

**Statutory Declaration of compliance  
with requirements on application  
for registration of a company**

Please do not  
write in  
this margin

Pursuant to section 12(3) of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

For official use

|  |  |  |  |
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Name of company

|  |
|--|
| * GATEWAY RESIDENTAL SERVICES<br>LIMITED |
|--|

\* Insert full  
name of Company

I, JOHN O'DONNELL  
of 2nd Floor, 223, Regent Street,  
London, W1R 7DB

† delete as  
appropriate

do solemnly and sincerely declare that I am a ~~(8816102-0126014)~~ ~~in the formation of the company~~ ~~it~~  
~~[person named as director or secretary of the company in the statement delivered to the registrar~~  
~~under section 10(2)]†~~ and that all the requirements of the above Act in respect of the registration of the  
above company and of matters precedent and incidental to it have been complied with,  
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the  
provisions of the Statutory Declarations Act 1835

Declared at HOPKINS & WOOD  
2-3, CURSITOR STREET,  
LONDON, EC4A 1NE

Declarant to sign below

the 14th day of April  
One thousand nine hundred and eighty-seven  
before me [Signature]

[Signature]

A Commissioner for Oaths or Notary Public or Justice of  
the Peace or Solicitor having the powers conferred on a  
Commissioner for Oaths.

Presentor's name address and  
reference (if any):

J.P. Company Registrations,  
2nd Floor, 223 Regent  
Street, London, W1R 7DB

For official Use

New Companies Section

Post room

|  |  |
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|--|--|

**Statement of first directors  
and secretary and intended  
situation of registered office****10**Please do not  
write in  
this margin

Pursuant to section 10 of the Companies Act 1985

To the Registrar of Companies

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

For official use

Name of company

\* insert full name  
of company

|                                |
|--------------------------------|
| * GATEWAY RESIDENTIAL SERVICES |
| LIMITED                        |

The intended situation of the registered office of the company on incorporation is as stated below

|                                |         |
|--------------------------------|---------|
| 2nd Floor, 223, REGENT STREET, |         |
| LONDON.                        |         |
| Postcode                       | W1R 7DB |

If the memorandum is delivered by an agent for the subscribers of the  
memorandum please mark 'X' in the box opposite and insert  
the agent's name and address below☒

|                                     |                  |
|-------------------------------------|------------------|
| JP COMPANY REGISTRATIONS & CO. LTD. |                  |
| SECOND FLOOR,                       |                  |
| 223, REGENT STREET,                 |                  |
| LONDON.                             | Postcode W1R 7DB |

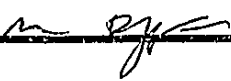
Number of continuation sheets attached (see note 1)

Presenter's name address and  
reference (if any):For official Use  
General Section

Post room


The name(s) and particulars of the person who is, or the persons who are, to be the first director or directors of the company (note 2) are as follows:


Please do not write in this margin

|   |         |  |  |
|---|---------|--|--|
| Name (note 3) JPCORD LIMITED  |         | Business occupation<br>LIMITED COMPANY       |  |
| Previous name(s) (note 3) NONE  |         | Nationality<br>BRITISH                       |  |
| Address (note 4) SECOND FLOOR,<br>223, REGENT STREET,<br>LONDON.                            |         | Date of birth (where applicable)<br>(note 6) |  |
| Postcode  | W1R 7DB |  |  |
| Other directorships † NONE  |         |  |  |
|   |         |  |  |
|   |         |  |  |
|   |         |  |  |
|   |         |  |  |
| I consent to act as director of the company named on page 1                                 |         |  |  |
| Signature  |         | Date 14th April 1987                         |  |

† enter particulars of other directorships held or previously held (see note 5) if this space is insufficient use a continuation sheet.

The name(s) and particulars of the person who is, or the persons who are, to be the first secretary, or joint secretaries, of the company are as follows:

|   |  |                      |         |
|---|--|----------------------|---------|
| Name (notes 3 & 7) JOHN O'DONNELL   |  |                      |         |
| Previous name(s) (note 3) NONE  |  |                      |         |
| Address (notes 4 & 7) SECOND FLOOR,<br>223, REGENT STREET,<br>LONDON                          |  | Postcode             | W1R 7DB |
| I consent to act as secretary of the company named on page 1                                  |  |                      |         |
| Signature  |  | Date 14th April 1987 |         |

|   |  |                      |
|---|--|----------------------|
| Signature of agent on behalf of subscribers  |  | Date 14th April 1987 |
|---|--|----------------------|

THE COMPANIES ACT 1985

2144256 ADG

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF



GATEWAY RESIDENTAL SERVICES

LIMITED

1. The name of the company is "GATEWAY RESIDENTAL SERVICES Limited".
2. The registered office of the company will be situate in England or Wales.
3. The objects for which the company is established are:-

3.01) (a) To provide, furnish and fit up with all necessary conveniences, furniture, instruments and equipment, and to maintain, manage and carry on private nursing homes, hospitals, research institutions, clinics, community homes and hostels for the elderly, infirm, incapacitated or handicapped, with all suitable accommodation for the treatment and care of patients; to provide facilities for medical attendance, nursing, food, medicine and appliances of a surgical or medical character necessary or suitable for the proper treatment of such patients together with as far as possible the comfort and conveniences of a private home; to employ medical, surgical and pharmaceutical officers and trained nurses for the treatment of patients and to provide and supply all necessary provisions and clothing; to research into the causes, effects and treatment of physical and mental handicaps calculated to be of benefit to physically and mentally handicapped persons collectively or individually; and to carry on business as proprietors or managers of private hotels and boarding houses and to provide reading and writing rooms, libraries, laundries and other such amenities: To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Company may think necessary for the promotion of its objects, and to construct, maintain and alter any buildings or erections necessary for the work of the Company.





3.01) (b) to purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any company, society, partnership or person carrying on any business which the Company is authorised to carry on or possessed of property suitable for any of the purposes of the Company, and to conduct and carry on, or liquidate and wind up, any such business.

3.02) To purchase, take on lease or in exchange, hire or otherwise acquire and hold, for any estate or interest, and manage any lands, buildings, servitudes, easements, rights, privileges, concessions, machinery, plant, stock-in-trade and any heritable or moveable real or personal property of any kind.

3.03) To purchase or otherwise acquire any patents, brevets d'invention, licences, concessions, copyrights, trade marks, designs and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention, process or development which may seem to the Company capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, to use, exercise, develop, grant licences in respect of or otherwise turn to account any of the same and with a view to the working and development of the same to carry on any business whatsoever, whether manufacturing or otherwise, which the Company may think calculated directly or indirectly to achieve these objects.

3.04) To form, promote, subsidise and assist companies, syndicates or other bodies of all kinds and to issue on commission or otherwise underwrite, subscribe for and take or guarantee the payment of any dividend or interest on any shares, stocks, debentures or other capital or securities or obligations of any such companies, syndicates or other bodies, and to pay or provide for brokerage commission and underwriting in respect of any such issue.

3.05) To enter into partnerships or into any arrangement for sharing profits, union of interests, co-operation, reciprocal concessions or otherwise with any person or company for the purpose of carrying on business within any of the objects of the Company.

3.06) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.

3.07) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person or company carrying on any business which this Company is authorised to carry on, or possessed of property suitable for any of the purposes of the Company.

3.08) To develop, work, improve, manage, lease, mortgage, charge, pledge, turn to account or otherwise deal with all or any part of the property of the Company, to surrender or accept surrender of any lease or tenancy or rights, and to sell the property, business or undertaking of the Company, or any part thereof, for such consideration as the Company may think fit, and in particular for cash or shares, debentures or securities of any other company.

3.09) To construct, erect, maintain, alter, replace or remove any buildings, works, offices, erections, plant, machinery, tools, or equipment as may seem desirable for any of the businesses or in the interests of the Company, and to manufacture, buy, sell and generally deal in any plant, tools, machinery, goods or things of any description which may be conveniently dealt with in connection with any of the Company's objects.

3.10) To manage and conduct the affairs of any companies, firms and persons carrying on business of any kind whatsoever, and in any part of the world.

3.11) To enter into, carry on and participate in financial transactions and operations of all kinds and to take any steps which may be considered expedient for carrying into effect such transactions and operations including, without prejudice to the generality of the foregoing, borrowing and lending money and entering into contracts and arrangements of all kinds.

3.12) To borrow or raise money in such manner as the Company shall think fit and in particular by the issue (whether at par or at a premium or discount and for such consideration as the Company may think fit) of bonds, debentures or debenture stock (payable to bearer or otherwise), mortgages or charges, perpetual or otherwise, and, if the Company thinks fit, charged upon all or any of the Company's property (both present and future) and undertaking including its uncalled capital and further, if so thought fit, convertible into any stock or shares of the Company or any other company, and collaterally or further to secure any obligations of the Company by a trust deed or other assurance.

3.13) To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking, property, assets and rights present and future and uncalled capital of the Company or by both such methods or by any other means whatsoever, the liabilities and obligations of and the payment of any moneys whatsoever (including but not limited to capital, principal, premiums, interest, dividends, costs and expenses on any stocks, shares or securities) by any person, firm or company whatsoever including but not limited to any company which is for the time being the holding company or a subsidiary (both as defined by section 736 of the Companies Act 1985) of the Company or of the Company's holding company or is otherwise associated with the Company in its business.

3.14) To grant indemnities of every description and to undertake obligations of every description.

3.15) To make, draw, accept, indorse and negotiate bills of exchange or other negotiable instruments and to receive money on deposit or loan.

3.16) To pay all or any expenses incurred in connection with the formation and promotion and incorporation of the Company and to pay commission to and remunerate any person or company for services rendered in underwriting or placing, or assisting to underwrite or place, any of the shares in the Company's capital or any debentures or other security of the Company, or in or about the formation or promotion of the Company or the conduct of its business.

3.17) To pay for any property or rights acquired by the Company either in cash or fully or partly paid-up shares with or without preferred or deferred rights in respect of dividend or repayment of capital or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another and generally on such terms as the Company may determine.

3.18) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

3.19) While the Company remains a private company, and subject to the provisions of the Companies Act 1985 to:

(a) remunerate or undertake to remunerate any person, firm or company rendering services to the Company, whether by cash payment or by the allotment to him it or them of shares or securities of the Company credited as paid in full or in part or otherwise; and

(b) give financial assistance (within the meaning of section 152(1)(a) Companies Act 1985).

3.20) To make loans or donations to such persons and in such cases (and in the case of loans either of cash or of other assets) as the Company may think directly or indirectly conducive to any of its objects or otherwise expedient.

3.21) To distribute among the members in specie any property of the Company or any proceeds of sale, disposal or realisation of any property of the Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

3.22) To subscribe for, purchase or otherwise acquire, take, hold, or sell any shares or stock, bonds, debentures or debenture stock, or other securities or obligations of any company and to invest or lend any of the moneys of the Company not immediately required for its operations in such manner, with or without security, and whether at home or abroad, as the Company may think fit.

3.23) To amalgamate with any other company whose objects are or include objects similar to those of the Company and on any terms whatsoever.

3.24) To procure the Company to be registered or recognised in any country or place abroad.

3.25) To obtain any provisional or other order or Act of Parliament of this country or of the legislature of any other State for enabling the Company to carry any of its objects into effect, or for effecting any modifications of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any proceeding or application which may seem calculated, directly or indirectly, to prejudice the Company's interests.

3.26) To appoint any person or persons, firm or firms, company or companies to be the attorney or agent of the Company and to act as agents, managers, secretaries, contractors or in similar capacity.

3.27) To insure the life of any person who may, in the opinion of the Company, be of value to the Company as having or holding for the Company interests, goodwill or influence or other assets and to pay the premiums on such insurance.

3.28) To establish and maintain or procure the establishment and maintenance of contributory or non-contributory pension or superannuation funds for the benefit of the persons referred to below, to grant emoluments, pensions, allowances, donations, gratuities and bonuses to such persons and to make payments for or towards insurance on the life or lives of such persons; to establish, subsidise, subscribe to or otherwise support any institution, association, society, club, other establishment, or fund, the support of which may, in the opinion of the Company, be calculated directly or indirectly to benefit the Company or any such persons, or may be connected with any place where the Company carries on business; to institute and maintain any institution, association, society, club or other establishment or profit-sharing scheme calculated to advance the interests of the Company or such persons; to join, participate in and subsidise or assist any association of employers or employees or any trade association; and to prescribe or guarantee money for charitable or benevolent objects or for any public, general or useful object or for any exhibition; the said persons are any persons who are or were at any time in the employment or service of the Company or of any company which is for the time being the holding company or a subsidiary (both as defined by section 736 Companies Act 1985) of the Company or of the Company's holding company or is otherwise associated with the Company in its business or who are or were at any time directors or officers of the Company or of such other company as aforesaid, and holding or who held any salaried employment or office in the Company or such other company, and the wives, widows, families or dependants of any such persons.

3.29) To take, make, execute, enter into, commence, carry on, prosecute or defend all steps, contracts, agreements, negotiations, legal and other proceedings, compromises, arrangements and schemes, and to do all other acts, matters and things which shall at any time appear conducive or expedient for the advantage or protection of the Company.

3.30) To do all or any of the above things in any part of the world and either as principals, agents, contractors, trustees, or otherwise, and either alone or in conjunction with others.

3.31) To do all such acts or things as are incidental or conducive to the attainment of the above objects or any of them.

It is hereby declared that:

(a) the word "company" in this clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere, and whether now existing or hereafter to be formed; and

(b) the objects set forth in each sub-clause of this Clause shall not be restrictively construed but the widest interpretation should be given thereto and they shall not, except where the context expressly so requires, be in any way limited or restricted by application of the ejusdem generis rule or by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the Company; none of such sub-clauses or the object or objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other sub-clause, but the Company shall have full power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company.

4. The liability of the members is limited.

5. The share capital of the Company is £5,000,000 divided into  
5,000,000 Shares of £1 each.

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

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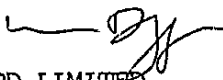
Names, Addresses and  
Descriptions of Subscribers

Number of shares  
taken by each subscriber

---


JPCORD LIMITED,  
2nd Floor, 223 Regent Street,  
London. W1R 7DB.

One

  
Signed on behalf of JPCORD LIMITED

JPCORS LIMITED,  
2nd Floor, 223 Regent Street,  
London. W1R 7DB.

One

  
Signed on behalf of JPCORS LIMITED

---

DATED THIS 14TH DAY OF APRIL , 1987

WITNESS TO THE ABOVE SIGNATURES;-

John O'Donnell,  
2nd Floor, 223 Regent Street,  
London. W1R 7DB.



Chartered Accountant.

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GATEWAY RESIDENTIAL SERVICES

LIMITED

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PRELIMINARY

1. In these Articles and in Table A:

"the Act" means the Companies Act 1985 and any statutory modification or re-enactment for the time being in force

"Table A" means Table A in The Companies (Tables A to F) Regulations 1985

2. Subject as hereinafter provided, the regulations contained in Table A shall apply to the Company.

3. Regulations 24, 68, 73 to 78 inclusive, 87, and 118 of Table A shall not apply to the Company, but the Articles hereinafter contained and the remaining regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the regulations of the Company.

SHARES

4. Subject to the provisions of Article 5 and to any directions which may be given by the Company in General Meeting, the Directors may unconditionally exercise the power of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) and without prejudice to the generality of the foregoing any shares unissued at the date of incorporation of the Company and any shares hereafter created shall be under the control of the Directors, who 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 they may think proper, provided that no shares shall be issued at a discount.

5. The maximum nominal amount of share capital which the Directors may allot, grant options or subscription or conversion rights over, create, deal with or otherwise dispose of in accordance with Article 4 shall be the total amount stated in clause 5 of the Memorandum of Association of the Company or such other amount as shall be authorised by the Company in General Meeting.

6. The authority conferred on the Directors by Article 4 shall expire on the day preceding the fifth anniversary of the date of incorporation of the Company.

7. The provisions of section 89(1) of the Act shall not apply to the Company.

#### LIEN

8. The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders. The said regulation 8 shall be modified accordingly.

#### TRANSFER OF SHARES

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

10. An instrument of transfer of fully paid shares need not be signed by or on behalf of the transferee.

#### PROCEEDINGS AT GENERAL MEETING

11. A poll may be demanded at any General Meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be modified accordingly.

12. A proxy shall be entitled to vote on a show of hands and regulation 54 of Table A shall be modified accordingly.

13. A resolution in writing in accordance with regulation 53 of Table A shall be deemed to have been duly executed by a corporation if signed by one of its directors or its secretary. In the case of a joint holder of a share the signature of any one of such joint holders shall be sufficient for the purposes of regulation 53 as aforesaid.

#### DIRECTORS

14. The number of Directors need not exceed one and regulation 64 of Table A shall be modified accordingly.

15. The first Director or Directors shall be appointed in writing by completion of the statement required to be delivered for registration by section 10 of the Act.

16. A Director shall not be required to hold any qualification shares in the Company.

## POWERS AND DUTIES OF DIRECTIONS

17. Subject to the provisions of the Act, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract of arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor. Notwithstanding his interest a Director may vote on any matter in which he is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he may retain for his own benefit all profits and advantages accruing to him. Regulation 94 of Table A shall be modified accordingly.

18. The Directors may exercise all the powers of the Company contained in Clause 3.28 of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

## APPOINTMENT AND DISQUALIFICATION OF DIRECTORS

19. Without prejudice to the powers of the Company under section 303 of the Act to remove a Director by Ordinary Resolution, the holder or holders for the time being of more than one half of the issued Ordinary Shares of the Company shall have the power from time to time and at any time by notice to the Company to appoint any person or persons as a Director or Directors and to remove from office any Director howsoever appointed.

Any such appointment or removal shall be effected by an instrument in writing signed by the member or members making the same or in the case of a member being a company signed on its behalf by one of its directors and shall take effect upon being lodged at the registered office of the Company.

20. The office of a Director shall be vacated if he is removed from office under Article 19. Regulation 81 of Table A shall be modified accordingly.

## ROTATION OF DIRECTORS

21. The Directors shall not be liable to retire by rotation, and accordingly the second and third sentences of regulation 79 of Table A shall be deleted.

## ALTERNATE DIRECTORS

22. Any appointment or removal of an alternate Director made under Table A shall be effected by an instrument in writing delivered at the registered office of the Company and signed by the appointor.

23. If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate Director 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 and regulation 101 of Table A shall be modified accordingly.



24. 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.

#### PROCEEDINGS OF DIRECTORS

25. Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.

26. The following sentence shall be inserted after the first sentence of regulation 72 of Table A: "Any committee shall have power unless the Directors direct otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being a Director of the Company.".

27. A sole Director may exercise all the powers conferred by these Articles on the Directors and for such time as there is not more than one director of the Company there shall be no requirement for a quorum or meetings of directors: regulations 88 and 89 shall be modified accordingly.

#### OFFICIAL SEAL FOR USE ABROAD

28. The Company may have an official seal for use abroad under the provisions of the Act, where and as the Directors shall determine, and the Company may by writing under the Common 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. Wherever in these Articles reference is made to the Common Seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

#### NOTICES

29. Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company) in addition to the persons so entitled under the Act. The third sentence of regulation 112 of Table A shall be deleted.

#### INDEMNITY

30. Subject to the provisions of and so far as may be consistent with the Act but without prejudice to any indemnity to which a Director may be otherwise entitled every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) any

liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceeding are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

#### MISCELLANEOUS PROVISIONS

31. Table A shall be further modified as follows:

(a) in regulation 37 the words "within the United Kingdom" shall be deleted;

(b) in regulation 88 the third sentence shall be deleted;

(c) in regulation 90 the words "but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting" shall be deleted;

(d) in regulation 112 the words "(or to such other address, whether within or outside the United Kingdom, as he may supply to the Company for that purpose)" shall be inserted after "registered address";

(e) regulation 116 shall be modified by the substitution of the words "at the address, if any, whether within or outside the United Kingdom" for the words "the address, if any, within the United Kingdom".


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Names, Addresses and  
Descriptions of Subscribers

---


JPCORD LIMITED,  
2nd Floor, 223 Regent Street,  
London, W1R 7DB

Signed on behalf of  
JPCORD LIMITED



JPCORS LIMITED,  
2nd Floor, 223 Regent Street,  
London, W1R 7DB.

Signed on behalf of  
JPCORS LIMITED




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DATED THIS 14TH DAY OF APRIL, 1987

WITNESS TO THE ABOVE SIGNATURES:-

JOHN O'DONNELL,  
2nd Floor, 223 Regent Street,  
London, W1R 7DB



Chartered Accountant.

FILE COPY



**CERTIFICATE OF INCORPORATION  
OF A PRIVATE LIMITED COMPANY**

No. 2141256

I hereby certify that

**GATEWAY RESIDENTIAL SERVICES LIMITED**

is this day incorporated under the Companies Act 1985 as  
a private company and that the Company is limited.

Given under my hand at the Companies Registration Office,  
Cardiff the 16TH JUNE 1987

A handwritten signature in dark ink, appearing to read 'E.J. Jones'.

(MRS E.J. JONES)

an authorised officer

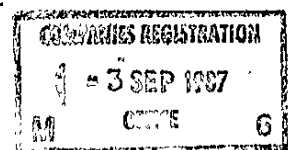
GATEWAY RESIDENTIAL SERVICES  
LIMITED

Minutes of an Extraordinary General Meeting of the Company held at Essex Lodge, The Green, Barnes, London, SW13 0LW. on Wednesday 2nd September 1987. Mr J.C. Hughes Chairman of the Board presiding.

