes bonus, if not inconsistent with the subject or context.
"the Office"	the registered office for the time being of the Company.
"the Register"	the register of members of the Company. .
"the Seal"	the common seal of the Company.
"the United Kingdom"	Great Britain Northern Ireland the Channel Islands and the Isle of Man.
"month"	calendar month.
"year"	year from 1st January to 31st December inclusive.

"paid up"	paid up or credited as paid up in respect of the nominal amount of a Share.
"the Auditors"	the auditors for the time being of the Company.
"the Group"	the Company and its subsidiaries (within the meaning of section 154 of the Act) for the time being.
"the audited balance sheet"	the latest audited balance sheet of the Company unless as at the date of such balance sheet there shall have been made up as at such date and audited a consolidated balance sheet of the Company and its subsidiaries (with such exceptions as may be permitted in the case of a consolidated balance sheet prepared for the purposes of the Statutes) and in the latter event "the audited balance sheet" means the audited consolidated balance sheet of the Company and such subsidiaries and references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries.
"writing"	includes printing, typewriting, lithography, photography and any other mode or modes of presenting or reproducing words in a visible form.
"share and shareholder"	includes stock and stockholder.
"the Secretary"	subject to the provisions of the Statutes includes joint Secretaries, a temporary or an assistant Secretary and any person appointed by the Board to perform any of the duties of the Secretary.

## 2.2 Words importing:-

- (a) the singular number only include the plural number and vice versa;
- (b) the masculine gender only include the feminine gender;
- (c) persons include corporations.

## 2.3 References to:-

- (a) "mental disorder" means mental disorder as defined in section 1 of the Mental Health Act 1983 and "mentally disordered" shall be construed accordingly;
- (b) any section or provision of any Statute, if not inconsistent with the subject or context, include any corresponding or substituted section or provision of any amending, consolidating or replacement Statute;
- (c) an Article by number are to the particular Article of these Articles.

## 2.4 Subject as aforesaid, any word or expression defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

## 2.5 The headings are inserted for convenience only and shall not affect the construction of these Articles.

## 3. BUSINESS

- 3.1 Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Board at such time or times as it shall think fit, and further may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with the same.

## 4. REGISTERED OFFICE

- 4.1 The Office shall be at such place in England and Wales as the Board shall from time to time appoint.

## **5. SHARE CAPITAL**

- 5.1 The share capital of the Company at the date of the adoption of these Articles is £6,500,000 divided into 6,500,000 Ordinary Shares of £1 each.

## **6. SHARE ISSUES**

- 6.1 Subject to provisions of the Statutes relating to authority, pre-emption rights and otherwise and to any directions which may be given by the Company in General Meeting, shares unissued at the date of adoption of these Articles and any shares hereafter created shall be under the control of the Board, which may allot, grant options over or otherwise dispose of the same to such persons (including the Directors themselves) on such terms and at such times as the Board may think proper, provided that no shares shall be issued at a discount.
- 6.2 Any share may, with the sanction of a Special Resolution, be issued on the terms that it is, or at the option of the Company or of the holder of such share is liable, to be redeemed.
- 6.3 Subject to the provisions of the Statutes the Company may purchase any of its own shares and (without prejudice to the generality of the foregoing) the Company may (subject to any directions which may be given by the Company in General Meeting) make a market purchase (within the meaning of section 49 of the Companies Act 1981) of any of its own shares.

## **7. SPECIAL RIGHTS MAY BE ATTACHED TO SHARES**

- 7.1 Without prejudice to any special rights previously conferred on the holders of the existing shares, and subject to the provisions of the Statutes and of these Articles, any shares may be issued with such preferential, deferred, qualified or other special rights, privileges or conditions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution direct.

## **8. COMMISSION AND BROKERAGE**

- 8.1 The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Statutes. Any such commission or brokerage may be satisfied in whole or in part in fully paid shares of the Company, in which case section 53 of the Act shall be complied with.

## **9. JOINT HOLDERS OF SHARES**

- 9.1 If 2 or more persons are registered as joint holders of any share any one of such persons may give effectual receipts for any dividends or other moneys payable in respect of such share, but such power shall not apply to the legal personal representatives of a deceased member.
- 9.2 The Company shall not be bound to register more than 4 persons as joint holders of any share.

## **10. TRUSTS NOT TO BE RECOGNISED**

- 10.1.1 Except as otherwise expressly provided by these Articles or as required by law or as ordered by a Court of competent jurisdiction, no person shall be recognised by the Company as holding any share on any trust, and the Company shall not be bound by or required to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share or any interest in any fractional part of a share other than an absolute right to the entirety thereof in the registered holder.

## **11. SHARE CERTIFICATES**

- 11.1 Every member (except a Stock Exchange Nominee in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled, without payment, to receive within 2 months after allotment or lodgment of a transfer (unless the conditions of issue provide for a longer interval) one certificate under the Seal for all the shares of each class registered in his name, specifying the number, class, and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon.
- 11.2 If and so long as all the issued shares in the capital of the Company or all the issued shares of a particular class are fully paid up and rank *pari passu* for all purposes, then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.

- 11.3 In the case of joint holders the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all.
- 11.4 Where a member has transferred part only of the shares comprised in a certificate, he shall be entitled without charge to a certificate for the balance of his shares.
- 11.5 Every certificate for shares or debentures or representing any other form of security of the Company shall in accordance with Article 45 be issued under the Seal, or an official seal kept by the Company by virtue of section 2 of the Stock Exchange (Completion of Bargains) Act 1976, or, in the case of shares on a branch register, an official seal for use in the relevant territory.
- 11.6 No certificate shall be issued representing shares of more than one class, or in respect of shares held by a Stock Exchange Nominee.
- 11.7 Any 2 or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- 11.8 If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu 2 or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request.
- 11.9 If any share certificate shall be defaced, worn out, destroyed or lost, it may be renewed on such evidence being produced and such indemnity (if any) being given as the Board shall require, and on payment of the out-of-pocket expenses of the Company of investigating such evidence and (in the case of defacement or wearing out) on delivery up of the old certificate, but without any further charge.
- 11.10 In the case of shares held jointly by several persons any such request mentioned in this Article may be made by any one of the joint holders.