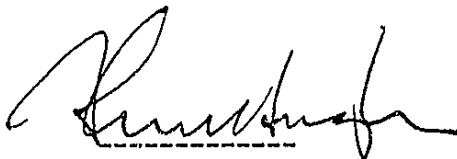
1. The Secretary read the notice convening the meeting and reported that all members entitled to attend and vote were present in person and that he had received signed consents from the holders of all issued and fully paid up shares of the Company to the holding of the meeting on less the statutorily prescribed periods.
2. The Chairman proposed to us a special resolution:-  
the resolution numbered 1, contained in the Notice convening the Meeting a copy of which is annexed hereto and marked "A" The resolution was put to the meeting and declared to be carried as a Special Resolution each and every shareholder of the Company having voted in favour thereof
3. The Chairman proposed as a special resolution :-

That the resolution numbered 2, contained in the Notice convening the Meeting a copy which is annexed hereto and marked "A"

The resolution was put to the meeting and declared to be carried as a special resolution each and every shareholder of the Company having voted in favour thereof.



There being no further business the Meeting terminated, at 10.45 am.

A handwritten signature in cursive script, appearing to read "R. K. ...", written over a dashed horizontal line.

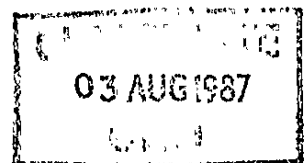
Chairman

(A)

GATEWAY RESIDENTIAL SERVICES LIMITED

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the above named Company will be held at 10.15 am on Wednesday 2nd September 1987, at Essex Lodge, The Green, Barnes, London SW13 0LW, for the purpose of considering and if thought fit passing the following resolutions which will be proposed as Special Resolutions

1. THAT pursuant to the provisions of section 43 of the Companies Act 1985 the Company be re-registered as a public Company with effect from 4th September 1987 or from such other date as the Registrar of Companies may approve and that the Memorandum of Association of the Company be thereupon altered as follows:-
  - a) by the deletion of the existing Clause 1 and its substitution by the following Clauses to be numbered 1 and 2.  
  
"1. The Company's name is Gateway Residential Services p.l.c."  
  
"2. The Company is to be a public Company"
  - b) By the deletion of the existing Clause 3 and its substitution by Clause 4 of the draft annexed hereto and marked "A"
  - c) by the renumbering of the existing Clause 4 as Clause 5
  - d) by the deletion of the existing Clause 5 and its substitution by Clause 6 of the draft annexed hereto and marked "A"
  - e) to the extent that the same is not already provided for by this Resolution the new Memorandum shall, if adopted, by the

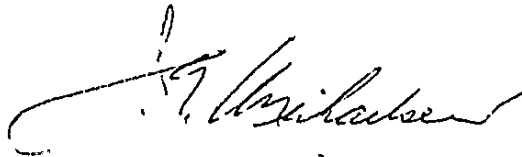


existing Memorandum of Association of the Company

2. That the regulations contained in the document annexed hereto and marked "B" submitted to the meeting be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not also be a member of the Company.

BY ORDER OF THE BOARD

A handwritten signature in cursive script, appearing to read "J. H. Milner", is written over a horizontal line.

Secretay





## COMPANIES FORM No. 43(3)

**Application by a private  
company for re-registration  
as a public company****43(3)**Please do not  
write in  
this margin

Pursuant to section 43(3) of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

Company number

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  |  |
|--|--|--|--|--|--|

2141256

Name of company

\* insert existing full  
name of company

\* GATEWAY RESIDENTIAL SERVICES LIMITED

o insert full name of  
company amended  
to make it appropriate  
for this company as  
a public limited  
company

applies to be re-registered as a public company by the name of o

Gateway Residential Services p.l.c.

and for that purpose delivers the following documents for registration:

- 1 Declaration made by a director or the secretary in accordance with section 43(3)(e) of the above Act (on Form No 43(3)(e) )
- 2 Printed copy of memorandum and articles as altered in pursuance of the special resolution under section 43(1)(a) of the above Act.
- 3 Copy of auditors written statement in accordance with section 43(3)(b) of the above Act
- 4 Copy of relevant balance sheet and of auditors unqualified report on it

§ delete if section 44  
of the Act does not  
apply~~[5] Copy of any valuation report~~† delete as  
appropriate

Signed

A. C. Elletson

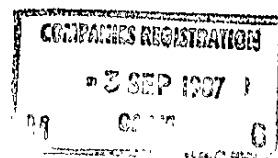
[Director][Secretary]† Date

2<sup>nd</sup> September '87Presentor's name address and  
reference (if any):

ELLETSON & CO.  
10 Hertford Street  
London W1Y 7DX  
Tel: 01-408 0594  
Tlx: 266759 Eiltang

For official Use  
General Section

Post room



NO. 2141256

THE COMPANIES ACT 1985

PUBLIC  
COMPANY LIMITED BY SHARES

NEW MEMORANDUM

and

NEW ARTICLES OF ASSOCIATION

of

GATEWAY RESIDENTIAL SERVICES p.l.c.

Adopted by Special Resolution passed on 2nd  
September 1987

Incorporated on the 18th June 1987

A  
JB

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

N E W  
ARTICLES OF ASSOCIATION

(Adopted by Special Resolution passed on September 1987)

of

GATEWAY RESIDENTIAL SERVICES  
PUBLIC LIMITED COMPANY

Incorporated on the 18th Day of June 1987

INTERPRETATION

1. In these Articles, if not inconsistent with the subject or context the following words and expressions shall have the following meaning:

"THESE ARTICLES" these Articles of Association as originally adopted, or as from time to time altered by sepecial resolution

"THE AUDITORS" the auditors of the Company for the time being

"THE BOARD" or "THE DIRECTORS" the Directors of the Company in office for the time being or a quorum of the Directors present at a board meeting



"MONTH" calendar month

"THE OFFICE" the registered office of the Company

"THE SEAL" the common seal of the Company and, as appropriate, any official seal kept by the Company by virtue of Section 40 of the Companies Act 1985

"THE STATUTES" the Companies Act 1985 and every other Act or statutory instrument for the time being in force concerning limited companies and affecting the Company

"THE UNITED KINGDOM" Great Britain and Northern Ireland

"IN WRITING" written, printed, typewritten, lithographed or wholly expressed in any other mode representing or reproducing words, or partly one and partly another

"YEAR" calendar year

And the expressions "Debenture" and "Debenture Holder" shall include "Debenture Stock" and "Debenture Stockholder" and the expression "Secretary" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Any reference to any statutory provision shall be deemed to include any amendment or re-enactment thereof.

Save as aforesaid any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

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

## TABLE A EXCLUDED

2. The Regulations contained in Table A in the Schedule to the Companies Act (Tables A to F) Regulations 1985 shall not apply to the Company, except in so far as the same are repeated or contained in these Articles.

## BUSINESS

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

## REGISTERED OFFICE

4. The Office shall be at such place in England or Wales as the Directors shall from time to time appoint.

## CAPITAL

5. At the date of adoption of these Articles the authorised share capital of the Company is £10,000,000 divided into 2,000,000 Founders' Shares of £1 each and 8,000,000 Ordinary Shares of £1 each.

The rights attaching to the said respective classes of shares shall be as follows:-

(A) As regards income:-

The profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the holders of the Ordinary Shares and the Founders' Shares (pari passu as if the

same constituted one class of share) according to the amounts paid up or credited as paid up on the Ordinary Shares and Founders' Shares held by them respectively.

(B) As regards capital:-

On a return of assets on liquidation, reduction of capital or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall belong to and be distributed amongst the holders of the Ordinary Shares and the Founders' Shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the Ordinary Shares and Founders' Shares respectively.

(C) As regards voting:-

Every member present in person and every person present as a proxy for a member or members shall have one vote and on a poll every member shall have one vote for every £1 nominal amount of share capital of which he is the holder.

(D) As regards conversion:-

(i) each holder of the Founders' Shares shall have the right to convert his holding of Founders' Shares (or any part thereof) into Ordinary shares by notice in writing to the Company on or at any time after the Relevant Date. For the purposes of these Articles, the expression "the Relevant Date" shall mean the earliest of the following:-

- (a) the date of publication of the audited consolidated profit and loss account and balance sheet of the Company and any subsidiaries for the financial year ending 31st October 1994 ( or such other date in 1994 to which such profit and loss account and balance sheet may be made up);
- or

(b) the date of signature by the auditors of the Company of their report on the audited consolidated profit and loss account of the Company and its subsidiaries showing Certified Profits (as hereinafter defined) for the relevant financial year which is equal to or in excess of £1,000,000.

(ii) any notice of conversion shall specify the particular Founders' Shares to be converted ("the Notified Shares"), the date fixed for conversion, which shall not be earlier than 14 days after the date of such notice, ("the Conversion Date") and the address to which the certificates for the Ordinary shares arising on such conversion should be sent and shall be accompanied by the certificate or certificates for the Founders' Shares to be so converted in order that the same may be cancelled. If any certificate so delivered to the Company includes any Founders' Shares not to be converted on the relevant Conversion Date a fresh certificate for such Founders' Shares shall be issued to the holder or holders delivering such certificates to the Company.

(iii) if the Company is satisfied that the correct procedure has been followed pursuant to paragraph (ii) above, the following provisions shall have effect:-

(a) on and with effect from the relevant Conversion Date, the number of Ordinary Shares to be issued in respect of each Founders' Share upon conversion of the same shall be ascertained by applying the following formula:-

$$A \times B$$

Where:-

"A" is the product of the Certified Profits for the financial year immediately preceeding the relevant Conversion Date divided by 1,000,000 and expressed to three

decimal places; and

"B" is the number "1.5"

(iv) the Ordinary shares into which such Notified Shares shall convert shall rank pari passu in all respects with the Ordinary Shares then in issue save that such Ordinary Shares shall only entitle the holder or holders thereof to a proportion of any dividend otherwise payable thereon in respect of any period in which the Conversion Date occurs equal to the proportion of such period remaining after the Conversion Date.

(v) the holders of the Ordinary Shares and the Directors shall take all steps necessary to enable such conversion and (if applicable) increase of capital and to effect the same including the convening of meetings so as to effect such conversion.

(vi) for the purpose of these Articles "the Certified Profits" for any financial year shall mean a sum equal to the consolidated profit after taxation and extraordinary items of the Company and its subsidiaries for that financial year as disclosed in a consolidation of the audited profit and loss accounts of the Company and its subsidiaries for such financial year based on generally accepted accounting principles.

(vii) the certificate of the auditors of the Company as to the number of Ordinary Shares arising upon conversion of any Founders' shares shall (save in the case of manifest error) be conclusive and binding on the Company and its members.

(viii) in the event that at any time prior to the Relevant Date

(1) an offer is accepted which would result in any person firm or company acquiring control (as defined in Section 534 of the Income and Corporation Taxes Act 1970) of more than 50 per cent of the aggregate of the Ordinary Shares then in



issue, and the holders of not less than 75 per cent of the Founders' Shares consent to in writing, or an Extraordinary Resolution is passed at a separate meeting of the holders of such Founders' Shares sanctioning the conversion of the Founders' Shares into Ordinary Shares pursuant to the foregoing provisions, or

(2) application is made or is proposed to be made for a Listing, then each of the Founders' Shares then in issue shall convert into such number of Ordinary Shares as may be determined in accordance with the foregoing provisions relating to the conversion of the Founders' Shares save that:-

(a) the Conversion Date shall be the first business day following that on which such consents are finally obtained, or such resolution is passed, or the day on which such Listing is granted;

(b) the date referred to in (a) above shall be substituted for references to the Relevant Date;

(ix) in the event that the Conversion Date shall be at any time prior to the Relevant Date and any of the holders for the time being of Founders' Shares at such earlier Conversion Date shall elect or shall be required pursuant to these Articles to exercise the conversion rights conferred hereby the ratio in which Founders' Shares shall be converted to Ordinary Shares shall in no case be less than 1:1 and upon such conversion rights being exercised and the conversion thereby effected all rights obligations duties and privileges attaching thereto shall henceforth be extinguished and of no further force or effect.

For the purpose of these Articles, "Listing" shall mean the inclusion of any part of the Share capital of the Company in the

Official List of The Stock Exchange or the grant of permission to deal in the same in the Unlisted Securities Market or an Over-the Counter market or similar arrangements being effected for or dealings commenced in such share capital on any recognised stock exchange in any part of the world.

(E) As regards class consents:-

Without prejudice to the restrictions contained in these Articles as to the modification of the rights attached to classes of shares, the consent or sanction of the holders of the Founders' Shares shall be required:-

(1) to the creation allotment or issue of any shares or securities by the Company or to the grant of any right to require the allotment or issue of any such shares or securities;

(2) to participate in any transaction which, if the Company were listed on the Stock Exchange, would constitute a transaction falling within Class 1 as defined for the purposes of the regulations of the Stock Exchange concerning acquisitions and realisations of assets by listed companies and their subsidiaries;

(3) to increase, reduce, repay, repurchase, subdivide, consolidate or otherwise vary the share capital of the Company or reduce the amount, if any, standing to the credit of the share premium account or capital redemption reserve fund except as expressly provided in these Articles;

(4) to make any material change in the nature of its business, or to permit the making of any change in the nature of the business of any subsidiary of the Company;

(5) to acquire the whole or part of any undertaking or to acquire or dispose of any shares in the capital of any company or to permit any subsidiary of the Company to acquire or dispose of any undertaking or shares (other than a transfer of shares or securities of any subsidiary of the Company) which acquisition or disposal would be material in the context of the Company and its subsidiaries as a group;

(6) to amend any provision of the Memorandum or Articles of Association of the Company;

(7) to lend money (except in the ordinary course of its business or to a wholly owned subsidiary) or give any guarantee or indemnity (except in the normal course of its business or for the benefit of or in favour of a wholly-owned subsidiary);

(8) to a Listing;

(9) to register any transfer of any Founders' Shares in favour of any person, firm or company ("the transferee") or the nominee or nominees of such transferee if such transferee together with connected persons (if any) would thereby acquire control of more than 50 per cent in aggregate of the Founders' Shares and the Ordinary Shares then in issue. For this purpose, the expression "connected persons" and "control" shall have the meanings ascribed to those expressions respectively in Section 533 and Section 534 of the Income and Corporation Taxes Act 1970;

(10) to any change in the accounting reference date of the Company or any subsidiary.

6. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued (which

special rights shall not be modified or abrogated except with such consent or sanction as is provided in the Company's Memorandum of Association and in the next following Article) any share in the Company (whether forming part of the original capital or not) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine, and, subject to the provisions of the Statutes, the Company may issue shares which are or which at the option of the Company are to be liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by ordinary resolution determine.

#### MODIFICATION OF RIGHTS

7. Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may, subject to the provisions of the Company's Memorandum of Association (unless otherwise provided by the terms of issue of the shares of that class), either with the consent In Writing of the holders of three-quarters of the issued shares of the class or group, or with the sanction of any extraordinary resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of these Articles relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class or group (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote

in respect of every share of the class or group held by them respectively. The special rights conferred upon the holders of any shares or class or group of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be modified by the creation or issue of further shares ranking pari passu therewith.

## SHARES

8. Subject to the provisions of the Statutes and any restrictions contained in these Articles and to any direction to the contrary which may be given by the Company in general meeting, the Directors may allot, grant options over, or otherwise dispose of shares or rights to subscribe for, or to convert any security into shares other than shares so allotted to such persons (including any Director) and on such terms as they think fit, provided that no share shall be issued at a discount.

9. The Company may exercise the powers of paying commissions conferred or permitted by the Statutes provided that the percentage rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by law and shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued, or an amount equivalent thereto. Where permitted by the Statutes, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in another. The Company may also on any issue of shares pay such brokerage as may be lawful.

10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles otherwise provided or as by law required or under an order of Court) any other rights in respect of any

share except an absolute right to the entirety thereof in the registered holder.

#### CERTIFICATES

11 Every person, 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, whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of each class of shares held by him, or upon payment of such sum, not exceeding £1, for every certificate after the first as the Directors shall from time to time determine, several certificates, each for one or more of his shares. Shares of different classes may not be included in the same certificate. Where a member has transferred part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding free of charge. Every certificate for shares shall be issued under the Seal and shall specify the shares or securities to which it relates and the amount paid up thereon and (subject as hereinafter provided) shall bear the autographic signatures of at least one Director and the Secretary provided that the the Directors may by resolution determine that such signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Directors or some method or system of mechanical signature provided also that the Company shall not be bound to register more than four persons as the joint holders of any share (except in the case of executors or trustees of a deceased member) and in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

12. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and any exceptional out-of-pocket

expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

#### LIEN

13. Subject to the provisions of section 150 of the Companies Act 1985 the Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof together with any interest or expenses which may have accrued. The Directors may resolve that any share shall be wholly or in part exempt from the provisions of this Article.

14 The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled by reason of his death or bankruptcy to the share.

15. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser. The purchaser shall be registered as the holder of the shares and he 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. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or

satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the time of the sale.

16. The Directors may from time to time make calls upon the members in respect of any moneys (whether on account of the amount of the shares or by way of premium) unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that (except as otherwise fixed by the conditions of application or allotment) no call on any share shall exceed one-quarter of the nominal amount of the share or be payable within 14 days from the last call and each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

17. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed, and a call may be made payable by instalments.

18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

19. If a call or instalment payable in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Directors shall from time to time determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses, wholly or in part.



20. Any sum which by the terms of issue of a share becomes 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 the purposes of these Articles be deemed to be a call duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

21. The Directors may, on the issue of shares, differentiate between the holders in the amount of calls to be paid, and in the times of payment.

22. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may pay interest at such rate as the member paying such sum and the Directors shall agree provided that the member shall not thereby be entitled to participate in respect thereof in a dividend subsequently declared. The Directors may also at any time repay the amount so advanced upon giving to such members one month's notice in writing.

#### TRANSFER OF SHARES

23. All transfers of shares may be effected by transfer In Writing in the usual or common form, or in any other form approved by the Directors.

24. The instrument of transfer of a share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. Subject to the provisions of these Articles, transfers of shares shall be registered without payment of any fee.

25. The Directors may, in their absolute discretion, and without assigning any reason therefor, decline to register any transfer of, or which included, shares which are not fully paid to a person of whom they shall not approve, and they may also decline to register any transfer of shares upon which the Company has a lien. If the Directors refuse to register a transfer they shall within 2 months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

26. The Directors may also decline to register any instrument of transfer, unless:

(a) the instrument of transfer, duly stamped, is deposited at the Office or such other place as the Directors may appoint accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of share: and

(c) in the case of a transfer to joint holders, they do not exceed four in number.

All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

27. The register of transfers may be closed at such times and for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than 30 days in any year.

28. Subject to Section 80 of the Companies Act 1985, nothing herein contained shall preclude the Directors from allowing the allotment of any share to be renounced by the allottee in favour of some other person, provided however that for all purposes of these Articles relating to the registration of transfers of shares, such renunciation shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect thereto by renunciation as if the the renunciation were a transfer.

29. The Company shall be entitled to destroy all instruments of transfer of shares and all other documents on the faith of which entries are made in the register of members at any time after the expiration of 6 years from the date of registration thereof and all dividend mandates and notifications of change of name or address at any time after the expiration of 2 years from the date of recording thereof and all shares certificates which have been cancelled at any time after the expiration of 1 year from the date of cancellation thereof and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and 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 always that:

- i.) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions or proviso (i) above are not fulfilled; and

iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### PRE-EMPTION AND TRANSFER OF SHARES

#### 30. (A) A share may be transferred

(i) by a Member or ( in the case of a deceased Member) by his personal representatives to a Family Member or (in the case of a Member who is a body corporate) to any company which is the holding company ("Holding Company") of such Member or any subsidiary ("Subsidiary Company") of such Holding Company; or

(ii) by a Member to any person with the prior written consent of of all the Members of the Company for the time being other than the transferor: or

(iii) by a Member to a nominee for such member or by such nominee to such Member or to another nominee of such Member;

all of which persons or bodies corporate are hereinafter referred to as "Permitted Transferees" Provided that in any such case it is proved to the satisfaction of the Directors that the transfer is bona fide and falls within one or more of sub-paragraphs (i), (ii) or (iii) above.

(B) for the purposes of this Article "Family Member" shall mean, in relation to a Member, any spouse, parent, child, grandchild, brother, sister or child of any brother or sister, or the trustees of any trust the beneficiaries of which include any such person or a Member.

(C) Any Member (or his personal representatives as the case may be) desiring to sell, transfer or otherwise dispose of the shares which he holds to a Permitted Transferee shall deliver an executed instrument or instruments of transfer of the shares, duly stamped, to the Directors and the Directors shall cause the name of the transferee to be entered in the Register as the holder of the shares.

(D) A member shall not, subject to the following paragraphs of this Article, (except to a Permitted Transferee) sell, transfer or otherwise dispose of his holding of only either Founders' shares or Ordinary shares in the event that he shall hold shares of both classes without at the same time and by the same Transfer Notice offering for sale a number of shares of the other class in the same proportion as his holding of shares of the one class bears to his holding of shares of the other class.

(E) Any Member ("the Proposing Transferor") desiring to sell, transfer or otherwise dispose of any of the shares which he holds (otherwise than pursuant to paragraph (A) of this Article) shall (subject to the provisions of paragraph (D) of this Article) give notice in writing ("Transfer Notice") to the Company at the Office specifying the class and number of shares ("Shares") which he proposes to transfer and the third party (if any) to whom he proposes to transfer the Shares if they are not purchased by a Member or Members of the Company pursuant to the following provisions of this Article and the price at which he proposes to transfer the Shares if such a price has been determined upon by him ("the Nominated Price"). A Transfer Notice shall only be revocable with the consent of the Directors.

(F) The Transfer Notice shall constitute the directors the agents of the Proposing Transferor for the sale of the Shares at the Nominated Price or if there is no Nominated Price at the fair value ("the Fair value") of the Shares to be determined in accordance with paragraph (F) hereof. In the event that it is necessary for the Fair Value of the Shares to be determined in accordance with paragraph (F) hereof the

Directors shall arrange as soon as practicable for the Fair Value to be so determined. Forthwith upon receipt of the Transfer Notice by the Directors or (if applicable) of the determination of the Fair Value the Directors shall offer the Shares for sale to the Members of the Company and shall notify the Members in accordance with the following provisions:-

(i) such Shares shall be offered in the first instance to all the Members in proportion to their respective holdings of shares in the capital of the Company on the date when the Transfer Notice was served and to the extent that such offers are not accepted the Shares shall be dealt with as provided for by sub-paragraph (iv) below. A shareholder may accept all, but not some, of the Shares offered to him.