## **12. LIEN ON SHARES**

- 12.1 The Company shall have a lien on any of its shares which are not fully paid to the extent and in the circumstances permitted by section 38 of the Companies Act 1980. The Board may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.
- 12.2 The Board may sell all or any of the shares subject to any lien at such time or times and in such manner as it may think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof and giving notice of intention to sell in default shall have been served on such member or the persons (if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for 7 days after service of such notice.
- 12.3 The net proceeds of any sale of shares subject to any lien shall be applied in or towards satisfaction of the amount due to the Company, or of the liability or engagement, as the case may be, and the balance (if any) shall be paid to the member or the person (if any) entitled by transmission to the shares so sold.
- 12.4 Upon any such sale as aforesaid, the Board may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register as holder of the shares, and the purchaser 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 or invalidity in the proceedings in reference to the sale.

## **13. CALLS ON SHARES**

- 13.1 Subject to the provisions of these Articles and to the terms of allotment of the shares, the Board may from time to time make such calls on the members in respect of all moneys unpaid on their shares as it may think fit, provided that 14 days' notice at least is given of each call. Each member shall be liable to pay the amount of every call so made on him to the persons, by the instalments (if any) and at the times and places appointed by the Board.
- 13.2 A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.



- 13.3 The joint holders of a share shall be jointly and severally liable for the payment of all calls and instalments in respect thereof.
- 13.4 If before or on the day appointed for payment thereof a call or instalment payable in respect of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or instalment at such rate not exceeding 12 per cent. per annum as the Board shall fix from the day appointed for payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.
- 13.5 No member shall be entitled to receive any dividend or to be present and vote at any General Meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).
- 13.6 Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of these Articles, shall apply as if such sum were a call duly made and notified.
- 13.7 The Board may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.
- 13.8 The Board may if it thinks fit, receive from any member willing to advance the same all or any part of the moneys due on his shares beyond the sums actually called up thereon; and on the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Board may pay or allow such interest as may be agreed between it and MIA Member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up: Provided that no dividend shall be payable on so much of the moneys paid up on a share as exceeds the amount for the time being called up thereon. The Board may at any time repay the amount so advanced on giving to such member not less than 3 months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the share in respect of which it was advanced.

#### 14. TRANSFER AND PURCHASE OF SHARES

- 14.1 (a) Notwithstanding any other provisions of these Articles, no sale or transfer of any shares or any interest therein conferring the right to vote at General Meetings of the Company which would result if made and registered in a person or persons (whether or not a member or members of the Company) obtaining a controlling interest in the Company shall be made or registered unless such sale or transfer shall have been approved by a Special Resolution of the Company. For the purpose of this paragraph the expression "a controlling interest" shall mean shares conferring in the aggregate 50 per cent. or more of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to vote at General Meetings of the Company.
- (b) Notwithstanding any other provisions of these Articles, no share or any interest therein shall be sold or transferred if as a result of such transfer the Company would be under the control (as defined in section 302 of the Income and Corporation Taxes Act 1970) of another company (or of another company and any person connected with that other company) or would be a 51 per cent. subsidiary of another company unless such sale or transfer shall have been approved by a Special Resolution of the Company.
- (c) Notwithstanding any other provision of these Articles the Company shall not acquire any shares or any interest therein if as a result of such acquisition the Company would control (as defined in section 302 of the Income and Corporation Taxes Act 1970), or together with any person connected with it control, another company or have a 51 per cent. subsidiary, unless such acquisition shall have been approved by a Special Resolution of the Company.
- (d) Any sale or transfer or disposal or acquisition of any share or any interest in any share in contravention of this Article shall be a nullity.
- 14.2 (a) Subject to such of the restrictions contained in these Articles as may be applicable (including, without prejudice to the generality of the foregoing, those contained in Article

14.01) shares may be transferred by any member or by the trustees of any settlement made by a member or at any time after the death of a member by his personal representatives or the trustees of his will to the spouse, widower or widow, child or other issue, brother or sister of such member or deceased member, or to trustees of a settlement made for the benefit of any such persons, and upon any change of trustees of any such will or settlement the shares held by the trustees thereof may be transferred to the trustees for the time being thereof. For the purposes of this paragraph "child" shall include a stepchild and an adopted child, and "issue" shall be construed accordingly.

- (b) Except when the transfer is made pursuant to paragraph (a) of this Article, any person proposing to transfer shares ("the Retiring Member") shall, before transferring any shares, give a notice in writing ("a transfer notice") to the Company that he wishes to transfer the same, and may specify in such notice the name of the proposed transferee and the price which he is prepared to accept for the shares, and such transfer notice shall constitute the Company his agent for the sale of the shares therein mentioned ("the offered shares") in accordance with the provisions of this Article.
- (c) A transfer notice once given shall not be revocable except with the consent of the Board or except as hereinafter expressly permitted. A transfer notice given by any one of joint holders shall be binding upon all.
- (d) If the Company within three months after any transfer notice has been given notifies the Retiring Member in writing that it has found one or more members or other persons ("the purchaser") wishing to purchase any of the offered shares he shall (subject to paragraph (f) of this Article) be bound within 28 days afterwards, upon payment of the prescribed price to transfer to the purchaser the shares which the purchaser wishes to purchase ("the sold shares").
- (e) If the Retiring Member, after having become bound as aforesaid, fails to transfer the sold shares, the Company may receive the purchase money and may appoint some person on behalf of the Retiring Member to sign a transfer or transfers of the sold shares, and upon registration thereof shall enter the name of the purchaser in the register as the holder of the sole shares, and shall hold the purchase money in trust for the Retiring Member. The receipt of the Company for the purchase money shall be a good discharge to the purchaser, who shall not be bound to see to its application, and after the name of the purchaser has been entered in the register in purported exercise of the foregoing powers, the validity of the proceedings shall not be questioned.
- (f) If within three months after receiving a transfer notice the Company does not notify the Retiring Member in accordance with paragraph (d) of this Article, or notifies him in writing that it has not been able to find a purchaser for any of the offered shares, then the Retiring Member may either revoke the transfer notice or at any time within six months after giving the transfer notice transfer the offered shares or any of them to the person named in the transfer notice at any price not being less than the prescribed price. If the Retiring Member is notified in accordance with paragraph (e) of this Article that the Company has found a purchaser for some but not all of the offered shares then the Retiring Member may either:-
  - (a) at any time within six months after giving the transfer notice transfer the offered shares or any of them to any person at any price not being less than the prescribed price, and may retain any of the offered shares not so transferred; or
  - (b) transfer the sold shares to the purchaser and at any time within six months after giving the transfer notice transfer the remainder of the offered shares or any of them to any person at any price not being less than the prescribed price; or
  - (c) retain all the offered shares and treat the transfer notice as spent.
- (g) The prescribed price shall be fixed in the following manner. Upon receipt of a transfer notice a meeting of the Board shall be convened for the purpose of fixing the prescribed price. If the Board resolves that the value, if any, fixed by the Retiring Member is the fair value of the offered shares, then the value so fixed shall be the prescribed price. If the Board does not so resolve then the Auditors for the time being of the Company shall at its request and cost certify in writing the sum which in their opinion is the fair value of the offered shares and the sum so certified shall be deemed to be the

prescribed price. In so certifying the Auditors shall be considered to be acting as experts and not as arbitrators, and accordingly the Arbitration Acts 1950 to 1979, and any statutory modification or re-enactment thereof, shall not apply.

- (h) The offered shares shall be offered by the Company in the first place to all persons holding shares in the Company (other than the Retiring Member) in proportion as nearly as may be to their existing holdings of such shares. Every offer shall be made in writing specifying the number of shares offered, limiting a time within which the offer if not accepted will be deemed to be declined and informing the offeree that if he wishes to purchase shares in excess of that number he should enclose with his acceptance an application for the number of excess shares he requires. Any shares not originally offered under this subparagraph because they were not capable of apportionment without fractions, and any shares not accepted by such offerees, shall be used for satisfying rateably as nearly as may be applications for excess shares. Any of the offered shares which are not within the said time limit accepted or applied for may be offered by the Board to such person or persons as the Board may determine.

- 14.3 Subject to such of the restrictions contained in these Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form, or in such other form as the Board shall from time to time approve.
- 14.4 Such instrument of transfer must be duly stamped and be left at the Office, or at such other place as the Board may appoint, accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may require to prove the title of the intending transferor (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so): Provided that in the case of a transfer by a Stock Exchange Nominee the lodgment of share certificates shall not be necessary.
- 14.5 Every instrument of transfer must be in respect of only one class of share.
- 14.6 The instrument of transfer of a share shall be signed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.
- 14.7 In the case of a partly paid up share the instrument of transfer must also be signed by or on behalf of the transferee.
- 14.8 Nothing in these Articles shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.
- 14.9 All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall (except in case of fraud) be returned to the party presenting the same.
- 14.10 Subject as hereinbefore provided, the Company shall be entitled to destroy:
  - (a) at any time after the expiration of 6 years from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be), all instruments of transfer of shares or debentures or other forms of security of the Company which shall have been registered and all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfer and applications for allotment in respect of which an entry in the Register shall have been made;
  - (b) at any time after the expiration of one year from the date of cancellation thereof, all registered certificates for shares or debentures or representing any other form of security of the Company (being certificates for shares, debentures or other securities in the name of a transferor and in respect whereof the Company has registered a transfer) and all mandates and other written directions as to the payment of dividends or interest (being mandates or directions which have been cancelled); and
  - (c) at any time after the expiration of one year from the date of the recording thereof, all notifications of change of name or address

and it shall conclusively be presumed in favour of the Company that:

  - (i) every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;

- (ii) every certificate for shares or debentures or representing any other form of security so destroyed was a valid certificate duly and properly cancelled; and
- (iii) every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company

Provided that:

- (1) the provisions aforesaid shall apply only to the destruction of documents in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (2) nothing herein contained shall be construed as imposing on the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of Proviso (1) above are not fulfilled;
- (3) references herein to the destruction of any documents include references to the disposal thereof in any manner; and
- (4) any document referred to in Article 14.10(b) and (c) may be destroyed at a date earlier than that authorised by this Article provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Board shall take adequate precautions for guarding against falsification and for facilitating its production.

- 14.11 Notwithstanding anything contained in these Articles, the Directors shall not decline to register any transfer of share, nor may they suspend registration thereof where such transfer:
  - 14.11.1 is to any bank or institution to which such shares have been charged by way of security, or to any nominee of such bank or institution (a "Secured Institution"), or
  - 14.11.2 is delivered to the Company for registration by a Secured Institution or its nominees in order to perfect its security over the shares, or
  - 14.11.3 is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under such security,
- 14.12 and furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any share in the Company or proposed transferor of such shares to a Secured Institution or its nominee and no Secured Institution or its nominee shall be required to offer the shares which are or are to be the subject of any transfer aforesaid to the shareholders for the time being of the Company or any of them, and no such shareholder shall have any right under the Articles or otherwise howsoever to require such shares to be transferred to them whether for consideration or not.
- 14.13 If the Board shall refuse to register a transfer of any share it shall, within 2 months after the date on which the transfer was lodged with the Company, send to the transferee notice of such refusal as required by section 78 of the Act.
- 14.14 The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than 30 days in any year.
- 14.15 No fee shall be charged:
  - (a) for registration of a transfer; or
  - (b) on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares.

**15. TRANSMISSION OF SHARES**

- 15.1 In the case of the death of a member, the survivors or survivor, where the deceased was a joint holder and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- 15.2 Subject to the provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, on such evidence as to his title being produced as the Board may require, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.
- 15.3 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing a transfer of such share to such person. All the provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
- 15.4 A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notices of, or to attend or vote at meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a member unless and until he shall become a member in respect of the share.

**16. FORFEITURE OF SHARES**

- 16.1 If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Board may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring payment of such call or instalment or such part thereof as remains unpaid, together with interest at such rate not exceeding 12 per cent. per annum as the Board shall determine and any expenses incurred by the Company by reason of such non-payment.
- 16.2 The notice shall:
- (a) name a further day (not earlier than the expiration of 7 days from the date of the notice) on or before which such call or instalment or part thereof and all interest and expenses that have accrued by reason of such non-payment are to be paid;
  - (b) name the place where the payment is to be made; and
  - (c) state that, to the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment was due will be liable to be forfeited.
- 16.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture, notwithstanding that such dividends shall have been declared.
- 16.4 When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission (as the case may be) and an entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the Register in respect of such share; but the provisions of this paragraph are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- 16.5 Notwithstanding any such forfeiture as aforesaid, the Board may, at any time before the forfeited shares have been otherwise disposed of, annul the forfeiture, on the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as the Board shall see fit.
- 16.6 The Board may accept a surrender of any share liable to be forfeited hereunder.

- 16.7 Every share which shall be forfeited or surrendered shall thereupon become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before forfeiture or surrender the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board shall think fit, and the Board may if necessary authorise some person to transfer the same to such other person as aforesaid.
- 16.8 A shareholder whose shares have been forfeited or surrendered shall nevertheless be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture or surrender, and interest thereon to the date of payment, in the same manner in all respects as if the shares had not been forfeited or surrendered, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture or surrender without any reduction or allowance for the value of the shares at the time of forfeiture.
- 16.9 The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past members.
- 16.10 A statutory declaration that the declarant is a Director or Secretary of the Company and that a share has been duly forfeited or surrendered in pursuance of these Articles, and stating the date on which it was forfeited or surrendered, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture or surrender thereof, be conclusive evidence of the facts therein stated and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and a certificate for the share under the Seal delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share. Subject to the execution of any necessary transfer such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or surrender, sale, re-allotment or disposal of the share.