(ii) any offer under sub-paragraph (i) hereof shall be in writing, accompanied by a copy of the Transfer Notice, and shall be accepted by notice in writing to the Company within 30 days after the offer is made. If the offer is not accepted within such time limit it shall be deemed to have been refused.

(iii) if any such offer is accepted the Proposing Transferor shall be bound to transfer the Shares accepted, and the Member or Members accepting the offer shall be bound to pay for the Shares so accepted the Nominated Price or, where no Nominated Price has been specified, the Fair Value thereof.

(iv) any shares which under the provisions of sub-paragraph (i) above are to be dealt with under this sub-paragraph shall be offered by the Directors to any shareholders who have accepted an initial offer under sub-paragraph (i) above pro-rata to the respective holdings of Shares of the Company held by such accepting shareholders on the date when the Transfer Notice was served. Such offers shall be upon and subject to the same terms as are set out in sub-paragraphs (ii) and (iii) above in relation to offer under sub-paragraph (i) above and shall be repeated until

there are no remaining shareholders willing to purchase the Shares.

(G) The Fair Value of a Share shall be a proportion of the value of all the issued Shares in the capital of the Company equal to the proportion which the capital paid up on such share bears to capital paid up on all the issued Shares in the capital of the Company. The value of all the issued Shares in the capital of the Company shall be the amount certified at the expense of the Proposing Transferor by the Auditors for the time being of the Company (who shall be deemed in so certifying to act as experts and not as arbitrators and whose certificate shall be final, save in the case of manifest error) to be the value thereof in the open market as between a willing buyer and a willing seller of the Shares with the Company as a going concern.

(H) The Proposing Transferor(s) shall be bound to transfer to each purchaser of the Shares the number of Shares being purchased by him upon payment by such purchaser to the Proposing Transferor of the Nominated Price or the Fair Value (as the case may be) for the Shares which payment shall be made within 14 days of the acceptance of any offer or the ascertainment of the price (if later).

(I) If in any case the Proposing Transferor(s), after having become bound as aforesaid, shall make default in transferring any Shares, the Directors may receive the purchase money which shall be paid into a separate bank account and the Directors shall within a reasonable period nominate some person to execute an instrument or instruments of transfer of the relevant Shares in the name of and on behalf of the Proposing Transferor(s) and thereafter when such instrument or instruments have been duly stamped at the expense of the relevant purchasing Member or Members, the Directors shall cause the name of the relevant purchasing Member or Members to be entered in the Register as the holder or holders of the relevant Shares and shall hold the purchase money in trust for the proposing transferor(s). The receipt of the Directors for the purchase money shall be a good discharge to the relevant purchasing Member or Members and after his or

their names have been entered in the Register in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

(J) If within 90 days after the date of service of a Transfer Notice the Directors shall not find a Member or Members willing to purchase all the Shares under the foregoing provisions so that some or all of the Shares remain unclaimed by the Members of the Company the offer shall be deemed to have been declined in relation to such unclaimed Shares and the proposing Transferor(s) shall be free to transfer all such unclaimed Shares at no less than the Nominated Price or Fair Value (as the case may be) to the third party specified in the Transfer Notice (if any) (or if no third party has been so specified, to any person(s) approved in writing by the Directors) within three months of the end of the 90 day period specified above.

(K) For the purposes of these Articles, the renunciation or negotiation of any temporary document of title to any Share shall constitute a transfer of such Share.

#### TRANSMISSION OF SHARES

31. In the case of the death of a member the survivor or survivors 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.

32. Subject to any other provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of the law may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either



be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.

33. Subject to any other provisions of these Articles, 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 his nominee registered, he shall testify his election by executing in favour of his nominee a transfer of such share. All the limitations, restrictions and 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 or other event giving rise to the transmission had not occurred and the notice or transfer were a transfer executed by such a member.

34. Subject to any other provisions of these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member may at the discretion of the Directors receive and give a discharge for any dividends or other moneys becoming payable in respect of the share but shall not be entitled to receive notices of or to attend or vote at meetings of the Company or save as aforesaid to any of the rights or privileges of a member until he shall have become a member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a member in respect thereof within 60 days of being required so to do by the Directors, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

#### FORFEITURE OF SHARES

35. 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 payment thereof, the Directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is

unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.

36. The notice shall name a further day (not being less than 7 days from the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. The Directors may accept the surrender of any share liable to be forfeited hereunder and in such case, references in these Articles to forfeiture shall include surrender.

37. 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 payment of all calls and interest and expenses due in respect thereof has been made be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.

38. A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit, subject always to the provisions of Section 146 of the Companies Act 1985.

39. A shareholder whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest thereon from the date of forfeiture until payment at such rate not exceeding 15 per cent per annum as the Directors may determine, but the Directors shall be at

liberty to waive payment of such interest wholly or in part and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture.

40. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice as aforesaid.

41. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been fully forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the relevant share certificate under seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share. Every Director is hereby authorised to execute on behalf of the shareholder whose share is forfeited a proper instrument of transfer of such share.

42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### UNTRACED SHAREHOLDERS

43(A) The Company shall be entitled to sell (in such manner and for

such price as the Directors think fit) 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:

i) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the first thereof) being a period during which at least three dividends have been payable all warrants and cheques in respect of the shares in question sent in the manner authorised by these presents have remained uncashed; and

ii) the Company shall on expiry of the said period of 12 years have inserted advertisements in two national daily newspapers, giving notice of its intention to sell the said shares; and

iii) during the said period of 12 years and the period of 3 months following the publication of the said advertisements or following the later publication if the two advertisements are published on different dates the Company shall have received indication neither of the whereabouts nor of the existence of such member or person; and

iv) notice shall have been given to The Stock Exchange in London of its intention to make such sale.

(B) 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 of the said shares shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member

or other person in the books of the Company as a creditor for such amount. 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 Directors may from time to time think fit.

#### STOCK

44 The Company may by ordinary resolution convert any paid-up shares into stock, and may in like manner re-convert any stock into paid-up shares of any denomination.

45. 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, but the Directors may, if they think fit, from time to time fix the minimum amount of stock which is transferable, in which case no stock shall be transferable except in sums of the minimum amount or multiples thereof, provided that such minimum amount shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.

46. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in dividends and in assets on a winding-up) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privilege or advantage.

47. All such of the provisions of these Articles (other than those relating to share warrants) as are applicable to paid-up shares shall

apply to stock, and the words 'share' and 'shareholder' therein shall include 'stock' and 'stockholder'.

#### INCREASE OF CAPITAL

48. The Company in general meeting may from time to time by ordinary resolution increase its capital by such sum to be divided into shares and classes of shares of such amounts as the resolution shall prescribe.

49. Unless the Company shall by ordinary resolution at any general meeting at which the capital is increased otherwise direct, any new shares proposed to be issued shall be offered in accordance with Section 89 of the Companies Act 1985 in the first instance, either at par or at a premium or (subject to the provisions of the Statutes) at a discount, to all the shareholders for the time being on the same or on more favourable terms than those offered or to be offered to persons other than shareholders in the Company in proportion to the number of shares of the class or groups held by them respectively, or give any other directions as to the issue of the new shares.

50. The new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise.

#### PURCHASE OF OWN SHARES

51(A) Subject to, and in accordance with, the provisions of the Statutes and subject to paragraphs (B) and (C) below, the Company may purchase its own shares (including any redeemable shares).

(B) The Company may not purchase its own shares if at the time of such purchase there are outstanding any convertible securities of the Company unless such purchase has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of the

convertible securities.

(C) Purchases by the Company of its own redeemable shares shall, where such shares are listed by The Stock Exchange in London, be limited to a maximum price which, in the case of purchases through the market or by tender, will not exceed the average of the middle market quotations taken from The Stock Exchange Daily Official List for the 10 business days before the purchase is made or in the case of a purchase through the market, at the market price, provided that it is not more than 5 per cent above such average. If such purchases are by tender, tenders shall be made available to all holders of such shares alike.

#### ALTERATION OF CAPITAL

52. The Company may by ordinary resolution:

- i) consolidate and divide all or any of its share capital into shares of larger amount than its existing 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 capital by the amount of the shares so cancelled subject to the provisions of Sections 146-149 of the Companies Act 1985; 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.

53. Upon any consolidation of fully paid shares into shares of larger amount the Directors may settle any difficulty which may arise with regard thereto and in particular may, as between the holders of shares so consolidated, determine which shares are consolidated into each consolidated share and, in the case of any shares registered in the name or names of one or more members being consolidated with shares registered in the name or names of another member or members, the Directors may make such arrangements for the sale of the consolidated share or for the issue, acceptance and/or sale of fractional certificates and may sell the consolidated share or the fractions represented by such fractional certificates, either upon the market or otherwise, to such person or persons at such time or times and at such price or prices, as they think fit and shall distribute the net proceeds of sale among such members rateably in accordance with their rights and interests in the consolidated share or the fractions represented by such fractional certificates and for the purpose of giving effect to any such sale the Directors may appoint some person to transfer the shares or fractions sold to the purchaser or purchasers thereof.

54. The Company may from time to time by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and consents required by law.

#### REDEEMABLE SHARES

55. The Company may by special resolution create and sanction the issue of shares which are, or at the option of the Company are to be liable, to be redeemed, subject to and in accordance with the provisions of the Statutes. The special resolution sanctioning any such issue shall also make such alterations to these Articles as may be necessary to specify the terms on which and the manner in which any such shares shall be redeemed.

#### GENERAL MEETINGS



56. A general meeting shall be held in each year at such time (within a period of not more than 15 months after the holding of the last preceding general meeting) and place as may be determined by the Directors. The general meetings referred to in this Article shall be called annual general meetings. All general meetings other than annual general meetings shall be called extraordinary general meetings.

57. The Directors may convene an extraordinary general meeting whenever they think fit and, on the requisition of members in accordance with the Statutes, they shall forthwith convene an extraordinary general meeting. Whenever the Directors shall convene an extraordinary general meeting on the requisition of members, they shall convene such meeting for a date not more than 6 weeks after the date when the requisition is deposited at the office (unless the requisitionists shall consent in writing to a later date being fixed). If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

#### NOTICE OF GENERAL MEETINGS

58. In the case of the annual general meeting or of a meeting convened to pass a special resolution 21 clear days' notice and in other cases 14 days' notice at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) specifying the place, the day, and the hour of meeting (and in the case of an annual general meeting specifying the meeting as such) and stating with reasonable prominence that a member entitled to attend and vote thereat is entitled to appoint a proxy, who need not also be a member, to attend and vote instead of him, and in the case of special business, the general nature of such business (and in the case of a meeting convened for passing a special or extraordinary resolution, the intention to propose such resolution as a special or extraordinary

resolution as the case may be) shall be given in manner hereinafter mentioned to the Auditors and the Directors from time to time of the Company and to such members as are, under the provisions herein contained, entitled to receive notices from the Company. With the consent In Writing of all, or such less number as is required by the Statutes, of the members entitled to attend and vote thereat, a meeting may be convened by a shorter notice and in such manner as such members may think fit. The Company shall comply with the provisions of the Statutes as to giving notice of resolutions and circulating statements on the requisition of members.

59. The accidental omission to give notice of any meeting, or to send a form of proxy with a notice where required by these Articles to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at any general meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

60. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring dividend, the reading and consideration and adoption of the accounts and balance sheet and the ordinary reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the re-election of Directors retiring, the election of Directors in the place of those retiring, the voting of fees to the Directors, the appointment of and the fixing of the remuneration of the Auditors and the grant, renewal, limitation, extension, or variation of any authority of or to the Board, pursuant to Section 80 of the Companies Act 1985, to allot securities.

61. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation

being a member shall be deemed to be personally present for the purpose of this Article if represented by its representative duly authorised in accordance with Article 79.

62. If within half an hour from the time appointed for the 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 other time and place as the Directors may determine.

63. The chairman (if any) of the Board or, in his absence, a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present with 5 minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.

64. The chairman may, with the consent of any meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

65. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the

chairman or by at least three members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one-tenth part of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares in the Company 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. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

66. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless it be pointed out at the same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the chairman of the meeting be of sufficient magnitude to vitiate the resolution.

67. If a poll is duly demanded, it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days of the meeting) and place in such manner as the chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. No notice need be given of a poll not taken immediately. The chairman may in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for declaring the result of the poll. The demand for a poll may be withdrawn before the close of the meeting or the taking of the poll, whichever is the earlier but, if a demand is withdrawn, the chairman of the meeting or other members entitled may himself or themselves demand a poll.

68. In the case of an equality of votes, whether 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 is demanded shall be entitled to a second or casting vote in addition to any votes to which he may be entitled as a member.

69. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTES OF MEMBERS

70. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member, who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

71. Where there are joint holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto, but so that if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons whose name stands first in the register of members in respect of such shares shall alone be entitled to vote in respect thereof.

72. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis, or other person in the nature of a committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office of the Company not less than 3

days before the time for holding the meeting.

73. No member shall be entitled to vote at any 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.

74. A member holding unclassified shares shall be entitled to vote at any general meeting in respect of those shares, provided that no ordinary share shall then be in issue.

75. No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

76. On a poll votes may be given either personally or by proxy.

77. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised and the Directors may, but shall not be bound to, require evidence of the authority of any such officer or attorney. A proxy need not be a member of the Company.

78. Any corporation holding shares conferring the right to vote may by resolution of its Directors or other governing body authorise any of its officials or any other person to act as its representative at any meeting of the Company or at any meeting of holders of any class of shares 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 if he had been an individual member of the Company.

79. The instrument appointing a proxy and the power of attorney or

other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited 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, at the Office or at such other place as may be nominated by the Board, and in default the instrument of proxy shall not be treated as valid.

80. An instrument of proxy shall be in any usual or common form or any other form which the Directors shall approve. The proxy shall be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy. The proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Proxies need not be witnessed.

81. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation In Writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office at least 48 hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

82. If any member or other person appearing to be interested in any shares registered in the name of such member in any account in the register of members of the Company is in default in supplying within 28 days of the date of service of a notice from the Company requiring such member or other person to supply to the Company In Writing all or any of such information as is referred to in Section 212 of the Companies Act 1985, such member shall, for such period as the default of such member or other person shall continue, not be entitled, without the prior written consent of the Board, to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of all the shares for the time being registered in the account

in the register of members of the Company in respect of which such notice was served. 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 212 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 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

#### DIRECTORS

83. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

84. The Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sums by way of Directors fees as the Company may from time to time by ordinary resolution determine. Such remuneration shall be divided among them in such proportion and manner as the Directors may determine and, in default of such determination within a reasonable period, equally, except that any Director holding office for less than a year or other period for which remuneration is paid shall rank in such division in proportion to the fraction of such year or other period during which he has held office. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

85. Subject to the provisions of these Articles and without prejudice to the powers of the Directors under these Articles to appoint any person to be a Director, the Company may by special resolution elect any person to be a Director, either to fill a casual vacancy or as an



addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum fixed by or in accordance with these Articles.

86. Any Director who at the request of the Board performs special services or goes or resides abroad for any purposes of the Company shall (unless otherwise expressly resolved by the Company in general meeting) receive such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine, which shall be charged as part of the Company's ordinary working expenses.

87. No shareholding qualification for Directors shall be required.

88. Each Director shall be entitled to attend and speak at any general meeting of the Company.

89. the office of Director shall be vacated in any of the following events, namely:

- i) if (not being an executive Director whose contract precludes resignation) he resigns his office by writing under his hand left at the office;
- ii) if he becomes bankrupt or has a receiving order made against him or compounds with his creditors;
- iii) if he becomes of unsound mind or a patient for any purpose of any statute relating to mental health, and the Directors resolve that his office be vacated;
- iv) if he be absent from meetings of the Directors for 6 months without leave, and his alternate Director (if any) shall not during such period have attended in his stead, and the Directors resolve that his office be vacated;
- v) if he is removed or becomes prohibited from being a Director pursuant to any of the provisions of the Statutes;
- vi) if he is requested In Writing by all the other Directors to resign his office.

90(A)A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

(B)A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(C)A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(D)A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

(E)Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns 1 per cent or more.

(F)Subject to the Statutes and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(G)A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists or in any other case at the first meeting of the Board after he knows that he is or has become so interested. A general notice to the Board given by a Director to the effect that he is a member of a specified

company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

(H) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he is to his knowledge, directly or indirectly, materially interested, and if he shall do so his vote shall not be counted, but his prohibition shall not apply to any of the following matters, namely:

i) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;

ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries which the Director has himself guaranteed or secured in whole or in part;

iii) any contract or arrangement by a Director to subscribe for shares, Debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares, Debentures or other securities of the Company;

iv) any contract or arrangement in which he is interested by virtue of his interest in shares or Debentures or options or warrants or other securities of the Company or by reason of any other interest in or through the Company;

v) any contract or arrangement concerning any other company (not being a company in which the Director owns 1 per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

vi) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates;

vii) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner as the employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such arrangement relates.

(I) A company shall be deemed to be a company in which a Director owns 1 per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) 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 the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or by any Permitted Transferee as bare or custodian trustee and in which he or such permitted Transferee has no beneficial

interest, any shares comprised in a trust in which the Director's or Permitted Transferee's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in any authorised unit trust scheme in which the Director or Permitted Transferee is interested only as a unit holder.

(J)Where a Company in which a Director or permitted Transferee holds 1 per cent or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

(K)If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

(L)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.

#### POWERS OF DIRECTORS

91. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Statutes, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by extraordinary resolution of the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors 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 Directors by any other Article.

92. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and reappoint any persons (whether members of their own body or not) to act as Directors, managing Directors or managers of any such subsidiary company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any persons so appointed, and any Directors of this Company may retain any remuneration so payable to them.

93. The Directors may from time to time and at any time 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 Directors, 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 Directors under these Articles) and for such period and subject to such conditions as they 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 Directors 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.

94(A) The Directors may procure the establishment and maintenance of or participation in or contribution to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, bonuses, benefits or emoluments to, any person (including Directors and other officers whether of the Company or of any other company referred to in this paragraph) who may be or shall have been at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or of the predecessors in business of the Company or of any such subsidiary company or of any allied or associated companies of the Company or any such companies or of the wives, widows, families, dependants or connections of any such persons provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director or former Director without the approval of an ordinary resolution of the Company.

(B) The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests



and well-being of the Company or of any such other company as aforesaid or of its members, and make payments for or towards the insurance of any such persons as aforesaid and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

(C)The Directors may establish, maintain and give effect to any scheme approved by an ordinary resolution of the Company for the allotment of or the grant of options to subscribe for shares of the Company to persons in the employment or service of the Company or to persons engaged by the Company in any consultative capacity or any subsidiary for the time being of the Company (including any Director in such employment or service) and may exercise all the powers conferred on them by such scheme( including any power to alter or add to the provisions thereof) and these Articles shall be deemed to be modified so far as may be necessary to give effect to such scheme as for the time being in force in respect of any share or shares for the time being in issue or under option subject thereto.

(D)The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any other company.

95. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable 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 Directors shall from time to time by resolution determine.

#### BORROWING

96(A) The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital for the time being, and subject to

the Statutes, to issue debentures, debenture stock and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(B) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to four times the Adjusted Capital and Reserves.

(C) For the purpose of the foregoing restriction:

i) 'the Adjusted Capital and Reserves' means the aggregate from time to time of:

a) the amount paid up or credited as paid up on the issued share capital of the Company; and

b) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve and any credit balance on profit and loss account) all as shown by the then latest audited or interim balance sheet but after deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up share capital, share premium account or capital redemption reserve since the date of such audited or interim balance sheet;

ii) 'borrowings' shall be deemed to include not only borrowings but also the following except in so far as otherwise taken into account:

a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which is not for the time being owned by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group, not being acceptances of trade bills for the purchase of goods in the ordinary course of business;

b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group not being acceptances of trade bills for the purchase of goods in the ordinary course of business;

c) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group; and

d) any premium payable on repayment on any borrowing or deemed borrowing;

but shall be deemed not to include:

d) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group;

f) borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group for the time being outstanding and so to be applied within 6 months of being so borrowed, pending their application for such purpose within such period; and

g) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;

iii) when the aggregate principal amount of borrowings required to be taken into account for the purpose of this Article on any particular date is being ascertained:

a) any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on such moneys shall be converted at the rate of exchange prevailing in London 6 months before such date if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business); and

b) where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the Company or by reason of default) on such date is less than the amount that would otherwise be taken into account in respect of borrowing for the purpose of this Article, the amount of such borrowing to be taken into account for the purpose of this Article shall be such lesser amount;

iv) 'audited balance sheet' shall mean the audited balance sheet of the Company prepared for the purposes of the Statutes unless at the date of the then latest such balance sheet there shall have been prepared for such purposes 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 'audited balance sheet' shall mean such audited consolidated balance sheet of the Company and such subsidiaries, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss accounts respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries;

V) 'interim balance sheet' shall mean the balance sheet of the Company prepared by the Company not less frequently than once in every three months for its internal purposes but nevertheless prepared in accordance with the like accounting principles as shall be applied in the preparation of the audited balance sheet and which shall be certified by the Board as, in their opinion, giving a true and fair view of the Company at the date to which such interim balance sheet is made up;

vi) the Company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Statutes; if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this Article; and

vii) 'the Group' means the Company and its subsidiaries (if any).

(D) A certificate or report by the Auditors for the time being of the Company as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings 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 purpose of this Article.

(E) Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security given that the limit hereby imposed had been or was thereby exceeded.