## **17. CONVERSION OF SHARES INTO STOCK**

- 17.1 The Company may by Ordinary Resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.
- 17.2 The holders of stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Board may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- 17.3 The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at General Meetings of the Company and other matters, and be subject to the same provisions of these Articles as if they held the shares from which the stock arose, but no such right, privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right, privilege or advantage.
- 17.4 Such of the provisions of these Articles as are applicable to paid up shares shall apply to stock.

## **18. ALTERATIONS OF CAPITAL**

- 18.1 The Company in General Meeting may from time to time:
- (a) by Ordinary Resolution:
    - (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share and in the case of any shares registered in the name of one holder or joint holders being consolidated with shares registered in the name of another holder or joint holders may make such arrangements as may be thought fit for the sale of the consolidated share

or any fractions thereof and for such purpose may appoint some person to transfer the consolidated share to the purchaser and arrange either for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale or for the payment of such net proceeds to the Company. Provided that the necessary unissued shares are available the Board may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share issue to each such holder credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at its discretion from any of the sums standing to the credit of any of the Company's Reserve Accounts (including Share Premium Account and Capital Redemption Reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares;

- (ii) cancel any 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; and
- (iii) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Statutes, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with, the others as the Company has power to attach to unissued or new shares;

- (b) by Special Resolution reduce its share capital or any capital redemption reserve or share premium account in any manner authorised and subject to any conditions prescribed by the Statutes.

## 19. INCREASE OF CAPITAL

- 19.1 The Company in General Meeting may from time to time by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such special rights (if any) or to be subject to such restrictions (if any) as are referred to in Article 7 as the General Meeting resolving on such increase may direct. Subject to any directions made by the Company when resolving on the increase of capital, any new shares shall, subject to the provisions of Article 8, be at the disposal of the Board.

## 20. MODIFICATION OF CLASS RIGHTS

- 20.1 All or any of the rights or privileges for the time being attached to any share or class of shares in the capital of the Company (and notwithstanding that the Company may be or be about to be in liquidation) may be varied or abrogated:

- (a) in such manner (if any) as may be provided by such rights; or
- (b) in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise). All the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such meeting, but so that the quorum thereat shall be persons holding or representing by proxy one-third of the nominal amount paid up on the issued shares of the class, and that each holder of shares of the class, present in person or by proxy, shall on a poll be entitled to one vote for every share of the class held by him, and if at any adjourned meeting of such holders such quorum as aforesaid is not present any holder of shares of the class who is present in person or by proxy shall be a quorum. The Board shall comply with the provisions of section 143 of the Act as to forwarding a copy of any such consent or resolution to the Registrar of Companies.

- 20.2 The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights whereof are to be varied.

- 20.3 Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares in the capital of the Company shall be deemed to be varied or abrogated by the reduction of the capital paid up on such shares or by the allotment of further shares ranking in priority thereto for payment of a dividend or repayment of capital but shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued.

## **21. GENERAL MEETINGS**

- 21.1 The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. Not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall determine. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.
- 21.2 The Board may call an Extraordinary General Meeting whenever it thinks fit, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by section 132 of the Act. The Board shall on requisition proceed with proper expedition to convene an Extraordinary General Meeting.
- 21.3 In the case of an Annual General Meeting or of a meeting convened for the purpose of passing a Special Resolution, 21 days' notice at the least, and in any other case 14 days' notice at the least, specifying the place, the day and the hour of meeting and in the case of special business the general nature of such business shall be given in manner hereinafter mentioned to the Auditors and to such persons as are under the provisions of these Articles entitled to receive notice of General Meetings from the Company, but with the consent of all persons for the time being entitled as aforesaid, or of such proportion thereof as is prescribed by section 133(3) of the Act, a meeting may be convened on a shorter notice, and in such manner as such persons may approve. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate any resolution passed or proceeding had at any such meeting. Every notice convening an Annual General Meeting of the Company shall describe the meeting as an Annual General Meeting.
- 21.4 In every notice calling a General Meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) vote instead of him and that a proxy need not also be a member.
- 21.5 In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

## **22. PROCEEDINGS AT GENERAL MEETINGS**

- 22.1 All business that is transacted at an Extraordinary General Meeting shall be deemed special and all business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of:
- (a) declaring a dividend;
  - (b) the consideration of the accounts and balance sheet and the reports of the Directors and the Auditors and any other documents required to be annexed to the balance sheet;
  - (c) the election of Directors;
  - (d) the fixing of the any fees payable to the Directors;
  - (e) the re-appointment of the Auditors retiring (unless they were Last appointed otherwise than by the Company in General Meeting) and the fixing of the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
  - (f) the taking of authority by the Board to allot relevant securities pursuant to section 14 of the Companies Act 1980.
- 22.2 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be not less than 3 members present in person or by proxy.



- 22.3 If within 15 minutes from the time appointed for the holding of a General Meeting a quorum is not present, the meeting if convened on the requisition of members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Board may determine, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the members present in person or by proxy shall be a quorum.
- 22.4 The Chairman (if any) of the Board shall preside at every General Meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within 15 minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Deputy Chairman (if any) shall if present and willing to act preside at such meeting, but if the Chairman and Deputy Chairman shall not be so present and willing to act the Directors present shall choose one of their number to act, or if there be only one Director present he shall be Chairman if willing to act. If there be no Director present and willing to act, the members present and entitled to vote shall choose one of their number to be Chairman of the Meeting.
- 22.5 The Chairman may, with the consent of any General Meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or sine die) and from place to place as the meeting shall determine. Where a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the Directors. Whenever a meeting is adjourned for 14 days or more or sine die, 7 days' notice at the least, specifying the place, the day, and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have lawfully been transacted at the meeting from which the adjournment took place.
- 22.6 At any General Meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll be demanded by:
- (a) the Chairman; or
  - (b) in writing by at least 3 persons entitled to vote at the meeting; or
  - (c) in writing 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) in writing 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.
- 22.7 Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 22.8 If:
- (a) any objection shall be raised to the qualification of any voter; or
  - (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
  - (c) any votes are not counted which ought to have been counted,
- the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the Chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.
- 22.9 If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the meeting, any error in such ruling shall not invalidate the proceedings on the substantive resolution. In the case of a resolution duly proposed as a Special or

Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted on.

- 22.10 If a poll be demanded in manner aforesaid, it shall (subject as provided in Article 22.11) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman shall direct. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 22.11 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.
- 22.12 In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote.
- 22.13 The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business, other than the question on which a poll has been demanded.
- 22.14 The demand for a poll may be withdrawn.

### **23. VOTES OF MEMBERS**

- 23.1 Subject and without prejudice to any special rights, privileges or restrictions as to voting for the time being attached to any shares for the time being forming part of the capital of the Company, at any General Meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by proxy or by a representative duly authorised under section 139 of the Act, not being himself a member, shall have one vote, and in the case of a poll every member present in person, by representative or by proxy shall have one vote for every £1 in nominal value of shares of which he is the holder.
- 23.2 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Board may in its absolute discretion, on or subject to production of such evidence of the appointment as the Board may require, permit such receiver or other person to vote in person or by proxy on behalf of such member at any General Meeting.
- 23.3 If 2 or more persons are jointly entitled to a share, then in voting on any question the vote of the senior who tenders the vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register.
- 23.4 No member shall, unless the Board otherwise determines:
- (a) be entitled to vote at a General Meeting either personally or by proxy or to exercise any privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid;
  - (b) be entitled to vote at a General Meeting either personally or by proxy if a disenfranchisement notice (as defined in Article 23.11) shall have been served on him and shall not have been withdrawn.
- 23.5 On a poll:
- (a) votes may be given either personally or by proxy; and
  - (b) a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 23.6 Any person (whether a member of the Company or not) may be appointed to act as a proxy. A member may appoint more than one proxy to attend on the same occasion.
- 23.7 An instrument appointing a proxy:
- (a) shall:

- (i) be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of some officer or attorney duly authorised in that behalf;
    - (ii) be deemed to include the power to demand or concur in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit; and
    - (iii) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates;
  - (b) may be in any common form or in such other form as the Board shall approve; and
  - (c) need not be witnessed.
- 23.8 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, shall be deposited at the Office, or at such other place as is specified in the notice of meeting or in the instrument of proxy issued by the Company, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within 12 months from such date.
- 23.9 The Board may at the expense of the Company send, by post or otherwise, instruments of proxy (reply-paid or otherwise) to members for use at any General Meeting or at any meeting of any class of members of the Company, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not some only) of the members entitled to be sent a notice of the meeting and to vote thereat by proxy.
- 23.10 A vote given or poll demanded in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as is referred to in Article 23.8, at least one hour before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.
- 23.11 Where, in respect of any shares of the Company, any registered holder or any other person appearing to be interested in such shares fails to comply with any notice (in this Article called a "statutory notice") given by the Company under section 74 of the Companies Act 1981 or where (in purported compliance with a statutory notice) such registered holder or person on makes a statement which is false or misleading in any material particular, then not earlier than 42 days after service of the statutory notice the Company may serve on such registered holder a notice [in this Article called a "disenfranchisement notice"] noting that such shares shall with effect from the service of such disenfranchisement notice confer on him no right to vote either at a General Meeting or at any separate General Meeting of the holders of the shares of that class. The Company may at any time withdraw a disenfranchisement notice by serving on the registered holder of the shares to which the same relates a notice in writing to that effect (in this Article called a "withdrawal notice"), and a disenfranchisement notice shall be deemed to have been withdrawn when the statutory notice has been complied with in respect of all the shares to which the disenfranchisement notice related. Unless and until a withdrawal notice is duly served in relation thereto or a disenfranchisement notice in relation thereto is deemed to have been withdrawn or the shares to which a disenfranchisement notice relates are registered in the name of some person other than the registered holder on whom the disenfranchisement notice was served, none of the shares to which a disenfranchisement notice relates shall confer on the holder or holders thereof any right to attend or vote at such General Meeting or separate General Meeting as aforesaid. For the purpose of this Article a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said section 74 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant section 74 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

- 23.12 Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation, which he represents as that corporation could exercise if it were an individual member of the Company.

## 24. UNTRACED MEMBERS

- 24.1 The Company shall be entitled to sell the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in (b) below (or, if published on different dates, the later or latest thereof) all warrants and cheques in respect of the shares in question sent in the manner authorised by these Articles have remained uncashed;
- (b) the Company shall on expiry of the said 22 years have inserted advertisements, both in a leading London newspaper and in a newspaper circulating in the area of the address at which service of notices on such member or other person may be effected in accordance with these Articles, giving notice of its intention to sell the said shares;
- (c) during the said period of 12 years and the period of 3 months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) the Company shall have not received indication either of the whereabouts or of the existence of such member or person; and
- (d) the Company shall have given notice to the Quotations Department of The Stock Exchange in London of its intention to make such sale.

- 24.2 To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares. The title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto.

- 24.3 The net proceeds of sale shall belong to the Company which shall:

- (a) be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds; and
- (b) enter the name of such former member or other person in the books of the Company as a creditor for such amount.

- 24.4 No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may from time to time think fit.

## 25. DIRECTORS

- 25.1 The number of Directors shall not be less than 2.

- 25.2 A Director shall not be required to hold any qualification shares but shall be entitled to receive notice of, attend and speak at all General Meetings of the Company and of any class of members of the Company.

- 25.3 All or any of the Directors may participate in a meeting of the board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A Director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

## 26. DIRECTORS' REMUNERATION

- 26.1 The Directors shall be entitled to receive by way of fees for their services in each year such sum as the Company in General Meeting shall from time to time determine, such sum (unless otherwise directed by the resolution by which it is voted) to be divided among the Directors in such proportions and in

such manner as the Board may agree and failing agreement equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he has held office.

- 26.2 The Directors shall also be entitled to be repaid all travelling and hotel expenses incurred by them respectively in or about the performance of their duties as Directors, including their expenses of travelling to and from Board Meetings, Committee Meetings or General Meetings or otherwise incurred while engaged on the business of the Company.
- 26.3 If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Board may pay him special remuneration, in addition to any fees or ordinary remuneration, and such special remuneration may be by a lump sum or by way of salary, commission, participation in profits or otherwise as may be arranged, and shall be charged as part of the Company's ordinary working expenses.

## **27. VACATION OF OFFICE BY DIRECTORS**

- 27.1 The office of a Director shall be vacated:
- (a) if a receiving order is made against him or he makes any arrangement or composition with his creditors generally; or
  - (b) if he absents himself from the meetings of the Board during a continuous period of 6 months without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office; or
  - (c) if he is prohibited from being a Director by any order made under any provision of the Statutes; or
  - (d) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
  - (e) if by notice in writing to the Company he resigns his office.