#### EXECUTIVE DIRECTORS

97. The Directors may from time to time appoint one or more of their number to an executive office including the offices of chairman, vice-chairman, managing Director, joint managing Director, assistant managing Director or manager or any other salaried office for such period and on such terms as they think fit. Without prejudice to any claim a Director may have for damages for breach of any contract of service between him and the Company the appointment of any Director hereunder shall be subject to determination ipso facto if he ceases from any cause to be a Director, or (subject to the terms of any contract between him and the Company) if the Directors resolve that his term of office as an executive Director be determined.

98. A Director holding office pursuant to the last preceding Article shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine and such remuneration shall, unless otherwise agreed, be additional to such remuneration (if any) as is from time to time payable to him as a Director and such Director shall be a Director for the purposes of and subject to the provisions of Section 319 of the Companies Act 1985.

99. The Directors may entrust to and confer upon a Director holding such executive office as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the

exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### ROTATION OF DIRECTORS

100. At every annual general meeting any Directors who shall be bound to retire under Article 106 and one-third of the other Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting.

101. Subject to the provisions of Article 101, the Directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting.

102. A retiring Director shall be eligible for re-election.

103. Subject to the provisions of these Articles, the Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

104. No person other than a Director retiring at the meeting shall unless recommended by the Directors, 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 (not being the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice In Writing signed by that person of his willingness to be elected.

105. The Company in general meeting may from time to time increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to go out of office.

106. The Directors 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 Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Any Director who retires under this Article shall not be taken into account in determining the Director who is to retire by rotation at such meeting.

107. The Company may by ordinary resolution of which special notice has been given in accordance with Section 379 of the Companies Act 1985 remove any Director (including a managing Director or other executive Director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead (without prejudice to the powers of the Directors under the last preceding Article). The person so appointed 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.

#### PROCEEDINGS OF DIRECTORS

108. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.



Questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

109. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent In Writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notice of Board meetings shall during his absence be sent In Writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

110. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. For the purpose of determining whether the quorum for the transaction of the business of the Directors exists:

(a) in the case of a resolution agreed by Directors in telephonic communications, all such Directors shall be counted in the quorum;

(b) in the case of a meeting of Directors, in addition to the Directors present at the meeting, any Director in telephonic communication with such meeting shall be counted in the quorum.

111. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in the Board, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company, but not for any other

purpose. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting of members for the purpose of appointing Directors.

112. If the Directors shall not have appointed any member of their body to the office of chairman, or vice-chairman pursuant to Article 97, or if at any meeting neither the chairman nor vice-chairman be present with 5 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

113. The Board may establish 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 local boards, or any managers or agents and may fix their remuneration. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than the power to borrow and make calls), 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. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

114. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

115. The Directors may delegate any of their powers to committees consisting of such number of members of their body as they think fit and from time to time revoke any such delegation and discharge any such committee in whole or in part. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may

be imposed on it by the Directors.

116. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

117. A resolution in writing, signed by all or a majority of the Directors entitled to notice of a meeting of the Directors or by all of the members of a committee for the time being, shall be as valid and effectual as if it had been passed at a meeting of the Directors or such committee (as the case may be) duly called and constituted and may consist of several documents in the like form each signed by one or more of the said Directors or the said members of such committee. For the purpose of this Article, the signature of an alternate Director (if any) entitled to notice of a meeting of Directors shall suffice in lieu of the signature of the Director appointing him.

118. The Directors shall cause minutes to be made in books provided for the purpose:

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

Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such appointments were made, or such Directors were present, or such resolutions were passed or proceedings held (as the case may be), or by the chairman of the next succeeding meeting of the Company, or class of members of the Company, or

Directors or committee (as the case may be), shall be sufficient evidence without any further proof of the facts therein stated.

119. All actions done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding 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, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote.

#### SECRETARY

120. The Secretary shall be appointed by the Directors at such remuneration and upon such terms as they think fit; and any Secretary so appointed may be removed by the Directors. The Directors may also appoint an assistant Secretary or assistant Secretaries and temporary substitutes for the Secretary. Any such assistant Secretary or temporary substitute shall for the purpose of these Articles be deemed to be and may fulfil the duty of the Secretary subject to any limitation prescribed by the Directors.

121. A provision of the Statutes or 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 the place of, the Secretary.

#### THE SEAL

122. The Seal shall only be used by the Authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed and unless so determined and, except as provided in Article 12, it shall be signed by a Director and by the Secretary or by a second

Director or some other person approved by the Board.

123. The Company may exercise the powers conferred by Section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

#### AUTHENTICATION OF DOCUMENTS

124. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Company's head office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

#### ALTERNATE DIRECTORS

125. (A) Any Director may, at any time, appoint any person (approved by the Board) to be an alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from his office.

(B) An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions as a Director in the absence of such appointor. When acting also as a Director or as an alternate Director for more than one Director,

an alternate Director shall have one vote for every Director he represents, in addition to his own, if he is himself a Director and when so acting, where the quorum exceeds two shall be considered as two Directors for the purpose of making a quorum.

(C) An alternate Director shall cease to be an alternate Director if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation but is re-elected by the meeting at which such retirement takes effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired.

(D) All appointments and removals of alternate Directors shall be effected by notice in writing by the Director making or revoking such appointment given to the Company at the Office or at a duly convened and held meeting of the Board.

(E) An alternate Director may be repaid by the Company such expenses as might be properly repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (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, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. An alternate Director shall be entitled to be indemnified by the Company to the same extent as hereinafter provided in respect of Directors.

(F) Any alternate Director shall be an officer of the Company shall alone be responsible to the Company for his own acts or defaults and shall not be deemed to be the agent of or for the Director appointing him.

#### DIVIDENDS

126. The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly. No dividend or interim dividend shall be paid otherwise than in accordance with provisions of Part VIII of the Companies Act 1985 which apply to the Company.

127. No dividend shall be payable except out of the profits of the Company (including profits set aside to any reserve fund in terms of Article 140 hereof), or in excess of the amount recommended by the Director.

128. All dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid 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.

129. The Directors shall transfer to share premium account as required by the Statutes sums equal to the amount or value of any premiums at which any shares of the Company shall be issued.

130. The Directors may if they think fit from time time pay to the members such interim dividend as appear to the Directors to be justified by the profits of the Company. If at any time the capital of the Company is divided into different classes of shares the Directors 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-preferred rights as well as in respect of those shares which confer on the holders thereof preferential or special rights with regard to dividends and provided that the Directors at bona fide they shall not

incur any responsibility to the holders of any shares for any damage that they may suffer by reason of the payment of an interim dividend on any shares. The Directors may also pay half yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

131. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue certificates in respect of fractions 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 upon 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 Directors.

132. Any resolution of the Company or of the Directors declaring a dividend may specify any date as the record date for such dividend, whether or not prior to the date on which the resolution is passed.

133. The Directors may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

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

135. The Directors may retain any dividends and bonuses payable on shares on which the Company has a lien permitted by the Statutes and may apply the same in or towards satisfaction of the debts liabilities



or engagements in respect of which the lien exists.

136. The Directors may retain the dividends and bonuses payable upon shares in respect of which any person is, under the provisions as to the transmission of shares herein before contained, entitled to become a member, or which any person under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

137. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or by direct bank transfer to such bank account as such member or person entitled thereto may direct, and in case of joint holders to any one of such joint holders or to such person and such address or such bank account as the holder or joint holders may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the holder or joint holders may direct and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

138. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other monies payable or in respect of the share.

139. All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all dividends unclaimed for 12 years after having been declared shall, unless the Directors otherwise resolve, be forfeited and revert to the Company.

#### RESERVES

140. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be

applicable for any 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 as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

#### CAPITALISATION OF PROFITS AND RESERVES

141. Subject to Section 80 and Part VIII of the Companies Act 1985, the Company in general meeting may upon the recommendation of the Directors resolve that it is desirable 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 or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions 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 as aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

142. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and, subject to Section 80 of the Companies Act 1985, all allotments and issues of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of certificates in respect of fractions or by payment in cash or otherwise as they think fit for the case of shares, debentures or securities becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members interested into an agreement with

the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (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 profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

143. Subject to Part VIII of the Companies Act 1985, the Company in general meeting may from time to time and at any time pass a resolution to the effect of any sum or sums arising from the realisation of any capital assets of the Company and representing an amount in excess of the amount of assets required to answer the whole of the liabilities of the Company (treating for this purpose the paid up share capital of the Company as a liability) be distributed as capital among the members of the Company who would have been entitled thereto if the same had been distributed by way of dividend out of the profits arising from the business of the Company and in the same proportions and manner, and such resolution shall be effective and the Directors shall distribute any sum so resolved to be distributed as aforesaid in accordance with such resolution. Any such resolution as aforesaid may direct the distribution among the members of any investments or securities (not being investments or securities involving a liability in respect of unpaid capital) in which the sum or sums aforesaid or any part thereof may for the time being be invested in lieu of the same being distributed in cash, and the Directors may apportion and determine the value of any such investments and securities for the purposes of such distribution, and any such apportionment or determination shall be binding upon the members entitled to share in such distribution.

#### DISCOVERY AND SECRECY

144. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of

trade or secret process which may relate to the conduct of the business of the Company, and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

#### ACCOUNTS

145. The Directors shall cause true accounts to be kept:

(a) of the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;

(b) of all sales and purchases of goods by the Company; and

(c) of the assets and liabilities of the Company.

146. The books of account shall be kept at the Office, or at other such place as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than as Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statutes or authorised by the Directors or by the Company in general meeting.

147. The Directors shall not be bound, unless expressly instructed so to do by an extraordinary resolution of the Company in general meeting, to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any shareholder.

148. Once at least in every year the Directors shall lay before the Company in general meeting a profit and loss account giving a true and fair view of the profit or loss of the Company for the financial year to which it relates and the balance sheet giving a true and fair view of the state of affairs of the Company as at the date at which it is made out and containing a general summary of the capital, the assets

and the liabilities of the company arranged under suitable heads, both made up to a date not more than 7 months before the meeting. If the Company shall be a holding Company as defined by the Statutes there shall be with the said profit and loss account and balance sheet also (except in so far as the Statutes otherwise permit) be laid before the Company in general meeting a consolidated balance sheet dealing with the state of affairs at the end of the Company's financial year of the Company and its then subsidiaries and a consolidated profit and loss account dealing with the profit or loss for the Company's financial year of the Company and its then subsidiaries. The Directors shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the provisions of the Statutes applicable thereto.

149. Every such balance sheet, profit and loss account, consolidated profit and loss account and consolidated balance sheet shall be signed in such manner as may be required by the Statutes. There shall also be attached to the balance sheet a report by the Directors with respect to such matters as are by the Statutes required to be dealt with therein.

150. A copy of the report by the Directors and of the Auditors' report, accompanied by the balance sheet (including every document required by law to be annexed or attached thereto), and profit and loss account, consolidated balance sheet and consolidated profit and loss account, shall, at least 21 days previous to the annual general meeting, be delivered or sent by post to the registered address of every member and every holder of debentures or debenture stock of the Company and if a listing on The Stock Exchange for all or any shares or securities of the Company shall be granted, the required number of copies of each of these documents shall at the same time be forwarded to the Quotations Department, The Stock Exchange, London.

#### AUDIT

151. The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office until the next ensuing annual general meeting. The Auditors' report shall be read before the Company in general meeting and shall be open to inspection by any member.

152. No Director or other officer of the Company nor any person who is a partner of or in the employment of an officer of the Company, nor any corporation, shall be capable of being appointed Auditor of the Company. The duties of the Auditor or Auditors shall be regulated in accordance with the Statutes.

153. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

#### NOTICES

154 Any notice or document may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register of members. A member shall be entitled to receive notices from the Company notwithstanding that his registered address as appearing in the register of members is outside the United Kingdom. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register of members, and notice so given shall be sufficient notice to all the joint holders.

155. The holder of any shares or stock in the Company who shall notify the Company In Writing that he is not, within the ordinary meaning of the phrase, resident in the United Kingdom may by such notice addressed to the Company at the Office request that henceforth the

service of all notices and such other documents as the Board shall consider appropriate be effected by means of telex or facsimile transmission to such telex or facsimile receiver as shall be specified in such aforesaid notice and service effected by such means shall be regarded as being effected at the time at which such telex or facsimile transmission has been satisfactorily completed by the party giving notice by such means. Provided that in every such case the original of such notice or other document shall in any event be forwarded to the intended recipient by means of first class pre-paid postal service to the last notified address of the intended recipient. Where any holder of shares or stock in the Company shall give notice in accordance with the provisions of this Article the Company shall by return notify the holder of shares or stock in the Company giving such notice of the telex and facsimile receiver numbers upon which notices or other documents may be received by the Company.

156. Any notice or other document (including share and stock certificate), if served by the post, shall be deemed to have been served at the expiration of 24 hours after the time when the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.

157. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the register as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

158. Any notice required to be given by the Company to members and not

expressly provided for by these Articles shall be sufficiently given if given by advertisement. Any notice required to be or which may be given by advertisement shall be advertised once in one national daily newspaper and shall be taken as given on the day on which such advertisement appears. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by notice advertised in at least two leading daily newspapers with appropriate circulation one of which shall be a leading London daily newspaper; such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any case the Company shall send confirmatory copies of the notice by post if at least 48 hours prior to the meeting the posting of notices to addressees within the United Kingdom again becomes practicable.

159. Every person who by operation of law, transfer or other means shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered in the register of members, shall have been duly given to the person from whom he derives his title to such share other than a notice given under Article 82 or under the provisions of Section 212 or the Companies Act 1985.

#### WINDING UP

160. On a winding up of the Company, the balance of the assets available for distribution after deduction of any provision made under Section 719 of the Companies Act 1985, and subject to any special rights attaching to any class of shares, shall be applied in repaying to the members of the Company the amounts paid up on the shares held by them and any surplus assets will belong to the holders of any ordinary shares then in issue according to the respective numbers of shares held by them or, if no ordinary shares shall then be in issue, to the holders of any unclassified shares then in issue according to



the respective numbers of shares held by them.

161. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may with the authority of an extraordinary resolution divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members, and the liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.

162. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.

#### INDEMNITY

163. Save and except so far as the provisions of this Article shall be avoided by any provisions of the Statutes, the Directors, executive Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and their respective executors or administrators shall to such extent as may for the time being be permitted by the Statutes be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about

the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of any of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any monies or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency or any security upon which any monies of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own wilful neglect or default respectively.

2141256

**Ernst & Whinney** Chartered Accountants

Thames Valley Office  
30 Garrard Street  
Reading RG1 1NR

Phone: 0734 500611  
Telex: 849719  
Fax: 0734 507744

GNK/DC

2 September 1987

The Directors  
Gateway Residential Services Limited  
Essex Lodge  
The Green  
Barnes  
London  
SW13

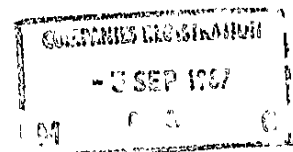
Dear Sirs

REPORT FOR PURPOSES OF SECTION 43(3)(6) OF  
THE COMPANIES ACT 1985

We have examined the balance sheet of Gateway Residential Services Limited at 30 June 1987. In our opinion the amount of the net assets of Gateway Residential Services Limited at that date was not less than the aggregate amount of its called up share capital and undistributable reserves as defined in Section 264 of the Companies Act 1985.

Yours faithfully

*Ernst & Whinney*



2141256

Directors' Report and Accounts

GATEWAY RESIDENTIAL SERVICES  
LIMITED

30 June 1987

03 SEP 1987

REPORT OF THE AUDITORS TO THE MEMBERS OF GATEWAY RESIDENTIAL SERVICES LIMITED

We have audited the accounts set out on page @ in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 June 1987.

*Ernst & Whinney*

Reading

*2 September 1987*

## GATEWAY RESIDENTIAL SERVICES LIMITED

## BALANCE SHEET - 30 JUNE 1987

|                      | Note | £        |
|----------------------|------|----------|
| ASSETS               |      |          |
| Debtors              | 2    | <u>2</u> |
| CAPITAL AND RESERVES |      |          |
| Share Capital        | 3    | <u>2</u> |

## NOTES TO THE ACCOUNTS - 30 JUNE 1987

- 1 The company did not trade during the period and therefore no profit and loss account has been prepared

|                                    |   |
|------------------------------------|---|
| 2 Debtors                          | £ |
| Money owed on issued share capital | 2 |


|                    |                 |             |
|--------------------|-----------------|-------------|
| 3 Share Capital    | Authorised<br>£ | Issued<br>£ |
| £1 ordinary shares | 5,000,000       | 2           |

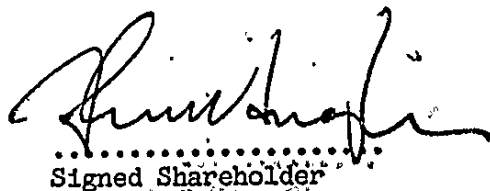
2141756

The Secretary,  
Gateway Residential Services Limited,  
Essex Lodge,  
The Green,  
Barnes,  
London, SW13 0LW.

We the undersigned being a majority in number of the members together holding not less than 95 per cent of the Share Capital of Gateway Residential Services Limited having a right to attend and vote at the meeting referred to below, hereby agree to an Extraordinary General Meeting of the Company being held on 2nd September 1987, for the purpose of considering and if thought fit passing the special resolutions set out in the Notice of the said notice notwithstanding that less than twenty one (21) days notice has been given.

Dated this, 2<sup>nd</sup> day of September 1987.

  
.....  
Signed Shareholder

  
.....  
Signed Shareholder

**G**

COMPANIES FORM No. 43(3)(e)

**Declaration of compliance  
with requirements by a  
private company on application  
for re-registration as a public  
company**

**43(3)(e)**Please do not  
write in this margin

Pursuant to section 43(3)(e) of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

Company number

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

2141256

Name of company

\* insert full name  
of company

\* **GATEWAY RESIDENTIAL SERVICES  
LIMITED.**

I, Leslie Anthony Elletsonof Sheridan House, 10, Hertford Street, London W1Y 7DX† delete as  
appropriate

§ insert date

[the secretary] ~~or director~~ of the company, do solemnly and sincerely declare that:

- 1 the company, on 2nd September 1987, passed a special resolution that the company should be re-registered as a public company;
- 2 the conditions of sections 44 and 45 of the above Act (so far as applicable) have been satisfied;
- 3 between the balance sheet date and the application for re-registration, there has been no change in the company's financial position that has resulted in the amount of its net assets becoming less than the aggregate of its called-up share capital and undistributable reserves.

And I make this solemn declaration conscientiously believing  
the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at 11, Church Street  
Reading

Declarant to sign below

A.L. Elletson

the 2nd day of September  
One thousand nine hundred and eighty seven.

before me [Signature] JOSEPH McDERMOTT

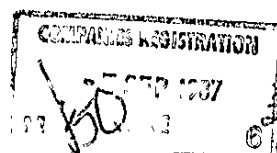
A Commissioner for Oaths or Notary Public or Justice of  
the Peace or Solicitor having the powers conferred on a  
Commissioner for Oaths.

Presenter's name address and  
reference (if any):

**ELLETSON & CO.**  
10 Hertford Street  
London W1Y 7DX  
Tel: 01-408 0594  
Tlx: 266755 Elletson

For official Use  
General Section

Post room



CT 10 927452  
553  
555



# FILE COPY



CERTIFICATE OF INCORPORATION  
ON RE-REGISTRATION OF PRIVATE COMPANY  
AS A PUBLIC COMPANY

No. 2141256

I hereby certify that

GATEWAY RESIDENTIAL SERVICES LTD

formerly registered as a private company has this day  
been re-registered under the Companies Act 1985 as a  
public company under the name of

GATEWAY RESIDENTIAL SERVICES p.l.c.

and that the company is limited.

Given under my hand at Cardiff the 3RD SEPTEMBER 1987

  
T.G. THOMAS

An Authorised Officer

# G

COMPANIES FORM No. 224

# 224

## Notice of accounting reference date (to be delivered within 6 months of incorporation)

Please do not  
write in  
this margin

Pursuant to section 224 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

Company number

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

2141256

Name of company

\* GATEWAY RESIDENTIAL SERVICES LIMITED

\* insert full name  
of company

gives notice that the date on which the company's accounting reference period is to be treated as coming to an end in each successive year is as shown below:

**Important**  
The accounting  
reference date to  
be entered along-  
side should be  
completed as in the  
following examples:

Day Month

3 1 1 0

5 April  
Day Month

0 5 0 4

30 June  
Day Month

3 0 0 6

31 December  
Day Month

3 1 1 2

† Delete as  
appropriate

Signed

[Director][Secretary]† Date 2<sup>nd</sup> September 87

Presenter's name address and

ELLETSON & CO.  
10 Hertford Street  
London W1Y 7DX  
Tel: 01-408-0594  
Tlx: 268769 Ellteng

For official Use  
General Section

Post room

CLASSI DATE

4 1987

CRO

## SPECIAL RESOLUTION ON CHANGE OF NAME

## COMPANIES ACTS

ACCEPT UNSTAMPED

AC/CN 24465

SIGNED

DATE

12/7/89

COMPANY NUMBER 2141256

COMPANY NAME GATEWAY RESIDENTIAL SERVICES P.L.C.

At an ~~Extraordinary General~~ Annual General ~~Meeting~~ of the members of the above named company, duly convened and held at:

Essex Lodge The High Street Barnes London SW13 9LB

on the 16th day of February 1989

the following Special Resolution was duly passed:

That the name of the Company be changed to:

NEW NAME CYGNET HEALTH CARE PLC

Signature:

  
~~Chairman, Director, Secretary or Officer~~ of the Company

Notes:

\* Please delete as appropriate.

NB. The copy Resolution must be filed with the Registrar of Companies within 15 days after the passing of the Resolution. Please insert name and address to which the certificate is to be sent:



**FILE COPY**



**CERTIFICATE OF INCORPORATION  
ON CHANGE OF NAME**

No. 2141256

I hereby certify that

**GATEWAY RESIDENTIAL SERVICES P.L.C.**

having by special resolution changed its name,  
is now incorporated under the name of

**CYGNET HEALTH CARE PLC**

Given under my hand at the Companies Registration Office,  
Cardiff the 18 JULY 1989

*P. Bevan*  
P. BEVAN

an authorised officer

# G

COMPANIES FORM No. 123

## Notice of increase in nominal capital

# 123

Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use Company number

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

2141256

Name of company

\* GATEWAY RESIDENTIAL SERVICES PLC

\*Insert full name  
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company dated 31st August 1988 the nominal capital of the company has been increased by £ 1531250 beyond the registered capital of £ 26,250,000.

†The copy must be  
printed or in some  
other form approved  
by the registrar

A copy of the resolution authorising the increase is attached.†

The conditions (e.g. voting rights, dividend rights, winding-up rights etc.) subject to which the new shares have been or are to be issued are as follows:

The rights attaching to the Shares in the Company were modified in the manner indicated in the new Articles of Association of the Company adopted by the same resolution as that a copy of which is attached and whereof a copy has been delivered to the Registrar of Companies this day pursuant to the obligations imposed by Section 123 of the Companies Act 1985

Please tick here if  
continued overleaf

☐Signed A.L. ElletsonDesignations Secretary Date 17<sup>th</sup> September 1988

Insert Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or Receiver  
(Scotland) as  
appropriate

Presentor's name, address and  
reference (if any):

Elletson + Co.  
STERLING HOUSE  
10, HERTFORD ST.  
LONDON WC4 7DX.

For official use

General section

Post room



The Solicitors' Law Stationary Society plc, 24 Gray's Inn Road, London WC1X 8HR

Companies G123

1987 Edition  
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## GATEWAY RESIDENTIAL SERVICES P.L.C.

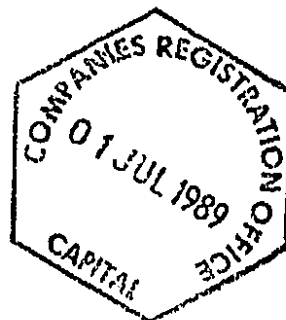
MINUTES OF AN  
EXTRAORDINARY GENERAL MEETING  
Held at Essex Lodge, The Green,  
Barnes, London Sw13

at 3.00pm on Wednesday 31st August 1988

- 21/4/258
1. The Chairman of the Company Mr. J.C. Hughes read the Notice convening the meeting and declared that there were sufficient members present in person or by proxy for the meeting to be quorate.
  2. The Chairman reported to the meeting that the Company was in receipt of the necessary consents from the Founders' and Ordinary shareholders pursuant to the terms of the Subscription agreement and the documents collateral thereto in respect of the Resolutions to be proposed at the Meeting. The Chairman further reported that he was in receipt of consents from the Preference shareholders. The Chairman declared that consequent upon the receipt of the above mentioned consents that the Resolutions may properly be put to the Meeting.
  3. The Chairman proposed as an Ordinary Resolution;

THAT the authorised share capital of the Company be hereby increased by the creation of 1,531,250 'B' Preference Shares of £1 each having the rights set out in the articles of association of the Company as proposed to be amended by the resolutions set out below.

The Resolution was put to the Meeting and declared carried as an Ordinary Resolution by the requisite majority of those members attending in person and in respect of whose proxies had been duly received by the Company and in respect of which the consent of the Preference Shareholders had been given.



2. The Chairman proposed as a Special Resolution;

- (A) THAT the issue to Ramsay Health Care Limited of 1,531,250 'B' Preference Shares of £1 each in the Company on the terms set out in an Agreement dated 10th May 1988 (a copy of which has been produced to this meeting) be and is hereby approved; and,

Amendment of articles of association

- (B) THAT the articles of association of the Company be hereby amended as follows:-

- (1) by the deletion of existing Article 5 from its commencement to the end of Article 5(f) and by inserting the next following in place thereof.

Share Capital

5. The share capital of the Company at the date of the adoption of this article is £27,781,250 divided into 1,250,000 "A" Preference Shares of £1 each 1,531,250 "B" Preference Shares of £1 each 2,000,000 Founders shares of £1 each and 23,000,000 Ordinary Shares of £1 each.

The rights attaching to the respective classes of shares shall be as follows:

- (a) Income.

The profits of the Company in respect of each financial year shall be applied as follows:-

First in paying to the holders of the 'A' Preference Shares a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the 'A' Preference Dividend') of 10 pence per annum on each share payable half yearly on the 30th June and the 31st December.

Second in paying to the holders of the "B" Preference Shares a fixed cumulative preferential gross cash dividend (hereinafter in these articles referred to as 'the 'B' Preference Dividend') of 4 pence per annum on each share payable half yearly on the 31st March and the 30th September

Any remaining profits which the Company determines to distribute in any financial year shall be distributed amongst the holders of the Founders Shares and Ordinary Shares (pari passu as if the same constituted one class of share).

The deferred shares arising from conversion of the 'A' Preference Shares shall have no right to dividends.

Every dividend shall be distributed to the appropriate shareholders pro-rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Companies Act 1985 the 'A' and 'B' Preference Dividends shall (notwithstanding any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due dates and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend Provided that no dividend shall be paid to the holders of the 'B' Preference Shares until such time as all dividends accrued due thereon shall have been paid to the holders of the 'A' Preference Shares.

(b) Capital.

On a return of assets on liquidation reduction of capital or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-



- (i) first in paying to the holders of the 'A' Preference Shares the subscription price per share together with a sum equal to any arrears, deficiency or accruals of the dividends on the 'A' Preference Shares calculated down to the date of the return of capital and payable whether such dividend has been declared or earned or not;
  - (ii) second in paying to the holders of the 'B' Preference Shares the subscription price per share together with a sum equal to any arrears, deficiency or accruals of the dividends on the 'B' Preference Shares calculated down to the date of the return of capital and payable whether such dividend has been declared or earned or not;
  - (iii) the balance of such assets shall be distributed amongst the holders of the Founders Shares and Ordinary Shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the Founders Shares and Ordinary Shares held by them respectively until the sum of £10,000,000 has been paid upon each such share when the holders of deferred shares shall receive £1 per share.
- (c) Conversion.

**'A' Preference Shares**

The holders of the 'A' Preference Shares may at any time prior to 31st December 1995 convert any whole units of 100 'A' Preference Shares into 72 Ordinary Shares 18 Founders Shares and 10 deferred shares and the following provisions shall have effect:-

- (i) the conversion shall be effected by notice in writing given to the Company signed by the holders of such units of 'A' Preference Shares and the conversion shall take effect immediately upon the date of delivery of such notice to the Company;

- (ii) forthwith thereafter the holders of the Ordinary and Founders Shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of 'A' Preference Shares and the Company shall issue to such holders respectively certificates for the Ordinary Shares and Founders Shares resulting from the conversion and any balancing certificates for 'A' Preference Shares not converted;
- (iii) the Ordinary Shares and Founders Shares resulting from the conversion shall rank from the date of conversion pari passu in all respects with the remaining Ordinary Shares and Founders Shares in the capital of the Company;
- (iv) on the date of conversion the Company shall pay a dividend to the holders of the 'A' Preference Shares of a sum equal to any arrears, deficiency or accruals of the dividends on the 'A' Preference Shares calculated on a daily basis to the date of conversion.

#### **'B' Preference Shares**

The holders of the 'B' Preference Shares may at any time prior to the earlier of the date of listing (as defined in Article 5(g)) or 31st December 1994 convert any whole units of 100 'B' Preference Shares into 80 Ordinary Shares and 20 Founders' Shares and if all of the 'B' Preference Shares shall not have been so converted by the earlier of such dates the holders of the 'B' Preference Shares which shall not have been so converted shall be obliged on the earlier of such dates to convert all of the remaining 'B' Preference Shares into Ordinary Shares and Founders' Shares on the basis aforesaid and the following provisions shall have effect:-

- (i) the conversion shall be effected by notice in writing given to the Company signed by the holders of such units of 'B' Preference Shares accompanied by a payment of £15 in cash by way of Bankers' Draft in respect of each such unit of 'B'

Preference Shares and conversion shall take effect immediately upon the date of delivery of such notice to the Company;

- (ii) forthwith thereafter the holders of the Ordinary and Founders Shares resulting from the conversion of the 'B' Preference Shares shall send to the Company the certificates in respect of their respective holdings of 'B' Preference Shares and the Company shall issue to such holders respectively certificates for the Ordinary Shares and Founders Shares resulting from the conversion and any balancing certificates for 'B' Preference Shares not converted;
  - (iii) the Ordinary Shares and Founders Shares resulting from the conversion shall rank from the date of conversion pari passu in all respects with the remaining Ordinary Shares and Founders Shares in the capital of the Company;
  - (iv) on the date of conversion the Company shall pay a dividend to the holders of the 'B' Preference Shares of a sum equal to any arrears, deficiency or accruals of the dividends on the 'B' Preference Shares calculated on a daily basis to the date of conversion.
- (d) Redemption.
- (a) Subject to the provisions of the Companies Act 1985 any 'A' Preference Shares not converted pursuant to article 5(c) above shall be redeemed in the proportions and on the dates set out below:

| <u>Redemption date</u> | <u>Number of shares</u><br><u>redeemable</u> |
|------------------------|--|
| 31st December 1993     | 417,000                                      |
| 31st December 1994     | 417,000                                      |
| 31st December 1995     | 416,000                                      |

In the event that any 'A' Preference Shares have been converted the redemption instalments shall reduce proportionately.

- (b) Each registered holder of 'A' Preference Shares shall surrender to the Company on or before the dates so fixed the certificate for his shares which are to be redeemed in order that they may be cancelled, and upon such cancellation the Company shall pay to such holder the amount payable in respect of such redemption provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of 'A' Preference Shares, on each occasion on which 'A' Preference Shares are redeemed the proportion of each such holder's 'A' Preference Shares to be redeemed shall be that proportion which each such holder's 'A' Preference Shares bears to the total number of 'A' Preference Shares then in issue.
- (c) The Company shall pay on each of the 'A' Preference Shares so redeemed the sum of £1 together with a sum equal to any arrears, deficiency or accruals of the cumulative dividends thereon calculated to the date of redemption and the cumulative dividends thereon shall cease to accrue from that date unless upon surrender of the certificate for such shares payment of the redemption moneys shall be refused.
- (e) Class consents of 'A' and 'B' Preference Shares.

Without prejudice to the generality of article 7, whilst 10% or more of either the original class of 'A' Preference Shares or the original class of 'B' Preference Shares remains in issue the special rights attached to the 'A' and 'B' Preference Shares shall be deemed to be varied:-

- (i) by an alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or by any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries; or
- (ii) by any of the matters set out in paragraph (h) of this Article; or
- (iii) by the calling of a meeting of the Company for the purpose of considering a resolution for the winding up of the Company; or
- (iv) by the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company to purchase any of its shares; or
- (v) by the variation of the existing service agreement with Mr J C Hughes or any replacement of such existing contract.

The final sentence of Article 7 shall be disapplied so far as the 'A' and 'B' Preference Shares are concerned.

(f) As regards voting:-

Every member present in person and every person present as a proxy for a member or members shall have one vote and on a poll every holder of Founders' and Ordinary shares shall have one vote for every £1 nominal amount of such share capital of which he is the holder and

- (i) every holder of 'A' Preference Shares shall have 90 votes for every £100 nominal amount of such share capital of which he is the holder, and
- (ii) every holder of 'B' Preference Shares shall have 100 votes for each £100 nominal amount of such share capital of which he is the holder.

Provided that the holders of deferred shares shall not be entitled to receive notice or attend at or vote at any general meeting in respect of their holdings of such shares.

#### SPECIAL DIRECTOR

12. Notwithstanding any limitation on the number of directors imposed by these articles of association if any cumulative dividend on the 'A' Preference Shares is 6 months in arrear or the Company shall have failed to redeem any of the 'A' Preference Shares in accordance with these Articles 3i and MM shall jointly be entitled to appoint as a director of the Company any person (hereinafter referred to as "a Special Director") approved by the the directors of the Company (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. A Special Director shall not be required to hold any share qualification nor shall he be subject to retirement by rotation. The remuneration and reasonable expenses to be paid to a Special Director shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failing agreement such reasonable sum as shall be fixed by 3i and MM.

- (2) by the substitution of 3i plc for Investors In Industry plc throughout the Articles of Association consequent upon that Company's change of name effective from 29th April 1988

The Special Resolution was put to the Meeting and declared carried as a Special Resolution by the requisite majority of those members attending in person and in respect of whose proxies had been duly received by the Company and in respect of which the consent of the Preference Shareholders had been given.

3. The Chairman proposed as an Ordinary Resolution:

- 3.1 THAT the Gateway Residential Services plc Share Option Scheme (a draft of the Rules of which has been produced to the Meeting) be approved; and
- 3.2 THAT the Directors be authorised to do all acts and things which they consider to be necessary or expedient for implementing and giving effect to the foregoing (including the making of any alterations thereto which they consider to be necessary for the purposes of obtaining the approval thereto by the Board of Inland Revenue under the Finance Act 1984)

The Resolution was put to the Meeting and declared carried as an Ordinary Resolution by the requisite majority of those members attending in person and in respect of whose proxies had been duly received by the Company subject nevertheless to the approval of the Preference Shareholders.

4. The Chairman proposed as an Ordinary Resolution;

Notwithstanding that the procedures required to be adopted pursuant to Article 32 have not been complied with THAT the transfer of the shares registered in the name of Marlyn Tsai to John Craig Hughes, Paul Duhig and Leslie Anthony Elletson be approved and further that the transfer of any shares by John Craig Hughes to any other Founders' or Ordinary shareholder or shareholders who would otherwise have been entitled to purchase such shares had they been offered in accordance with Article 32 aforesaid shall be hereby permitted.

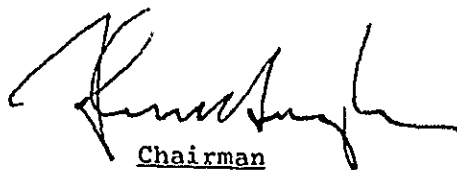
The Ordinary Resolution was put to the Meeting and declared carried as a Special Resolution by the requisite majority of those members attending in person and in respect of whose proxies had been duly received by the Company in respect of which the consent of the Preference Shareholders had been given.

5. The Chairman proposed as a Ordinary Resolution;

THAT the Directors be empowered to allot up to a maximum of 35,000 Founders' Shares of £1 each in the capital of the Company and up to a maximum of 140,000 Ordinary Shares of £1 each in the capital of the company to Design Management Group Limited in partial satisfaction of the purchase price of the Dirlton Hotel site at Harrogate, North Yorkshire and in partial consideration of the performance of certain contracts in respect of building works at properties owned by the Company which may or may not be let to such Company in the absolute discretion of the Directors.

The Resolution was put to the Meeting and declared carried as an Ordinary Resolution by the requisite majority of those members attending in person and in respect of whose proxies had been duly received by the Company and in respect of which the consent of the Preference Shareholders had been given.

6. There being no further business the meeting closed at 3.30pm.

  
Chairman



THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Amended by Special Resolution passed on 31st August 1988)

of

GATEWAY RESIDENTIAL SERVICES

P. L. C.

Incorporated on the 18th Day of June 1987

INTERPRETATION

1. In these Articles, if not inconsistent with the subject or context the following words and expressions shall have the following meaning:

"THESE ARTICLES" these Articles of Association as originally adopted, or as from time to time altered by special resolution

"THE AUDITORS" the auditors of the Company for the time being

"THE BOARD" or "THE DIRECTORS" the Directors of the

Company in office for the time being or a quorum of the Directors present at a board meeting

"MONTH" calendar month

"THE OFFICE" the registered office of the Company

"THE SEAL" the common seal of the Company and, as appropriate, any official seal kept by the Company by virtue of Section 40 of the Companies Act 1985

"THE STATUTES" the Companies Act 1985 and every other Act or statutory instrument for the time being in force concerning limited companies and affecting the Company

"THE UNITED KINGDOM" Great Britain and Northern Ireland

"IN WRITING" written, printed, typewritten, lithographed or wholly expressed in any other mode representing or reproducing words, or partly one and partly another

"YEAR" calendar year

And the expressions "Debenture" and "Debenture Holder" shall include "Debenture Stock" and "Debenture Stockholder" and the expression "Secretary" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Any reference to any statutory provision shall be deemed to include any amendment or re-enactment thereof.

Save as aforesaid any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

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

#### TABLE A EXCLUDED

2. The Regulations contained in Table A in the Schedule to the Companies Act (Tables A to F) Regulations 1985 shall not apply to the Company, except in so far as the same are repeated or contained in these Articles.

#### BUSINESS

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

#### REGISTERED OFFICE

4. The Office shall be at such place in England or Wales as the Directors shall from time to time appoint.

#### CAPITAL

5. The share capital of the Company at the date of the adoption of this article is £27,781,250 divided into 1,250,000 "A" Preference Shares of £1 each 1,531,250 "B" Preference Shares of £1 each 2,000,000 Founders shares of £1 each and 23,000,000 Ordinary Shares of £1 each.

The rights attaching to the respective classes of shares shall be as follows:

(a) Income.

The profits of the Company in respect of each financial year shall be applied as follows:-

First in paying to the holders of the 'A' Preference Shares a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the 'A' Preference Dividend') of 10 pence per annum on each share payable half yearly on the 30th June and the 31st December.

Second in paying to the holders of the "B" Preference Shares a fixed cumulative preferential gross cash dividend (hereinafter in these articles referred to as 'the 'B' Preference Dividend') of 4 pence per annum on each share payable half yearly on the 31st March and the 30th September

Any remaining profits which the Company determines to distribute in any financial year shall be distributed amongst the holders of the Founders Shares and Ordinary Shares (pari passu as if the same constituted one class of share).

The deferred shares arising from conversion of the 'A' Preference Shares shall have no right to dividends.

Every dividend shall be distributed to the appropriate shareholders pro-rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Companies Act 1985 the 'A' and 'B' Preference Dividends shall (notwithstanding any other provision of these Articles and in particular

notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due dates and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend Provided that no dividend shall be paid to the holders of the 'B' Preference Shares until such time as all dividends accrued due thereon shall have been paid to the holders of the 'A' Preference Shares.

(b) Capital.

On a return of assets on liquidation reduction of capital or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- (i) first in paying to the holders of the 'A' Preference Shares the subscription price per share together with a sum equal to any arrears, deficiency or accruals of the dividends on the 'A' Preference Shares calculated down to the date of the return of capital and payable whether such dividend has been declared or earned or not;
- (ii) second in paying to the holders of the 'B' Preference Shares the subscription price per share together with a sum equal to any arrears, deficiency or accruals of the dividends on the 'B' Preference Shares calculated down to the date of the return of capital and payable whether such dividend has been declared or earned or not;
- (iii) the balance of such assets shall be distributed amongst the holders of the Founders Shares and

Ordinary Shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the Founders Shares and Ordinary Shares held by them respectively until the sum of £10,000,000 has been paid upon each such share when the holders of deferred shares shall receive £1 per share.

(c) Conversion.

'A' Preference Shares

The holders of the 'A' Preference Shares may at any time prior to 31st December 1995 convert any whole units of 100 'A' Preference Shares into 72 Ordinary Shares 18 Founders Shares and 10 deferred shares and the following provisions shall have effect:-

- (i) the conversion shall be effected by notice in writing given to the Company signed by the holders of such units of 'A' Preference Shares and the conversion shall take effect immediately upon the date of delivery of such notice to the Company;
- (ii) forthwith thereafter the holders of the Ordinary and Founders Shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of 'A' Preference Shares and the Company shall issue to such holders respectively certificates for the Ordinary Shares and Founders Shares resulting from the conversion and any balancing certificates for 'A' Preference Shares not converted;

- (iii) the Ordinary Shares and Founders Shares resulting from the conversion shall rank from the date of conversion pari passu in all respects with the remaining Ordinary Shares and Founders Shares in the capital of the Company;
- (iv) on the date of conversion the Company shall pay a dividend to the holders of the 'A' Preference Shares of a sum equal to any arrears, deficiency or accruals of the dividends on the 'A' Preference Shares calculated on a daily basis to the date of conversion.

#### 'B' Preference Shares

The holders of the 'B' Preference Shares may at any time prior to the earlier of the date of listing (as defined in Article 5(g)) or 31st December 1994 convert any whole units of 100 'B' Preference Shares into 80 Ordinary Shares and 20 Founders' Shares and if all of the 'B' Preference Shares shall not have been so converted by the earlier of such dates the holders of the 'B' Preference Shares which shall not have been so converted shall be obliged on the earlier of such dates to convert all of the remaining 'B' Preference Shares into Ordinary Shares and Founders' Shares on the basis aforesaid and the following provisions shall have effect:-

- (i) the conversion shall be effected by notice in writing given to the Company signed by the holders of such units of 'B' Preference Shares accompanied by a payment of £15 in cash by way of Bankers' Draft in respect of each such unit of 'B' Preference Shares and conversion shall take effect immediately upon the date of delivery of such notice to the Company;

- (ii) forthwith thereafter the holders of the Ordinary and Founders Shares resulting from the conversion of the 'B' Preference Shares shall send to the Company the certificates in respect of their respective holdings of 'B' Preference Shares and the Company shall issue to such holders respectively certificates for the Ordinary Shares and Founders Shares resulting from the conversion and any balancing certificates for 'B' Preference Shares not converted;
- (iii) the Ordinary Shares and Founders Shares resulting from the conversion shall rank from the date of conversion pari passu in all respects with the remaining Ordinary Shares and Founders Shares in the capital of the Company;
- (iv) on the date of conversion the Company shall pay a dividend to the holders of the 'B' Preference Shares of a sum equal to any arrears, deficiency or accruals of the dividends on the 'B' Preference Shares calculated on a daily basis to the date of conversion.

(d) Redemption.