## **28. DIRECTOR CONTRACTING WITH THE COMPANY**

- 28.1 Subject to the provisions of Part IV of the Companies Act 1980, no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into on behalf of the Company in which any Director is in any way directly or indirectly interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Board held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Board held after he becomes so interested. A general notice in writing given to the Board by any Director to the effect that he is a member of any specified company or firm, and is to be regarded as interested to any contract which may thereafter be made with such company or firm, shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Board after it is given) be deemed a sufficient declaration of interest in relation to any contract so made. 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 him.
- 28.2 Save as provided in the following paragraphs of this Article, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting.

- 28.3 A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (d) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of section 84 of the Companies Act 1980) is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all the circumstances);
  - (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes;
  - (f) any proposal concerning the adoption, modification or operation of an employees' share scheme (within the meaning of section 87(1) of the Companies Act 1880) under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes which relates both to Directors and employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme relates.
- 28.4 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of 2 or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately. In such case each of the Directors concerned (if not debarred from voting under Article 28.3(4)) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 28.5 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive, except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed.
- 28.6 Subject to the provisions of the Statutes the Company may by Ordinary Resolution suspend or relax the provisions of "this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.
- 28.7 Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director Provided that nothing herein contained shall authorise a Director or his firm to act as the Auditors.
- 28.8 Any Director may continue to be or become a director of, or hold any other office or place of profit under, any other company in which the Company may be interested, and no such Director shall be accountable for any remuneration, salary, commission, participation in profits, pension, superannuation or other benefits received by him as a director of, or holder of any other office or place of profit under, or member of, any such other company. The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it may think fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them director of such company, or voting or providing for the payment of remuneration to the directors of such company).

- 28.9 For the purpose of this Article an interest of a person who is for the purpose of the Statutes connected with a Director shall be treated as an interest of the Director, and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director.

## 29. POWERS AND DUTIES OF DIRECTORS

- 29.1 The business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations (not being inconsistent with such aforesaid provisions) as may be prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

## 30. DIRECTORS' BORROWING POWERS

- 30.1 The Board 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 and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

- 30.2 The Board shall restrict the borrowing of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiaries so as to ensure (as regards its subsidiaries so far as by such exercise it can so ensure) that the 10 aggregate amount for the time being outstanding in respect of the moneys borrowed or secured by the Group (exclusive of moneys owing by one member of the Group to another) shall not at any time, without the previous sanction of the Company in General Meeting, exceed an amount equal to five times the Adjusted Capital and Reserves Provided that prior to the presentation of an audited balance sheet of the Company to an annual general meeting of the Company such borrowing shall be limited to £5 million.

- 30.3 For the purposes of this Article:

(a) "the Adjusted Capital and Reserves" means a sum equal to the aggregate from time to time of:

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

based on a consolidation of the then latest audited balance sheet of the Group (or until there shall have been a first audited balance sheet of the Group, such pro-forma balance sheet of the Group as shall have been included in a prospectus delivered to the Registrar of Companies in accordance with the Statutes) after excluding reserves and any balances on profit and loss account of companies other than members of the Group and after:

- (1) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date; and so that for the purpose of making such adjustments, if any issue or proposed issue of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been issued and the amount (including any premium) of the subscription moneys payable in respect thereof (not being moneys payable later than 6 months after the date of allotment) shall, to the extent so underwritten, be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);
- (2) making such adjustments as may be appropriate in respect of any dividends or other distributions declared, recommended, paid or made by the Company or its subsidiaries (otherwise than attributable directly or

indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or its subsidiaries (as the case may be) to the extent that such distribution is not provided for in such balance sheet;

- (3) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;
- (4) If the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, making such adjustments as would be appropriate if such transaction had been carried into effect;
- (5) excluding minority interests in subsidiaries;
- (6) excluding any amount for goodwill or other intangible asset (not being an amount representing part of the cost of an acquisition of shares or other property) incorporated as an asset in the audited balance sheet;
- (7) after making such other adjustments (if any) as the Auditors consider appropriate;

(b) for the purpose of the foregoing limit the following provisions shall apply:

- (i) subject as hereinafter provided, there shall be deemed to have been borrowed and to be outstanding as moneys borrowed of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):
  - (a) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
  - (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
  - (c) the nominal amount of any issued or paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;
  - (d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which or moneys borrowed the indebtedness in respect of which is for the time being beneficially owned within the Group) the redemption or repayment whereof is guaranteed or wholly or partly secured by any member of the Group;
  - (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other moneys borrowed falling to be taken into account;
- (ii) moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within 6 months after the borrowing thereof shall not during such period (except to the extent so applied) themselves be taken into account;
- (iii) any amounts borrowed by any member of the Group from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is



guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be moneys borrowed;

- (iv) moneys borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and moneys borrowed endowing to a partly-owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid "minority proportion" shall mean the proportion of the issued equity share capital of such partly-owned subsidiary which is not attributable to the Company;
- (v) moneys borrowed of any member of the Group expressed in or calculated by reference to a currency other than sterling shall be translated into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant member of the Group or (if the relevant currency was not thereby involved) by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve;
- (vi) amounts owing from time to time in respect of current, deposit and other accounts of any subsidiary (or the Company) carrying on business as a banking company shall be deemed to be excluded from the expressions "borrowings" and "moneys borrowed".

30.4 A certificate or report by the Auditors as to the amount of the Adjusted Capital and Reserves or the amount of moneys borrowed or secured or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of such amount or fact for the purposes of this Article. For the purposes of their computation, the Auditors may at their discretion make such further or other adjustments (if any) as they think fit. Nevertheless for the purposes of this Article the Board may act in reliance on a bona fide estimate of the amount of the Adjusted Capital and Reserves at any time and if in consequence such limit is inadvertently exceeded an amount of moneys borrowed equal to the excess may be disregarded until the expiration of 60 days after the date on which (by reason of a determination of the Auditors or otherwise) the Board becomes aware that such a situation has or may have arisen.

30.5 Notwithstanding the foregoing no lender or other person dealing with the Company shall be concerned to see or enquire whether the limit contained in this Article is observed. No debt incurred in excess of such limit shall be invalid and no security given for the same shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded.