- (a) Subject to the provisions of the Companies Act 1985 any 'A' Preference Shares not converted pursuant to article 5(c) above shall be redeemed in the proportions and on the dates set out below:



| <u>Redemption date</u> | <u>Number of shares<br/>redeemable</u> |
|------------------------|--|
| 31st December 1993     | 417,000                                |
| 31st December 1994     | 417,000                                |
| 31st December 1995     | 416,000                                |

In the event that any 'A' Preference Shares have been converted the redemption instalments shall reduce proportionately.

- (b) Each registered holder of 'A' Preference Shares shall surrender to the Company on or before the dates so fixed the certificate for his shares which are to be redeemed in order that they may be cancelled, and upon such cancellation the Company shall pay to such holder the amount payable in respect of such redemption provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of 'A' Preference Shares, on each occasion on which 'A' Preference Shares are redeemed the proportion of each such holder's 'A' Preference Shares to be redeemed shall be that proportion which each such holder's 'A' Preference Shares bears to the total number of 'A' Preference Shares then in issue.
- (c) The Company shall pay on each of the 'A' Preference Shares so redeemed the sum of £1 together with a sum equal to any arrears, deficiency or accruals of the cumulative dividends thereon calculated to the date of redemption and the cumulative dividends thereon

shall cease to accrue from that date unless upon surrender of the certificate for such shares payment of the redemption moneys shall be refused.

(e) Class consents of 'A' and 'B' Preference Shares.

Without prejudice to the generality of article 7, whilst 10% or more of either the original class of 'A' Preference Shares or the original class of 'B' Preference Shares remains in issue the special rights attached to the 'A' and 'B' Preference Shares shall be deemed to be varied:-

- (i) by an alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or by any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries; or
- (ii) by any of the matters set out in paragraph (h) of this Article; or
- (iii) by the calling of a meeting of the Company for the purpose of considering a resolution for the winding up of the Company; or
- (iv) by the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company to purchase any of its shares; or
- (v) by the variation of the existing service agreement with Mr J C Hughes or any replacement of such existing contract.

The final sentence of Article 7 shall be disapplied so far as the 'A' and 'B' Preference Shares are concerned.

(f) As regards voting:-

Every member present in person and every person present as a proxy for a member or members shall have one vote and on a poll every holder of Founders' and Ordinary shares shall have one vote for every £1 nominal amount of such share capital of which he is the holder and

- (i) every holder of 'A' Preference Shares shall have 90 votes for every £100 nominal amount of such share capital of which he is the holder, and
- (ii) every holder of 'B' Preference Shares shall have 100 votes for each £100 nominal amount of such share capital of which he is the holder.

Provided that the holders of deferred shares shall not be entitled to receive notice or attend at or vote at any general meeting in respect of their holdings of such shares.

(g) As regards conversion of Founders' Shares:-

(i) each holder of the Founders' Shares shall have the right to convert his holding of Founders' Shares (or any part thereof) into Ordinary shares by notice in writing to the Company on or at any time after the Relevant Date but no later than 31st December 1994. For the purposes of these Articles, the expression "the Relevant Date" shall mean the earliest of the following:-

(a) the date of publication of the audited consolidated profit and loss account and balance sheet of the Company any any subsidiaries for the financial year ending 31st October 1994 (or such other date in 1994 to which such profit and loss account and balance sheet may be made up);  
or

(b) the date of signature by the auditors of the Company of their report on the audited consolidated profit and loss account of the Company and its subsidiaries showing Certified Profits (as hereinafter defined) for the relevant financial year which is equal to or in excess of £1,000,000.

(ii) any notice of conversion shall specify the particular Founders' Shares to be converted ("the Notified Shares"), the date fixed for conversion, which shall not be earlier than 14 days after the date of such notice, ("the Conversion Date") and the address to which the certificates for the Ordinary shares arising on such conversion should be sent and shall be accompanied by the certificate or certificates for the Founders' Shares to be so converted in order that the same may be cancelled. If any certificate so delivered to the Company includes any Founders' Shares not to be converted on the relevant Conversion Date a fresh certificate for such Founders' Shares shall be issued to the holder or holders delivering such certificates to the Company.

(iii) if the Company is satisfied that the correct procedure has been followed pursuant to paragraph (ii) above, the following provisions shall have effect:-

(a) on and with effect from the relevant Conversion Date, the number of Ordinary Shares to be issued in respect of each Founders' Share upon conversion of the same shall be ascertained by applying the following formula:-

$$A \times B$$

Where:-

"A" is the product of the Certified Profits for the financial year immediately preceeding the relevant Conversion Date divided by 1,000,000 and expressed to three decimal places; and

"B" is the number "1.5"

(iv) the Ordinary shares into which such Notified Shares shall convert shall rank pari passu in all respects with the Ordinary Shares then in issue save that such Ordinary Shares shall only entitle the holder or holders thereof to a proportion of any dividend otherwise payable thereon in respect of any period in which the Conversion Date occurs equal to the proportion of such period remaining after the Conversion Date.

(v) the holders of the Ordinary Shares and the Directors shall take all steps necessary to enable such conversion and (if applicable) increase of capital and to effect the same including the convening of meetings so as to effect such conversion.

(vi) for the purpose of these Articles "the Certified Profits" for any financial year shall mean a sum equal to the consolidated profit after taxation and extraordinary items of the Company and its

subsidiaries for that financial year as disclosed in a consolidation of the audited profit and loss accounts of the Company and its subsidiaries for such financial year based on generally accepted accounting principles.

(vii) the certificate of the auditors of the Company as to the number of Ordinary Shares arising upon conversion of any Founders' Shares shall (save in the case of manifest error) be conclusive and binding on the Company and its members.

(viii) in the event that at any time prior to the Relevant Date

(1) an offer is accepted which would result in any person firm or company acquiring control (as defined in Section 534 of the Income and Corporation Taxes Act 1970) of more than 50 per cent of the aggregate of the Ordinary Shares then in issue, and the holders of not less than 75 per cent of the Founders' Shares consent to in writing, or an Extraordinary Resolution is passed at a separate meeting of the holders of such Founders' Shares into Ordinary Shares pursuant to the foregoing provisions, or

(2) application is made or is proposed to be made for a Listing, then each of the Founders' Shares then in issue shall convert into such number of Ordinary Shares as may be determined in accordance with the foregoing provisions relating to the conversion of the Founders' Shares save that:-

(a) the Conversion Date shall be the first business day following that on which such consents are finally obtained, or such resolution

is passed, or the day on which such Listing is granted;

(b) the date referred to in (a) above shall be substituted for references to the Relevant Date;

(ix) in the event that the Conversion Date shall be at any time prior to the Relevant Date and any of the holders for the time being of Founders' Shares at such earlier Conversion Date shall elect or shall be required pursuant to these Articles to exercise the conversion rights conferred hereby the ratio in which Founders' Shares shall be converted to Ordinary Shares shall in no case be less than 1:1 and upon such conversion rights being exercised and the conversion thereby effected all rights, obligations, duties and privileges attaching thereto shall henceforth be extinguished and of no further force or effect.

For the purpose of these Articles, "Listing" shall mean the inclusion of any part of the Share Capital of the Company in the Official List of The Stock Exchange or the grant of permission to deal in the same in the Unlisted Securities Market or an Over-the-counter market or similar arrangements being effected for or dealings commenced in such share capital on any recognised stock exchange in any part of the world.

(h) As regards class consents of Founders' Shares:-

Without prejudice to the restrictions contained in these Articles as to the modification of the rights attached to classes of shares, the consent or sanction of the holders of the Founders' Shares shall be required:-

(1) to the creation allotment or issue of any shares or securities by the Company or to the grant of any

right to require the allotment or issue of any such shares or security;

(2) to participate in any transaction which, if the Company were listed on the Stock Exchange, would constitute a transaction falling within Class 1 as defined for the purposes of the regulations of the Stock Exchange concerning acquisitions and realisations of assets by listed companies and their subsidiaries;

(3) to increase, reduce, repay, repurchase, subdivide, consolidate or otherwise vary the share capital of the Company or reduce the amount, if any, standing to the credit of the share premium account or capital redemption reserve fund, except as expressly provided in these Articles;

(4) to make any material change in the nature of its business, or to permit the making of any change in the nature of the business of any subsidiary of the Company;

(5) to acquire the whole or part of any undertaking or to acquire or dispose of any shares in the capital of any company or to permit any subsidiary of the Company to acquire or dispose of any undertaking or shares (other than a transfer of shares or securities of any subsidiary of the Company) which acquisition or disposal would be material in the context of the Company and its subsidiaries as a group;

(6) to amend any provision of the Memorandum or Articles of Association of the Company;

(7) to lend money (except in the ordinary course of its business or to a wholly owned subsidiary) or give



any guarantee or indemnity (except in the normal course of its business or for the benefit of or in favour of a wholly-owned subsidiary);

(8) to a Listing;

(9) to register any transfer of any Founders' Shares in favour of any person, firm or company ("the transferee") or the nominee or nominees of such transferee if such transferee together with connected persons (if any) would thereby acquire control of more than 50 per cent in aggregate of the Founders' Shares and the Ordinary Shares then in issue. For this purpose, the expression "connected persons" and "control" shall have the meanings ascribed to those expressions respectively in Section 533 and Section 534 of the Income and Corporation Taxes Act 1970;

(10) to any change in the accounting reference date of the Company or any subsidiary.

6. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued (which special rights shall not be modified or abrogated except with such consent or sanction as is provided in the Company's Memorandum of Association and in the next following Article) any share in the Company (whether forming part of the original capital or not) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine, and, subject to the provisions of the Statutes, the Company may issue shares which are or which at the option of the Company are to be liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by ordinary resolution determine.

## MODIFICATION OF RIGHTS

7. Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may, subject to the provisions of the Company's Memorandum of Association (unless otherwise provided by the terms of issue of the shares of that class), either with the consent In Writing of the holders of three-quarters of the issued shares of the class or group, or with the sanction of any extraordinary resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of these Articles relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class or group (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively. The special rights conferred upon the holders of any shares or class or group of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be modified by the creation or issue of further shares ranking *pari passu* therewith.

## SHARES

8. Subject to the provisions of the Statutes and any restrictions contained in these Articles and to any direction to the contrary which may be given by the Company in general meeting, the Directors may allot, grant options over, or otherwise dispose of shares or rights to subscribe for, or to convert any security into shares other than shares so allotted to such persons (including any Director) and on such terms as they think fit, provided that no share shall be issued at a discount.

9. The Company may exercise the powers of paying commission conferred or permitted by the Statutes provided that the percentage rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by law and shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued, or an amount equivalent thereto. Where permitted by the Statutes, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in another. The Company may also on any issue of shares pay such brokerage as may be lawful.

10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles otherwise provided or as by law required or under an order of Court) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

## LIMITATION ON TRANSFER OF CONTROL

11 (i) No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the previous written consent of 3i plc ("3i") and Midland Montagu Equity Limited ('MM') if as a result of such sale or transfer and registration thereof a Controlling Interest (as hereinafter defined) is obtained in the Company:-

(a) by a person or persons (other than a company to which paragraph (b) below applies) who was or were not a member or members of the Company on the date this article was adopted as an article of association of the Company unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to purchase all the Ordinary Shares and Founders Shares held by 3i and MM at the Specified Price (as hereinafter defined) and any Preference Shares at a price per share of at least £1 plus a sum equal to any arrears deficiency or accruals of the dividends on each such Preference Share calculated down to the date of sale or transfer; or

(b) by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the February 1987 Edition of the City Code on Takeovers and Mergers)

with any member of the Company have or as a result of such sale or transfer will have a Controlling Interest:

(ii) For the purpose of this Article:-

- (a) the expression 'a Controlling Interest' shall mean an interest (within the meaning of Schedule 13 Part I and Section 324 of the Companies Act 1985) in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that Company;
- (b) the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renoucee under any such letter of allotment; and
- (c) the expression 'the Specified Price' shall mean the higher of:-
  - (i) a price per share of £1 plus a sum equal to any arrears, deficiency or accruals of the dividends on such share calculated down to the date of sale or transfer; and
  - (ii) a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other shares in the Company plus an amount equal to the relevant proportion of any other consideration (in cash or

otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other shares provided that if any part of the price per share is payable otherwise than by cash 3i and/or MM may at their option elect to take a price per share of such cash sum as may be agreed by them having regard to the substance of the transaction as a whole;

and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding except in the case of manifest error;

- (iii) All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article.

#### SPECIAL DIRECTOR

12. Notwithstanding any limitation on the number of directors imposed by these articles of association if any cumulative dividend on the Preference Shares is 6

months in arrear or the Company shall have failed to redeem any of the Preference Shares in accordance with these Articles 3i and MM shall jointly be entitled to appoint as a director of the Company any person (hereinafter referred to as "a Special Director") approved by the the directors of the Company (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. A Special Director shall not be required to hold any share qualification nor shall he be subject to retirement by rotation. The remuneration and reasonable expenses to be paid to a Special Director shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failnig agreement such reasonable sum as shall be fixed by 3i and MM.

#### CERTIFICATES

13. Every person, 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, whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of each class of shares held by him, or upon payment of such sum, not exceeding £1, for every certificate after the first as the Directors shall from time to time determine, several certificates, each for one or more of his shares. Shares of different classes may not be included in the same certificate. Where a member has transferred part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his

holding free of charge. Every certificate for shares shall be issued under the Seal and shall specify the shares or securities to which it relates and the amount paid up thereon and (subject as hereinafter provided) shall bear the autographic signatures of at least one Director and the Secretary provided that the Directors may by resolution determine that such signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Directors or some method or system of mechanical signature provided also that the Company shall not be bound to register more than four persons as the joint holders of any share (except in the case of executors or trustees of a deceased member) and in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

14. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

#### LIEN

15. Subject to the provisions of section 150 of the Companies Act 1985 the Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or



liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof together with any interest or expenses which may have accrued. The Directors may resolve that any share shall be wholly or in part exempt from the provisions of this Article.

16. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled by reason of his death or bankruptcy to the share.

17. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser. The purchaser shall be registered as the holder of the shares and he 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. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the time of the sale.

18. The Directors may from time to time make calls upon the members in respect of any moneys (whether on account of the amount of the shares or by way of premium) unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that (except as otherwise fixed by the conditions of application or allotment) no call on any share shall exceed one-quarter of the nominal amount of the share or be payable within 14 days' notice specifying the time or times and place of payment pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

19. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed, and a call may be made payable by instalments.

20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

21. If a call or instalment payable in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Directors shall from time to time determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, and expenses, wholly or in part.

22. Any sum which by the terms of issue of a share becomes 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 the purposes of these Articles be deemed to

be a call duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Directors may, on the issue of shares, differentiate between the holders in the amount of calls to be paid, and in the times of payment.

24. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may pay interest at such rate as the member paying such sum and the Directors shall agree provided that the member shall not thereby be entitled to participate in respect thereof in a dividend subsequently declared. The Directors may also at any time repay the amount so advanced upon giving to such members one month's notice in writing.

#### TRANSFER OF SHARES

25. All transfers of shares may be effected by transfer In Writing in the usual or common form, or in any other form approved by the Directors.

26. The instrument of transfer of a share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. Subject to the provisions of these Articles, transfers of shares shall be registered without payment of any fee.

27. The Directors may, in their absolute discretion, and without assigning any reason therefor, decline to register any transfer of, or which included, shares which are not fully paid to a person of whom they shall not approve, and they may also decline to register any transfer of shares upon which the Company has a lien. If the Directors refuse to register a transfer they shall within 2 months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

28. The Directors may also decline to register any instrument of transfer, unless:

(a) the instrument of transfer, duly stamped, is deposited at the Office or such other place as the Directors may appoint accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of share: and

(c) in the case of a transfer to joint holders, they do not exceed four in number.

All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of

transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

29. The register of transfers may be closed at such times and for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than 30 days in any year.

30. Subject to Section 80 of the Companies Act 1985, nothing herein contained shall preclude the Directors from allowing the allotment of any share to be renounced by the allottee in favour of some other person, provided however that for all purposes of these Articles relating to the registration of transfers of shares, such renunciation shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect thereto by renunciation as if the renunciation were a transfer.

31. The Company shall be entitled to destroy all instruments of transfer of shares and all other documents on the faith of which entries are made in the register of members at any time after the expiration of 6 years from the date of registration thereof and all dividend mandates and notifications of change of name or address at any time after the expiration of 2 years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of 1 year from the date of cancellation thereof and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and 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 always that:

i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions or proviso (i) above are not fulfilled; and

iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### PRE-EMPTION AND TRANSFER OF SHARES

#### 32. (A) A share may be transferred

(i) by a Member or (in the case of a deceased Member) by his personal representatives to a Family Member or (in the case of a Member who is a body corporate) to any company which is the holding company ("Holding Company") of such Member or any subsidiary ("Subsidiary Company") of such Holding Company; or

(ii) by a Member to any person with the prior written consent of all the Members of the Company for the time being other than the transferor; or

iii) by a Member to a nominee for such member or by such nominee to such Member or to another nominee of such Member;

all of which persons or bodies corporate are hereinafter referred to as "Permitted Transferees" provided that in

any such case it is proved to the satisfaction of the Directors that the transfer is bona fide and falls within one or more of sub-paragraphs (i), (ii) or (iii) above.

(B) for the purposes of this Article "Family Member" shall mean, in relation to a Member, any spouse, parent, child, grandchild, brother, sister or child of any brother or sister, or the trustees of any trust the beneficiaries of which include any such person or a Member.

(C) Any Member (or his personal representatives as the case may be) desiring to sell, transfer or otherwise dispose of the shares which he holds to a Permitted Transferee shall deliver an executed instrument or instruments of transfer of the shares, duly stamped, to the Directors and the Directors shall cause the name of the transferee to be entered in the Register as the holder of the shares.

(D) A Member shall not, subject to the following paragraphs of this Article, (except to a Permitted Transferee) sell, transfer or otherwise dispose of his holding of only either Founders' shares or Ordinary shares in the event that he shall hold shares of both classes without at the same time and by the same Transfer Notice offering for sale a number of shares of the other class in the same proportion as his holding of shares of the one class bears to his holding of shares of the other class.

(E) Any Member ("the Proposing Transferor") desiring to sell, transfer or otherwise dispose of any of the shares which he holds (otherwise than pursuant to paragraph (A) of this Article) shall (subject to the provisions of paragraph (D) of this Article) give notice in writing ("Transfer Notice") to the Company at the Office specifying the class and number of shares ("Shares") which he proposes to transfer and the third

party (if any) to whom he proposes to transfer the Shares if they are not purchased by a Member or Members of the Company pursuant to the following provisions of this Article and the price at which he proposes to transfer the Shares if such a price has been determined upon by him ("the Nominated Price"). A Transfer Notice shall only be revocable with the consent of the Directors.

(F) The Transfer Notice shall constitute the directors the agents of the Proposing Transferor for the sale of the Shares at the Nominated Price or if there is no Nominated Price at the fair value ("the Fair value") of the Shares to be determined in accordance with paragraph (F) hereof. In the event that it is necessary for the Fair Value of the Shares to be determined in accordance with paragraph (F) hereof the Directors shall arrange as soon as practical for the Fair Value to be so determined. Forthwith upon receipt of the Transfer Notice by the Directors or (if applicable) of the determination of the Fair Value the Directors shall offer the Shares for sale to the Members of the Company and shall notify the Members in accordance with the following provisions:-

(i) such Shares shall be offered in the first instance to all the Members in proportion to their respective holdings of shares in the capital of the Company on the date when the Transfer Notice was served and to the extent that such offers are not accepted the Shares shall be dealt with as provided for by sub-paragraph (iv) below. A shareholder may accept all, but not some, of the Shares offered to him.

(ii) any offer under sub-paragraph (i) hereof shall be in writing, accompanied by a copy of the Transfer Notice, and shall be accepted by notice in writing to the Company within 30 days after the offer is made. If the offer is not accepted within such time limit it shall be deemed to have been refused.



(iii) if any such offer is accepted the Proposing Transferor shall be bound to transfer the Shares accepted, and the Member or Members accepting the offer shall be bound to pay for the Shares so accepted the Nominated Price or, where no Nominated Price has been specified, the Fair Value thereof.

(iv) any shares which under the provisions of sub-paragraph (i) above are to be dealt with under this sub-paragraph shall be offered by the Directors to any shareholders who have accepted an initial offer under sub-paragraph (i) above pro-rata to the respective holdings of Shares of the Company held by such accepting shareholders on the date when the Transfer Notice was served. Such offers shall be upon and subject to the same terms as are set out in sub-paragraphs (ii) and (iii) above in relation to offer under sub-paragraph (i) above and shall be repeated until there are no remaining shareholders willing to purchase the Shares.

(G) The Fair Value of a Share shall be a proportion of the value of all the issued Shares in the capital of the Company equal to the proportion which the capital paid up on such share bears to capital paid up on all the issued Shares in the capital of the Company. The value of all the issued shares in the capital of the Company shall be the amount certified at the expense of the Proposing Transferor by the Auditors for the time being of the Company (who shall be deemed in so certifying to act as experts and not as arbitrators and whose certificate shall be final, save in the case of manifest error) to be the value thereof in the open market as between a willing buyer and a willing seller of the Shares with the Company as a going concern.

(H) The Proposing Transferor(s) shall be bound to transfer to each purchaser of the Shares the number of Shares being purchased by him upon payment by such purchaser to the Proposing Transferor of the Nominated Price or the Fair Value (as the case may be) for the Shares which payment shall be made within 14 days of the acceptance of any offer or the ascertainment of the price (if later).

(I) If in any case the Proposing Transferor(s), after having become bound as aforesaid, shall make default in transferring any Shares, the Directors may receive the purchase money which shall be paid into a separate bank account and the Directors shall within a reasonable period nominate some person to execute an instrument or instruments of transfer of the relevant Shares in the name of and on behalf of the Proposing Transferor(s) and thereafter when such instrument or instruments have been duly stamped at the expense of the relevant purchasing Member or Members, the Directors shall cause the name of the relevant purchasing Member or Members to be entered in the Register as the holder or holders of the relevant Shares and shall hold the purchase money in trust for the proposing transferor(s). The receipt of the Directors for the purchase money shall be a good discharge to the relevant purchasing Member or Members and after his or their names have been entered in the Register in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

(J) If within 90 days after the date of service of a Transfer Notice the Directors shall not find a Member or Members willing to purchase all the Shares under the foregoing provisions so that some or all of the Shares remain unclaimed by the Members of the Company the offer shall be deemed to have been declined in relation to such unclaimed Shares and the proposing Transferor(s) shall be

free to transfer all such unclaimed Shares at no less than the Nominated Price or Fair Value (as the case may be) to the third party specified in the Transfer Notice (if Any) (or if no third party has been so specified, to any person(s) approved in writing by the Directors) within three months of the end of the 90 day period specified above.

(K) For the purposes of these Articles, the renunciation or negotiation of any temporary document of title to any Share shall constitute a transfer of such Share.

#### TRANSMISSION OF SHARES

33. In the case of the death of a member the survivor or survivors 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.

34. Subject to any other provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of the law may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.

35. Subject to any other provisions of these Articles, 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 his nominee registered, he shall testify his election by executing in favour of his nominee a transfer of such share. All the limitations, restrictions and 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 or other event giving rise to the transmission had not occurred and the notice or transfer were a transfer executed by such a member.

36. Subject to any other provisions of these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member may at the discretion of the Directors receive and give a discharge for any dividends or other moneys becoming payable in respect of the share but shall not be entitled to receive notices of or to attend or vote at meetings of the Company or save as aforesaid to any of the rights or privileges of a member until he shall have become a member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a member in respect thereof within 60 days of being required so to do by the Directors, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

#### FORFEITURE OF SHARES

37. 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 payment thereof, the Directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him

requiring payment of so much of the call or installment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.

38. The notice shall name a further day (not being less than 7 days from the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited hereunder and in such case, references in these Articles to forfeiture shall include surrender.

39. If the requirements of any such notice as aforesaid are not complied with, any share in respect which such notice has been given may at any time thereafter before payment of all calls and interest and expenses due in respect thereof has been made forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.

40. A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit, subject always to the provisions of Section 146 of the Companies Act 1985.

41. A shareholder whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to

pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest thereon from the date of forfeiture until payment at such rate not exceeding 15 per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part and the Directors may enforce payment without any allowance for the value of the share at the time of forfeiture.

42. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice as aforesaid.

43. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been fully forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the relevant share on the sale, re-allotment or disposal thereof together with the relevant share certificate under seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share. Every Director is hereby authorised to execute on behalf of the

shareholder whose share is forfeited a proper instrument of transfer of such share.

44. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### UNTRACED SHAREHOLDERS

45(A) The Company shall be entitled to sell (in such manner and for such price as the Directors think fit) 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:

i) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the first thereof) being a period during which at least three dividends have been payable all warrants and cheques in respect of the shares in question sent in the manner authorised by these presents have remained uncashed; and

ii) the Company shall on expiry of the said period of 12 years have inserted advertisements in two national daily newspapers, giving notice of its intention to sell the said shares; and

iii) during the said period of 12 years and the period of 3 months following the publication of the said advertisements or following the later publication if the two advertisements are published on different dates the Company shall have received indication neither of the whereabouts nor of the existence of

such member or person; and

iv) notice shall have been given to The Stock Exchange in London of its intention to make such sale.

(B) 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 of the said shares shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. 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 Directors may from time to time think fit.

#### STOCK

46. The Company may by ordinary resolution convert any paid-up shares into stock, and may in like manner re-convert any stock into paid-up shares of any denomination.

47. 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, but the Directors may, if they think fit, from time to time fix the minimum amount of stock which is transferable, in which case no stock shall be transferable except in sums of the minimum amount or multiples thereof, provided that such minimum amount shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.

48. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in dividends and in assets on a winding-up) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privilege or advantage.

49. All such of the provisions of these Articles (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock, and the words 'share' and 'shareholder' therein shall include 'stock' and 'stockholder'.

#### INCREASE OF CAPITAL

50. The Company in general meeting may from time to time by ordinary resolution increase its capital by such sum to be divided into shares and classes of shares of such amounts as the resolution shall prescribe.

51. Unless the Company shall by ordinary resolution at any general meeting at which the capital is increased

otherwise direct, any new shares proposed to be issued shall be offered in accordance with Section 89 of the Companies Act 1985 in the first instance, either at par or at a premium or (subject to the provisions of the Statutes) at a discount, to all the shareholders for the time being on the same or on more favourable terms than those offered or to be offered to persons other than shareholders in the Company in proportion to the number of shares of the class or groups held by them respectively, or give any other directions as to the issue of the new shares.

52. The new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise.

#### PURCHASE OF OWN SHARES

53(A) Subject to, and in accordance with, the provisions of the Statutes and subject to paragraphs (B) and (C) below, the Company may purchase its own shares (including any redeemable shares).

(B) The Company may not purchase its own shares if at the time of such purchase there are outstanding any convertible securities of the Company unless such purchase has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of the convertible securities.

(C) Purchases by the Company of its own redeemable shares shall, where such shares are listed by The Stock Exchange in London, be limited to a maximum price which, in the case of purchases through the market or by tender, will not exceed the average of the middle market quotation taken from The Stock Exchange Daily Official List for the 10 business days before the purchase is made or in the

case of a purchase through the market, at the market price, provided that it is not more than 5 per cent above such average. If such purchases are by tender, tenders shall be made available to all holders of such shares alike.

#### ALTERATION OF CAPITAL

54. The Company may by ordinary resolution:

i) consolidate and divide all or any of its share capital into shares of larger amount than its existing 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 capital by the amount of the shares so cancelled subject to the provisions of Sections 146-149 of the Companies Act 1985; 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.

55. Upon any consolidation of fully paid shares into shares of larger amount the Directors may settle any difficulty which may arise with regard thereto and in

particular may, as between the holders of shares so consolidated, determine which shares are consolidated into each consolidated share and, in the case of any shares registered in the name or names of one or more members being consolidated with shares registered in the name or names of another member or members, the Directors may make such arrangements for the sale of the consolidated share or for the issue, acceptance and/or sale of fractional certificates and may sell the consolidated share or the fractions represented by such fractional certificates, either upon the market or otherwise, to such person or persons at such time or times and at such price or prices, as they think fit and shall distribute the net proceeds of sale among such members rateably in accordance with their rights and interests in the consolidated share or the fractions represented by such fractional certificates and for the purpose of giving effect to any such sale the Directors may appoint some person to transfer the shares or fractions sold to the purchaser or purchasers thereof.

56. The Company may from time to time by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and consents required by law.

#### REDEEMABLE SHARES

57. The Company may by special resolution create and sanction the issue of shares which are, or at the option of the Company are to be liable, to be redeemed, subject to and in accordance with the provisions of the Statutes. The special resolution sanctioning any such issue shall also make such alterations to these Articles as may be necessary to specify the terms on which and the manner in which any such shares shall be redeemed.

## GENERAL MEETINGS

58. A general meeting shall be held in each year at such time (within a period of not more than 15 months after the holding of the last preceding general meeting) and place as may be determined by the Directors. The general meetings referred to in this Article shall be called annual general meetings. All general meetings other than annual general meetings shall be called extraordinary general meetings.

59. The Directors may convene an extraordinary general meeting whenever they think fit and, on the requisition of members in accordance with the Statutes, they shall forthwith convene an extraordinary general meeting. Whenever the Directors shall convene an extraordinary general meeting on the requisition of members, they shall convene such meeting for a date not more than 6 weeks after the date when the requisition is deposited at the office (unless the requisitionists shall consent in writing to a later date being fixed). If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

## NOTICE OF GENERAL MEETINGS

60. In the case of the annual general meeting or of a meeting convened to pass a special resolution 21 clear days' notice and in other cases 14 days' notice at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) specifying the place, the day, and the hour of meeting (and in the case of an annual general meeting

specifying the meeting as such) and stating with reasonable prominence that a member entitled to attend and vote thereat is entitled to appoint a proxy, who need not also be a member, to attend and vote instead of him, and in the case of special business, the general nature of such business (and in the case of a meeting convened for passing a special or extraordinary resolution, the intention to propose such resolution as a special or extraordinary resolution as the case may be) shall be given in manner hereinafter mentioned to the Auditors and the Directors from time to time of the Company and to such members as are, under the provisions herein contained, entitled to receive notices from the Company. With the consent In Writing of all, or such less number as is required by the Statutes, of the members entitled to attend and vote thereat, a meeting may be convened by a shorter notice and in such manner as such members may think fit. The Company shall comply with the provisions of the Statutes as to giving notice of resolutions and circulating statements on the requisition of members.

61. The accidental omission to give notice of any meeting, or to send a form of proxy with a notice where required by these Articles to any person entitled to received the same, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at any general meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

62. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring a dividend, the reading and consideration and adoption of the accounts and balance sheet and the ordianry reports of the Directors and Auditors and other documents required to be annexed to

the balance sheet, the re-election of Directors retiring, the election of Directors in the place of those retiring, the voting of fees to the Directors, the appointment of and the fixing of the remuneration of the Auditors and the grant, renewal, limitation, extension, or variation of any authority of or to the Board, pursuant to Section 80 of the Companies Act 1985, to allot securities.

63. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present for the purpose of this Article if represented by its representative duly authorised in accordance with Article 80.

64. If within half an hour from the time appointed for the 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 other time and place as the Directors may determine.

65. The chairman (if any) of the Board or, in his absence, a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within 5 minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present, declines to take the chair, the

persons present and entitled to vote on a poll shall elect one of their number to be chairman.

66. The chairman may, with the consent of any meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

67. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by at least three members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one-tenth part of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares in the Company 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. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.



68. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless it be pointed out at the same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the chairman of the meeting be of sufficient magnitude to vitiate the resolution.

69. If a poll is duly demanded, it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days of the meeting) and place in such manner as the chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. No notice need be given of a poll not taken immediately. The chairman may in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for declaring the result of the poll. The demand for a poll may be withdrawn before the close of the meeting or the taking of the poll, whichever is the earlier but, if a demand is withdrawn, the chairman of the meeting or other members entitled may himself or themselves demand a poll.

70. In the case of an equality of votes, whether 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 is demanded shall be entitled to a second or casting vote in addition to any votes to which he may be entitled as a member.

71. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

## VOTES OF MEMBERS

72. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member, who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

73. Where there are joint holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto, but so that if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons whose name stands first in the register of members in respect of such shares shall alone be entitled to vote in respect thereof.

74. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis, or other person in the nature of a committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office of the Company not less than 3 days before the time for holding the meeting.

75. No member shall be entitled to vote at any 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.

76. A member holding unclassified shares shall be entitled to vote at any general meeting in respect of those shares, provided that no ordinary share shall then be in issue.

77. No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

78. On a poll votes may be given either personally or by proxy.

79. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised and the Directors may, but shall not be bound to, require evidence of the authority of any such officer or attorney. A proxy need not be a member of the Company.

80. Any corporation holding shares conferring the right to vote may by resolution of its Directors or other governing body authorise any of its officials or any other person to act as its representative at any meeting of the Company or at any meeting of holders of any class of shares 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 if he had been an individual member of the Company.

81. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or

authority, shall be deposited 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, at the Office or at such other place as may be nominated by the Board, and in default the instrument of proxy shall not be treated as valid.

82. An instrument of proxy shall be in any usual or common form or any other form which the Directors shall approve. The proxy shall be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy. The proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Proxies need not be witnessed.

83. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation In Writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office at least 48 hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

84. If any member or other person appearing to be interested in any shares registered in the name of such member in any account in the register of members of the Company is in default in supplying within 28 days of the date of service of a notice from the Company requiring such member or other person to supply to the Company In Writing all or any of such information as is referred to in Section 212 of the Companies Act 1985, such member shall, for such period as the default of such member or other

person shall continue, not be entitled, without the prior written consent of the Board, to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of all the shares for the time being registered in the account in the register of members of the Company in respect of which such notice was served. 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 212 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 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

#### DIRECTORS

85. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

86. The Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sums by way of Directors fees as the Company may from time to time by ordinary resolution determine. Such remuneration shall be divided among them in such proportion and manner as the Directors may determine and, in default of such determination within a reasonable period, equally, except that any Director holding office for less than a year or other period for which remuneration is paid shall rank in such division in proportion to the fraction of such year or other period during which he has held office. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all reasonable travelling, hotel and other

expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

87. Subject to the provisions of these articles and without prejudice to the powers of the Directors under these Articles to appoint any person to be a Director, the Company may by special resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum fixed by or in accordance with these Articles.

88. Any Director who at the request of the Board performs special services or goes or resides abroad for any purposes of the Company shall (unless otherwise expressly resolved by the Company in general meeting) receive such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine, which shall be charged as part of the Company's ordinary working expenses.

89. No shareholding qualification for Directors shall be required.

90. Each Director shall be entitled to attend and speak at any general meeting of the Company.

91. The office of Director shall be vacated in any of the following events, namely:

- i) if (not being an executive Director whose contract precludes resignation) he resigns his office by writing under his hand left at the office;
- ii) if he becomes bankrupt or has a receiving order made against him or compounds with his creditors;

- iii) if he becomes of unsound mind or a patient for any purpose of any statute relating to mental health, and the Directors resolve that his office be vacated;
- iv) if he be absent from meeting of the Directors for 6 months without leave, and his alternative Director (if any) shall not during such period have attended in his stead, and the Directors resolve that his office be vacated;
- v) if he is removed or becomes prohibited from being a Director pursuant to any of the provisions of the Statutes;
- vi) if he is requested In Writing by all the other Directors to resign his office.

92(A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

(B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a

director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

(E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns 1 per cent or more.

(F) Subject to the Statutes and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from



contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists or in any other case at the first meeting of the Board after he knows that he is or has become so interested. A general notice to the Board given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

(H) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he is to his

knowledge, directly or indirectly, materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters, namely:

i) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;

ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries which the Director has himself guaranteed or secured in whole or in part;

iii) any contract or arrangement by a Director to subscribe for shares, Debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares, Debentures or other securities of the Company;

iv) any contract or arrangement in which he is interested by virtue of his interest in shares or Debentures or options or warrants or other securities of the Company or by reason of any other interest in or through the Company;

v) any contract or arrangement concerning any other company (not being a company in which the Director owns 1 per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

vi) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates;

vii) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner as the employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such arrangement relates.

(I) A company shall be deemed to be a company in which a Director owns 1 per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) 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 the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or by any Permitted Transferee as bare or custodian trustee and in which he or such Permitted Transferee has no beneficial interest, any shares comprised in a trust in which the Director's or Permitted Transferee's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in any authorised unit trust scheme in which the Director or Permitted Transferee is interested only as a unit holder.

(J) Where a Company in which a Director or Permitted Transferee holds 1 per cent or more is materially interested in a transaction, then that Director shall also

be deemed materially interested in such transaction.

(K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

(L) 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.

#### POWERS OF DIRECTORS

93. The business of the Company shall be managed by the Directors who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations

of these Articles, to the provisions of the Statutes, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by extraordinary resolution of the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors 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 Directors by any other Article.

94. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and reappoint any persons (whether members of their own body or not) to act as Directors, managing Directors or managers of any such subsidiary company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any persons so appointed, and any Directors of this Company may retain any remuneration so payable to them.

95. The Directors may from time to time and at any time 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 Directors, 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 Directors

under these Articles) and for such period and subject to such conditions as they 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 Directors 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.

96(A) The Directors may procure the establishment and maintenance of or participation in or contribution to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, bonuses, benefits or emoluments to, any person (including Directors and other officers whether of the Company or of any other company referred to in this paragraph) who may be or shall have been at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or of the predecessors in business of the Company or of any such subsidiary company or of any allied or associated companies of the Company or any such companies or of the wives, widows, families, dependants or connections of any such persons provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director or former Director without the approval of an ordinary resolution of the Company.

(B) The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts

calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its members, and make payment for or towards the insurance of any such persons as aforesaid and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

(C) The Directors may establish, maintain and give effect to any scheme approved by an ordinary resolution of the Company for the allotment of or the grant of options to subscribe for shares of the Company to persons in the employment or service of the Company or to persons engaged by the Company in any consultative capacity or any subsidiary for the time being of the Company (including any Director in such employment or service) and may exercise all the powers conferred on them by such scheme (including any power to alter or add to the provisions thereof) and these Articles shall be deemed to be modified so far as may be necessary to give effect to such scheme as for the time being in force in respect of any share or shares for the time being in issue or under option subject thereto.

(D) The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any other company.

97. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable 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 Directors shall from time to time by resolution determine.

## BORROWING

98(A) The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital for the time being, and subject to the Statutes, to issue debentures, debenture stock and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(B) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to four times the Adjusted Capital and Reserves.

(C) For the purpose of the foregoing restriction:

i) 'the Adjusted Capital and Reserves' means the aggregate from time to time of:

a) the amount paid up or credited as paid up on the issued share capital of the Company; and

b) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve and any credit balance on profit and loss account) all as shown by the



then latest audited or interim balance sheet but after deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up share capital, share premium account or capital redemption reserve since the date of such audited or interim balance sheet;

ii) 'borrowings' shall be deemed to include not only borrowings but also the following except in so far as otherwise taken into account:

a) the nominal amount of any issued share capital and the principal amount of any debentures or borrowed moneys, the beneficial interest in which is not for the time being owned by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group, not being acceptances of trade bills for the purchase of goods in the ordinary course of business;

b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group not being acceptances of trade bills for the purchase of goods in the ordinary course of business;

c) the principal amount of any debenture

(whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group; and

d) any premium payable on repayment on any borrowing or deemed borrowing;

but shall be deemed not to include:

e) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group;

f) borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group for the time being outstanding and so to be applied within 6 months of being so borrowed, pending their application for such purpose within such period; and

g) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;

iii) when the aggregate principal amount of borrowings required to be taken into account for the purpose of this Article on any particular date is being ascertained:

a) any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on such date in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London 6 months before such date if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business); and

b) where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the Company or by reason of default) on such date is less than the amount that would otherwise be taken into account in respect of borrowing for the purpose of this Article, the amount of such borrowing to be taken into account for the purpose of this Article shall be such lesser amount;

iv) 'audited balance sheet' shall mean the audited balance sheet of the Company prepared for the purposes of the Statutes unless at the date of the then latest such balance sheet there shall have been prepared for such purposes 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 'audited balance sheet' shall mean such audited consolidated balance sheet of the Company and such subsidiaries, the references to reserves and profit and loss account shall be deemed to be references to consolidated

reserves and consolidated profit and loss accounts respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries;

v) 'interim balance sheet' shall mean the balance sheet of the Company prepared by the Company not less frequently than once in every three months for its internal purposes but nevertheless prepared in accordance with the like accounting principles as shall be applied in the preparation of the audited balance sheet and which shall be certified by the Board as, in their opinion, giving a true and fair view of the Company at the date to which such interim balance sheet is made up;

iv) the Company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Statutes; if the Company should prepare its main audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this Article; and

vii) 'the Group' means the Company and its subsidiaries (if any).

(D) A certificate or report by the Auditors for the time being of the Company as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings 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 purpose of this Article.

(E) Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security given that the limit hereby imposed had been or was thereby exceeded.

#### EXECUTIVE DIRECTORS

99. The Directors may from time to time appoint one or more of their number to an executive office including the offices of chairman, vice-chairman, managing Director, joint managing Director, assistant managing Director or manager or any other salaried office for such period and on such terms as they think fit. Without prejudice to any claim a Director may have for damages for breach of any contract of service between him and the Company the appointment of any Director hereunder shall be subject to determination ipso facto if he ceases from any cause to be a Director, or (subject to the terms of any contract between him and the Company) if the Directors resolve that his term of office as an executive Director determined.

100. A Director holding office pursuant to the last preceding Article shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine and such remuneration shall, unless otherwise agreed, be additional to such remuneration (if any) as is from time to time payable to him as a Director and such Director shall be a Director for the purposes of and subject to the provisions of Section 319 of the Companies Act 1985.

101. The Directors may entrust to and confer upon a Director holding such executive office as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### ROTATION OF DIRECTORS

102. At every annual general meeting any Directors who shall be bound to retire under Article 108 and one-third of the other Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting.

103. Subject to the provisions of Article 102, the Directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting.

104. A retiring Director shall be eligible for re-election.

105. Subject to the provisions of these Articles, the Company at the meeting at which a Director retires in

manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

106. No person other than a Director retiring at the meeting shall unless recommended by the Directors, 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 (not being the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice In Writing signed by that person of his willingness to be elected.

107. The Company in general meeting may from time to time increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to go out of office.

108. The Directors 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 Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Any Director who retires under this Article shall not be taken into account in determining the Director who is to retire by rotation at such meeting.

109. The Company may by ordinary resolution of which special notice has been given in accordance with Section 379 of the Companies Act 1985 remove any Director (including a managing Director or other executive Director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead (without prejudice to the powers of the Directors under the last preceeding Article). The person so appointed 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.

#### PROCEEDINGS OF DIRECTORS

110. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

111. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent In Writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notice of Board meetings shall during his absence be sent In Writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United



Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

112. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. For the purpose of determining whether the quorum for the transaction of the business of the Directors exists:

(a) in the case of a resolution agreed by Directors in telephonic communications, all such Directors shall be counted in the quorum;

(b) in the case of a meeting of Directors, in addition to the Directors present at the meeting, any Director in telephonic communication with such meeting shall be counted in the quorum.

113. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in the Board, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting of members for the purpose of appointing Directors.