### **31. CONSEQUENCES OF VACANCY ON BOARD**

31.1 The continuing Directors may act as a Board at any time notwithstanding any vacancy in their body: Provided always that in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with these Articles it shall be lawful for them to act as a Board for the purpose, of filling up vacancies in their body or of summoning a General Meeting of the Company, but not for any other purpose.

### **32. BANKING ARRANGEMENTS**

32.1 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed (as the case may be) in such manner as the Board shall from time to time determine.

32.2 The Company's bank account shall be kept with such bank or banks as the Board shall from time to time determine.

### **33. COMMITTEES**

33.1 The Board may establish any committees, local boards or agencies for managing any of the affairs of the Company either in the United Kingdom or elsewhere, and may appoint any persons to be members of such committees, local boards or agencies and may fix their remuneration, and may delegate to any committee, local board, or agent any of the powers, authorities and discretions vested in the Board (other than as provided in Article 42.02), with power to sub-delegate, and may authorise the members

of any local board, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be on such terms and subject to such conditions as the Board may think fit. The Board may remove any person so appointed and may annul or vary any such delegation, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.

#### **34. PENSIONS**

- 34.1 The Board may exercise all the powers of the Company contained in Clause 4.28 of the Memorandum of Association of the Company.

#### **35. ATTORNEYS**

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

#### **36. MANAGING DIRECTOR AND OTHER APPOINTMENTS**

- 36.1 The Board may from time to time appoint any one or more of its body to the office of Managing Director as it may decide for such period (subject to the provisions of section 47 of the Companies Act 1980) and on such terms as it thinks fit, and may revoke such appointment. The Board may vest in such Managing Director or such other officer such of the powers hereby vested in the Board as it may think fit, and such powers may be made exercisable for such period or periods, and on such conditions and subject to such restrictions, and generally on such terms as to remuneration and otherwise, as it may determine. The remuneration of a Managing Director or such other officer may be made payable by way of salary or commission or participation in profits, or by any or all of those modes, or otherwise as may be thought expedient and it may be made a term of his appointment that he shall receive a pension, gratuity or other benefit on his retirement.
- 36.2 A Managing Director shall not, while he continues to hold such office, but subject to the terms of any contract of service between him and the Company, be subject to retirement by rotation, and he shall not be taken into account in determining the rotation or retirement of Directors, but in all other respects he shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract between him and the Company) ipso facto and immediately cease to be Managing Director if he ceases to hold the office of Director for any cause.

#### **37. ROTATION, APPOINTMENT AND REMOVAL OF DIRECTORS**

- 37.1 At the Annual General Meeting of the Company in every year one-third of the Directors for the time being (other than any Directors not subject to retirement by rotation) or, if their number is not 3 or a multiple of 3, then the number nearest to but (except when less than 3 Directors are subject to retirement by rotation) not exceeding one-third shall retire from office.
- 37.2 Unless and until otherwise determined by the Company by Ordinary Resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being re-appointed or appointed, as the case may be, as a Director notwithstanding that at the time of such re-appointment or appointment he has attained the age of 70 and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a Director of a person who shall have attained the age of 70, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be re-appointed or appointed as such.
- 37.3 The Directors to retire in every year shall be those who are subject to retirement by rotation and those who have been longest in office since their last election, but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
- 37.4 A retiring Director shall be eligible for re-election.

- 37.5 The Company at the meeting at which a Director retires in any manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected except in any of the following cases:
- (a) at such meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
  - (b) such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (c) such Director has attained any retiring age applicable to him as Director pursuant to the Statutes.
- 37.6 A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.
- 37.7 No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any General Meeting unless not less than 7 nor more than 21 days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given (other than the person to be proposed) of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.
- 37.8 The Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.
- 37.9 Any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the conclusion of the next following Annual General Meeting and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
- 37.10 The Company may by Ordinary Resolution of which special notice has been given in accordance with section 142 of the Act remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company.
- 37.11 The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under Article 37.10, and without prejudice to the powers of the Directors under Article 37.8 the Company in General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director or if there was no such Director at the conclusion of the next following Annual General Meeting and shall then be eligible for re-election.
- 38. ASSOCIATE DIRECTORS**
- 38.1 The Board may from time to time appoint any manager or other officer or person in the employment of any company in the Group for the time being to be an Associate Director of the Company.
- 38.2 The appointment of a person to be an Associate Director shall not, save as otherwise agreed between him and the Company or the subsidiary (if any) in whose service he may be, affect the terms and conditions of his employment by the Company or by any such subsidiary, whether as regards duties, remuneration, pension or otherwise, and his office as an Associate Director shall be vacated in the event of his being removed from office by a resolution of the Board.
- 38.3 The appointment, removal and remuneration of an Associate Director shall be determined by the Board, with full powers to make such arrangements as the Board may think fit, and the Board shall have the right to enter into any contract on behalf of the Company or transact any business of any description without the knowledge or approval of any Associate Director, except that no act shall be done that would impose any personal liability on any or all of the Associate Directors except with his or their knowledge and consent.
- 38.4 In calculating the number to form a quorum at any meeting of the Board any Associate Director shall not be counted.

- 38.5 An Associate Director shall not be entitled to receive notice of or to vote at a meeting of the Board or (except when expressly invited by the Board to do so) to attend a meeting of the Board. He shall not require any share qualification and shall not be deemed to be a Director for the purposes of the Statutes or these Articles.

#### 39. ALTERNATE DIRECTORS

- 39.1 Each Director shall have the power to nominate any other Director or any person approved for that purpose by Resolution of the Board to act as alternate Director at Meetings of the Board in his place during his absence and, at his discretion, to revoke such nomination.
- 39.2 Any appointment or removal of an alternate Director shall be effected by an instrument in writing delivered at the Office and signed by the appointor.
- 39.3 An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notice of meetings of the Board and to attend and vote at any such meeting from which his appointor is absent and to perform thereat all the functions of his appointor. An alternate Director shall have one vote for each Director he represents, in addition to his own vote if he is a Director, but he shall not be counted more than once in the quorum. If his appointor is for the time being absent from the United Kingdom or otherwise not available the appointee's signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall be deemed to be a Director for the purpose of signing instruments to which the Seal is affixed. Save as aforesaid, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.
- 39.4 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 39.5 An alternate Director shall *ipso facto* cease to be an alternate Director:
- (a) if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-elected at the same Meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force; or
  - (b) If any of the events referred to in Article 27.1 (other than in sub-paragraph (b)) occur in relation to him.

#### 40. PROCEEDINGS OF DIRECTORS

- 40.1 A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board.
- 40.2 It shall not be necessary to give notice of a Board Meeting to any Director for the time being absent from the United Kingdom, but where such Director is represented by an alternate Director, due notice of such meeting shall be given to such alternate Director either personally or by sending the same through the post addressed to him at the address in the United Kingdom given to the Company.
- 40.3 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit and determine the quorum necessary for the transaction of business.
- 40.4 Until otherwise determined, 2 shall be a quorum.
- 40.5 Questions arising at any meeting shall be decided by a majority of votes.
- 40.6 In case of an equality of votes the Chairman shall have a second or casting vote.
- 40.7 For the purpose of this Article an alternate Director shall be counted in a quorum and a Director who is an alternate Director shall be entitled to a separate vote on behalf of the Director he is representing in addition to his own vote.
- 40.8 A resolution in writing signed by all the Directors for the time being in the United Kingdom, if constituting a majority of the Directors, shall be as effective for all purposes as a resolution passed at a

meeting of the Board duly convened, held and constituted and may consist of several documents in like form each signed by one or more of the Directors. A Resolution signed by an alternate Director need not also be signed by his appointor.

#### 41. CHAIRMAN

41.1 The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office.

41.2 The Chairman, or in his absence the Deputy Chairman, shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman be not present within 5 minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.

#### 42. DELEGATION OF POWERS

42.1 Except as provided in Article 42.2 the Board may delegate to:

- (a) any committee appointed under Article 42.3;
- (b) any executive Director (within the scope of Article 36);
- (c) any board established under Article 33;
- (d) the Secretary; and
- (e) any attorney or attorneys appointed under Article 35

such of the powers, authorities or discretions vested in it as the Board thinks fit. Such delegation may include power to sub-delegate and may be annulled or varied by the Board at any time, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.

42.2 The following powers of the Board may not be delegated except to a committee of the Board appointed under Article 42.3, namely issuing shares; making calls; declining to register transfers; determining Directors' remuneration; appointing and removing executive Directors (within the scope of Article 36); appointing Directors under Article 37.7; borrowing; recommending and declaring dividends.

42.3 The Board may delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

42.4 Any committee so formed shall in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

42.5 Any committee shall have power unless the Board directs otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being members of the Board or of the Company Provided however that the majority of members of any committee shall be members of the Board.

42.6 A committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.

42.7 A committee may meet and adjourn as its members think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote.

42.8 A committee shall only be quorate if a majority of those members present are members of the Board, but subject thereto the meetings and proceedings of a committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not suspended by any regulations imposed by the Board under or by the provisions of Article 42.4.

#### 43. EFFECTS OF DEFECT IN DIRECTOR'S APPOINTMENT

43.1 All acts bona fide done by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were

disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

#### **44. MINUTES**

44.1 The Board shall cause minutes to be made:

- (a) of all appointments of officers made by the Board;
- (b) of the names of the Directors present at each meeting of the Board and of committees of the Board; and
- (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of committees of the Board.

44.2 Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the Chairman of the meeting at which the proceedings were had or by the Chairman of the next succeeding meeting.

#### **45. THE SEAL**

45.1 The Board shall provide for the safe custody of the Seal, which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose: Provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the Seal may be affixed as the Board may determine) that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person.

45.2 The Company may have:

- (a) an official seal kept by virtue of section 2 of the Stock Exchange (Completion of Bargains) Act 1976; and
- (b) an official seal for use abroad under the provisions of the Statutes, where and as the Board shall determine, and the Company may by writing under the Seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as may be thought fit.

45.3 Wherever to these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any of such official seals as aforesaid.

#### **46. THE SECRETARY**

46.1 The Secretary shall be appointed by the Board for such term, at such remuneration and on such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

46.2 Anything by the Statutes or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board.

46.3 A provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

#### **47. RECORD DATES**

47.1 Notwithstanding any other provision of these Articles the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within 6 months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.

**48. DIVIDENDS**

- 48.1 The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 48.2 The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend. Provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
- 48.3 The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.
- 48.4 No dividend shall be paid otherwise than out of profits available for distribution in accordance with the Statutes.
- 48.5 Subject to any rights or restrictions for the time being attached to any particular shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share.
- 48.6 All dividends shall be (otherwise than in advance of calls) 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 such share shall rank for dividend accordingly.
- 48.7 The Board may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 48.8 Any General Meeting declaring a dividend may direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members on the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Board.
- 48.9 No dividend shall bear interest against the Company.
- 48.10 Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of 2 or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by them as joint holders. The Company shall not be responsible for any cheque or warrant lost in transmission.
- 48.11 All dividends unclaimed for 12 months after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof.
- 48.12 All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company.

**49. RESERVES**

- 49.1 The Board may, before recommending any dividend (whether preferential or otherwise), set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to

which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide.

## **50. CAPITALISATION OF RESERVES**

- 50.1 The Company in General Meeting may on the recommendation of the Board resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account and not required for payment of dividend on any shares with a preferential right to dividend and accordingly that such sum be set free for distribution among the members in proportion to the nominal amount of Ordinary Shares held by them respectively, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and among such members in the proportion aforesaid, or partly in the one way and partly in the other, and the Board shall give effect to such resolution: Provided that a share premium account and a capital redemption reserve may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid up shares.
- 50.2 The Company in General Meeting may further resolve that any shares allotted pursuant to Article 50.1 to holders of any partly paid Ordinary Shares shall, so long as such Ordinary Shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends.
- 50.3 Whenever such a capitalisation as aforesaid shall have been resolved upon the Board shall make all appropriations and applications of the reserves or undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation and (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the reserves or profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such members.

## **51. ACCOUNTS**

- 51.1 The Board shall cause accounting records to be kept in accordance with the Statutes.
- 51.2 The Board shall from time to time determine whether, in any particular case or class of cases, or generally, and to what extent, and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of members, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Statutes or as authorised by the Board or by resolution of the Company in General Meeting.
- 51.3 The Board shall from time to time, in accordance with the Statutes, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Statutes. The Board shall in its report state the amount which it recommends to be paid by way of dividend.
- 51.4 Copies of all such documents as are referred to in Article 51.3 and any other documents required by law to be annexed thereto shall not less than 21 days before the date of the meeting before which they are to be laid be sent to all the members at their registered address and to all holders of debentures of the Company and to the Auditors as required by and subject to the provisions of the Statutes, and the required number of copies of each of these documents shall at the same time be forwarded to The Stock Exchange Provided that the foregoing shall not require any copy of such documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

## **52. AUDIT**

- 52.1 The accounts of the Company shall be examined and audited by the Auditors in accordance with the Statutes.