114. If the Directors shall not have appointed any member of their body to the office of chairman, or vice-chairman pursuant to Article 99, or if at any meeting neither the chairman nor vice-chairman be present within 5 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

115. The Board may establish 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 local boards, or any managers or agents and may fix their remuneration. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than the power to borrow and make calls), 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. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

116. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

117. The Directors may delegate any of their powers to committees consisting of such number of members of their body as they think fit and from time to time revoke any such delegation and discharge any such committee in whole or in part. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

118. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

119. A resolution in writing, signed by all or a majority of the Directors entitled to notice of a meeting of the Directors or by all of the members of a committee for the time being, shall be as valid and effectual as if it had been passed at a meeting of the Directors or such committee (as the case may be) duly called and constituted and may consist of several documents in the like form each signed by one or more of the said Directors or the said members of such committee. For the purpose of this Article, the signature of an alternate Director (if any) entitled to notice of a meeting of Directors shall suffice in lieu of the signature of the Director appointing him.

120. The Directors shall cause minutes to be made in books provided for the purpose:

(a) of all appointments of officers made by the Directors;

(b) of the names of all the Directors present at each meeting of the Directors and of any committee of Directors;

(c) of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of any committee of Directors.

Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such appointments were made, or such Directors were present, or such resolutions were passed or proceedings held (as the case may be), or by the chairman of the next succeeding meeting of the Company, or class of members of the Company, or Directors or committee (as the case may be), shall be sufficient evidence without any further proof of the facts therein stated.

121. All actions done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding 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, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote.

#### SECRETARY

122. The Secretary shall be appointed by the Directors at such remuneration and upon such terms as they think fit; and any Secretary so appointed may be removed by the Directors. The Directors may also appoint an assistant Secretary or assistant Secretaries and temporary substitutes for the Secretary. Any such assistant Secretary or temporary substitute shall for the purpose of these Articles be deemed to be and may fulfil the duty of the Secretary subject to any limitation prescribed by the Directors.

123. A provision of the Statutes or 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 the place of, the Secretary.

#### THE SEAL

124. The Seal shall only be used by the Authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed and unless so

determined and, except as provided in Article 13, it shall be signed by a Director and by the Secretary or by a second Director or some other person approved by the Board.

#### AUTHENTICATION OF DOCUMENTS

125. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Company's head office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

#### ALTERNATE DIRECTORS

126.(A) Any Director may, at any time, appoint any person (approved by the Board) to be an alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from his office.

(B) An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions as a Director in the absence of such appointor. When acting also as a Director or as an alternate Director for more

than one Director, an alternate Director shall have one vote for every Director he represents, in addition to his own, if he is himself a Director and when so acting, where the quorum exceeds two shall be considered as two Directors for the purpose of making a quorum.

(C) An alternate Director shall cease to be an alternate Director if his appointer ceases for any reason to be a Director, provided that if any Director retires by rotation but is re-elected by the meeting at which such retirement takes effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired.

(D) All appointments and removals of alternate Directors shall be effected by notice in writing by the Director making or revoking such appointment given to the Company at the Office or at a duly convened and held meeting of the Board.

(E) An alternate Director may be repaid by the Company such expenses as might be properly repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (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, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. An alternate Director shall be entitled to be indemnified by the Company to the same extent as hereinafter provided in respect of Directors.

(F) Any alternate Director shall be an officer of the Company shall alone be responsible to the Company for his own acts or defaults and shall not be deemed to be the agent of or for the Director appointing him.

## DIVIDENDS

127. The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly. No dividend or interim dividend shall be paid otherwise than in accordance with provisions of Part VIII of the Companies Act 1985 which apply to the Company.

128. No dividend shall be payable except out of the profits of the Company (including profits set aside to any reserve fund in terms of Article 141 hereof), or in excess of the amount recommended by the Directors.

129. All dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid 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.

130. The Directors shall transfer to share premium account as required by the Statutes sums equal to the amount or value of any premiums at which any shares of the Company shall be issued.

131. The Directors may if they think fit from time to time pay to the members such interim dividend as appear to the Directors to be justified by the profits of the Company.

If at any time the capital of the Company is divided into different classes of shares the Directors 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-preferred rights as well as in respect of those shares which confer on the holders thereof preferential or special rights with regard to dividends and provided that the Directors act bona fide they shall not incur any responsibility to the holders of any shares for any damage that they may suffer by reason of the payment of an interim dividend on any shares. The Directors may also pay half yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

132. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue certificates in respect of fractions 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 upon 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 Directors.

133. Any resolution of the Company or of the Directors declaring a dividend may specify any date as the record date for such dividend, whether or not prior to the date on which the resolution is passed.



134. The Directors may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

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

136. The Directors may retain any dividends and bonuses payable on shares on which the Company has a lien permitted by the Statutes and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists.

137. The Directors may retain the dividends and bonuses payable upon shares in respect of which any person is, under the provisions as to the transmission of shares herein before contained, entitled to become a member, or which any person under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

138. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or by direct bank transfer to such bank account as such member or person entitled thereto may direct, and in case of joint holders to any one of such joint holders or to such person and such address or such bank account as the holder or joint holders may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the holder or joint holders may direct and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

139. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other monies payable or in respect of the share.

140. All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all dividends unclaimed for 12 years after having been declared shall, unless the Directors otherwise resolve, be forfeited and revert to the Company.

#### RESERVES

141. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any 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 as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

#### CAPITALISATION OF PROFITS AND RESERVES

142. Subject to Section 80 and Part VIII of the Companies Act 1985, the Company in general meeting may upon the recommendation of the Directors resolve that it is desirable 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 or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if

distributed by way of dividend and in the same proportions 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 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 as aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

143. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and, subject to Section 80 of the Companies Act 1985, all allotments and issues of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of certificates in respect of fractions or by payment in cash or otherwise as they think fit for the case of shares, debentures or securities becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (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 profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

144. Subject to Part VIII of the Companies Act 1985, the Company in general meeting may from time to time and at any time pass a resolution to the effect that any sum or sums arising from the realisation of any capital assets of the Company and representing an amount in excess of the amount of assets required to answer the whole of the liabilities of the Company (treating for this purpose the paid up share capital of the Company as a liability) be distributed as capital among the members of the Company who would have been entitled thereto if the same had been distributed by way of dividend out of the profits arising from the business of the Company and in the same proportions and manner, and such resolution shall be effective and the Directors shall distribute any sum so resolved to be distributed as aforesaid in accordance with such resolution. Any such resolution as aforesaid may direct the distribution among the members of any investments or securities (not being investments or securities involving a liability in respect of unpaid capital) in which the sum or sums aforesaid or any part thereof may for the time being be invested in lieu of the same being distributed in cash, and the Directors may apportion and determine the value of any such investments and securities for the purposes of such distribution, and any such apportionment or determination shall be binding upon the members entitled to share in such distribution.

#### DISCOVERY AND SECRECY

145. No member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company, and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

## ACCOUNTS

146. The Directors shall cause true accounts to be kept:

(a) of the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;

(b) of all sales and purchases of goods by the Company; and

(c) of the assets and liabilities of the Company.

147. The books of account shall be kept at the Office, or at other such place as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than as Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting.

148. The Directors shall not be bound, unless expressly instructed so to do by an extraordinary resolution of the Company in general meeting, to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any shareholder.

149. Once at least in every year the Directors shall lay before the Company in general meeting a profit and loss account giving a true and fair view of the profit or loss of the Company for the financial year to which it relates and a balance sheet giving a true and fair view of the state of affairs of the Company as at the date at which it is made out and containing a general summary of the capital, the assets and the liabilities of the company arranged under suitable heads, both made up to a date not

more than 7 months before the meeting. If the Company shall be a holding Company as defined by the Statutes there shall with the said profit and loss account and balance sheet also (except in so far as the Statutes otherwise permit) be laid before the company in general meeting a consolidated balance sheet dealing with the state of affairs at the end of the Company's financial year of the Company and its then subsidiaries and a consolidated profit and loss account dealing with the profit or loss for the Company's financial year of the the Company and its then subsidiaries. The Directors shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the provisions of the Statutes applicable thereto.

150. Every such balance sheet, profit and loss account, consolidated profit and loss account and consolidated balance sheet shall be signed in such manner as may be required by the Statutes. There shall also be attached to the balance sheet a report by the Directors with respect to such matters as are by the Statutes required to be dealt with therein.

151. A copy of the report by the Directors and of the Auditor's report, accompanied by the balance sheet (including every document required by law to be annexed or attached thereto), and profit and loss account, consolidated balance sheet and consolidated profit and loss account, shall, at least 21 days previous to the annual general meeting, be delivered or sent by post to the registered address of every member and every holder of debentures or debenture stock of the Company and if a listing on The Stock Exchange for all or any shares or securities of the Company shall be granted, the required number of copies of each of these documents shall at the same time be forwarded to the Quotations Department, The Stock Exchange, London.

## AUDIT

152. The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office until the next ensuing annual general meeting. The Auditors' report shall be read before the Company in general meeting and shall be open to inspection by any member.

153. No Director or other officer of the Company nor any person who is a partner of or in the employment of an officer of the Company, nor any corporation, shall be capable of being appointed Auditor of the Company. The duties of the Auditor or Auditors shall be regulated in accordance with the Statutes.

154. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

## NOTICES

155. Any notice or document may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register of members. A member shall be entitled to receive notices from the Company notwithstanding that his registered address as appearing in the register of members is outside the United Kingdom. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register of members, and notice so given shall be sufficient notice to all the joint holders.

156. The holder of any shares or stock in the Company who shall notify the Company In Writing that he is not, within the ordinary meaning of the phrase, resident in the United Kingdom may by such notice addressed to the Company at the Office request that henceforth the service of all notices and such other documents as the Board shall consider appropriate be effected by means of telex or facsimile transmission to such telex or facsimile receiver as shall be specified in such aforesaid notice and service effected by such means shall be regarded as being effected at the time at which such telex or facsimile transmission has been satisfactorily completed by the party giving notice by such means Provided that in every such case the original of such notice or other document shall in any event be forwarded to the intended recipient by means of first class pre-paid postal service to the last notified address of the intended recipient. Where any holder of shares or stock in the Company shall give notice in accordance with the provisions of this Article the Company shall by return notify the holder of shares or stock in the Company giving such notice of the telex and facsimile receiver numbers upon which notices or other documents may be received by the Company.

157. Any notice or other document (including share and stock certificate), if served by the post, shall be deemed to have been served at the expiration of 24 hours after the time when the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.

158. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt and whether or not the Company has notice of his death or bankruptcy, be



deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the register as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

159. Any notice required to be given by the Company to member and not expressly provided for by these Articles shall be sufficiently given if given by advertisement. Any notice required to be or which may be given by advertisement shall be advertised once in one national daily newspaper and shall be taken as given on the day on which such advertisement appears. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by notice advertised in at least two leading daily newspapers with appropriate circulation one of which shall be a leading London daily newspaper; such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any case of Company shall send confirmatory copies of the notice by post if at least 48 hours prior to the meeting the posting of notices to addressees within the United Kingdom again becomes practicable.

160. Every person who by operation of law, transfer or other means shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered in the register of members, shall have been duly given to the person from whom he derives his title to such share other

than a notice given under Article 84 or under the provisions of Section 212 of the Companies Act 1985.

#### WINDING UP

161. On a winding up of the Company, the balance of the assets available for distribution after deduction of any provision made under Section 719 of the Companies Act 1985, and subject to any special rights attaching to any class of shares, shall be applied in repaying to the members of the Company the amounts paid up on the shares held by them and any surplus assets will belong to the holders of any ordinary shares then in issue according to the respective numbers of shares held by them or, if no ordinary shares shall then be in issue, to the holders of any unclassified shares then in issue according to the respective numbers of shares held by them.

162. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may with the authority of an extraordinary resolution divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members, and the liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.

153. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.

#### INDEMNITY

164. Save and except so far as the provisions of this Article shall be avoided by any provisions of the Statutes, the Directors, executive Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and their respective executors or administrators shall to such extent as may for the time being be permitted by the Statutes be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of any of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any monies or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency or any security upon which any monies of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own wilful neglect or default respectively.

0526A

NO 2141256

THE COMPANIES ACT 1985

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Amended by Special Resolution passed on 15th January 1988)

of

GATEWAY RESIDENTIAL SERVICES

P. L. C.

Incorporated on the 18th Day of June 1987

INTERPRETATION

1. In these Articles, if not inconsistent with the subject or context the following words and expressions shall have the following meaning:

"THESE ARTICLES" these Articles of Association as originally adopted, or as from time to time altered by special resolution

"THE AUDITORS" the auditors of the Company for the time being

"THE BOARD" or "THE DIRECTORS" the Directors of the



Company in office for the time being or a quorum of the Directors present at a board meeting

"MONTH" calendar month

"THE OFFICE" the registered office of the Company

"THE SEAL" the common seal of the Company and, as appropriate, any official seal kept by the Company by virtue of Section 40 of the Companies Act 1985

"THE STATUTES" the Companies Act 1985 and every other Act or statutory instrument for the time being in force concerning limited companies and affecting the Company

"THE UNITED KINGDOM" Great Britain and Northern Ireland

"IN WRITING" written, printed, typewritten, lithographed or wholly expressed in any other mode representing or reproducing words, or partly one and partly another

"YEAR" calendar year

And the expressions "Debenture" and "Debenture Holder" shall include "Debenture Stock" and "Debenture Stockholder" and the expression "Secretary" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Any reference to any statutory provision shall be deemed to include any amendment or re-enactment thereof.

Save as aforesaid any words or expressions defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

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

#### TABLE A EXCLUDED

2. The Regulations contained in Table A in the Schedule to the Companies Act (Tables A to F) Regulations 1985 shall not apply to the Company, except in so far as the same are repeated or contained in these Articles.

#### BUSINESS

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

#### REGISTERED OFFICE

4. The Office shall be at such place in England or Wales as the Directors shall from time to time appoint.

#### CAPITAL

5. The share capital of the Company at the date of the adoption of this article is £26,250,000 divided into 1,250,000 Preference Shares of £1 each 2,000,000 Founders shares of £1 each and 23,000,000 Ordinary Shares of £1 each.

The rights attaching to the respective classes of shares shall be as follows:

(a) Income.

The profits of the Company in respect of each financial year shall be applied as follows:-

First in paying to the holders of the Preference Shares a fixed cumulative preferential net cash dividend (hereinafter in these articles referred to as 'the Preference Dividend') of 10 pence per annum on each share payable half yearly on the 30th June and the 31st December.

Any remaining profits which the Company determines to distribute in any financial year shall be distributed amongst the holders of the Founders Shares and Ordinary Shares (pari passu as if the same constituted one class of share).

The deferred shares arising from conversion of the Preference Shares shall have no right to dividends.

Every dividend shall be distributed to the appropriate shareholders pro-rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Companies Act 1985 the Preference Dividend shall (notwithstanding any other provision of these Articles and in particular notwithstanding that there has not been a recommendation of the directors or resolution of the Company in general meeting) be paid immediately on the due date and if not then paid shall be a debt due by the Company and be payable in priority to any other dividend.

(b) Capital.

On a return of assets on liquidation reduction of capital or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:-

- (i) first in paying to the holders of the Preference Shares the subscription price per share together with a sum equal to any arrears, deficiency or accruals of the dividends on the Preference Shares calculated down to the date of the return of capital and payable whether such dividend has been declared or earned or not;
- (ii) the balance of such assets shall be distributed amongst the holders of the Founders Shares and Ordinary Shares (pari passu as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on the Founders Shares and Ordinary Shares held by them respectively until the sum of £10,000,000 has been paid upon each such share when the holders of deferred shares shall receive £1 per share.

(c) Conversion.

The holders of the Preference Shares may at any time prior to 31st December 1995 convert any whole units of 100 Preference Shares into 72 Ordinary Shares 18 Founders Shares and 10 deferred shares and the following provisions shall have effect:-

- (i) the conversion shall be effected by notice in writing given to the Company signed by the holders of such units of Preference Shares and the conversion shall take effect immediately upon the date of delivery of such notice to the



- (ii) forthwith thereafter the holders of the Ordinary and Founders Shares resulting from the conversion shall send to the Company the certificates in respect of their respective holdings of Preference Shares and the Company shall issue to such holders respectively certificates for the Ordinary Shares and Founders Shares resulting from the conversion and any balancing certificates for Preference Shares not converted;
  - (iii) the Ordinary Shares and Founders Shares resulting from the conversion shall rank from the date of conversion pari passu in all respects with the remaining Ordinary Shares and Founders Shares in the capital of the Company;
  - (iv) on the date of conversion the Company shall pay a dividend to the holders of the Preference Shares of a sum equal to any arrears, deficiency or accruals of the dividends on the Preference Shares calculated on a daily basis to the date of conversion.
- (d) Redemption.
- (a) Subject to the provisions of the Companies Act 1985 any Preference Shares not converted pursuant to article 5(c) above shall be redeemed in the proportions and on the dates set out below:

| <u>Redemption date</u> | <u>Number of shares</u><br><u>redeemable</u> |
|------------------------|--|
| 31st December 1993     | 417,000                                      |
| 31st December 1994     | 417,000                                      |
| 31st December 1995     | 416,000                                      |

In the event that any Preference Shares have been converted the redemption instalments shall reduce proportionately.

- (b) Each registered holder of Preference Shares shall surrender to the Company on or before the dates so fixed the certificate for his shares which are to be redeemed in order that they may be cancelled, and upon such cancellation the Company shall pay to such holder the amount payable in respect of such redemption provided that if any certificate so surrendered includes any shares not redeemable at that time the Company shall issue a fresh certificate for the balance of the shares not redeemable to the holder. If there is more than one holder of Preference Shares, on each occasion on which Preference Shares are redeemed the proportion of each such holder's Preference Shares to be redeemed shall be that proportion which each such holder's Preference Shares bears to the total number of Preference Shares then in issue.
- (c) The Company shall pay on each of the Preference Shares so redeemed the sum of £1 together with a sum equal to any arrears, deficiency or accruals of the cumulative dividends thereon calculated to the date of redemption and the cumulative dividends thereon shall cease to accrue from that date unless upon surrender of the certificate for such shares payment of the redemption moneys shall be refused.
- (e) Class consents of Preference Shares.

Without prejudice to the generality of article 7, whilst 10% or more of the original class of Preference

Shares remains in issue the special rights attached to the Preference Shares shall be deemed to be varied:-

- (i) by an alteration or increase or reduction or sub-division or consolidation of the authorised or issued capital of the Company or of any of its subsidiaries, or by any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries; or
- (ii) by any of the matters set out in paragraph (H) of this Article; or
- (iii) by the calling of a meeting of the Company for the purpose of considering a resolution for the winding up of the Company; or
- (iv) by the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company to purchase any of its shares: or
- (v) by the variation of the existing service agreement with Mr J C Hughes or any replacement of such existing contract.

The final sentence of Article 7 shall be disappplied so far as the Preference Shares are concerned.

(f) As regards voting:-

Every member present in person and every person present as a proxy for a member or members shall have one vote and on a poll every member shall have one vote for every £1 nominal amount of share capital of which he is the holder Provided that the holders of the Preference Shares shall be

entitled to receive notice of all general meetings but shall not be entitled to attend or vote at any general meeting unless any cumulative dividend on the Preference Shares is six months in arrear or the Company shall have failed to redeem any of the Preference Shares in accordance with these articles of association and the holders of the Preference Shares have not consented to the delay in payment or redemption when the holders of the Preference Shares shall have 1 vote for each Preference Share held by them. The holders of deferred shares shall not be entitled to receive notice or attend at or vote at any general meeting.

(g) As regards conversion of Founders' Shares:-

(i) each holder of the Founders' Shares shall have the right to convert his holding of Founders' Shares (or any part thereof) into Ordinary shares by notice in writing to the Company on or at any time after the Relevant Date but no later than 31st December 1994. For the purposes of these Articles, the expression "the Relevant Date" shall mean the earliest of the following:-

(a) the date of publication of the audited consolidated profit and loss account and balance sheet of the Company any any subsidiaries for the financial year ending 31st October 1994 (or such other date in 1994 to which such profit and loss account and balance sheet may be made up); or

(b) the date of signature by the auditors of the Company of their report on the audited consolidated profit and loss account of the Company and its subsidiaries showing Certified Profits (as hereinafter defined) for the relevant financial year which is equal to or in excess of £1,000,000.

(ii) any notice of conversion shall specify the particular Founders' Shares to be converted ("the Notified Shares"), the date fixed for conversion, which shall not be earlier than 14 days after the date of such notice, ("the Conversion Date") and the address to which the certificates for the Ordinary shares arising on such conversion should be sent and shall be accompanied by the certificate or certificates for the Founders' Shares to be so converted in order that the same may be cancelled. If any certificate so delivered to the Company includes any Founders' Shares not to be converted on the relevant Conversion Date a fresh certificate for such Founders' Shares shall be issued to the holder or holders delivering such certificates to the Company.

(iii) if the Company is satisfied that the correct procedure has been followed pursuant to paragraph (ii) above, the following provisions shall have effect:-

(a) on and with effect from the relevant Conversion Date, the number of Ordinary Shares to be issued in respect of each Founders' Share upon conversion of the same shall be ascertained by applying the following formula:-

$$A \times B$$

Where:-

"A" is the product of the Certified Profits for the financial year immediately preceeding the relevant Conversion Date divided by 1,000,000 and expressed to three decimal places; and

"B" is the number "1.5"

(iv) the Ordinary shares into which such Notified Shares shall convert shall rank pari passu in all respects with the Ordinary Shares then in issue save that such Ordinary Shares shall only entitle the holder or holders thereof to a proportion of any dividend otherwise payable thereon in respect of any period in which the Conversion Date occurs equal to the proportion of such period remaining after the Conversion Date.

(v) the holders of the Ordinary Shares and the Directors shall take all steps necessary to enable such conversion and (if applicable) increase of capital and to effect the same including the convening of meetings so as to effect such conversion.

(vi) for the purpose of these Articles "the Certified Profits" for any financial year shall mean a sum equal to the consolidated profit after taxation and extraordinary items of the Company and its subsidiaries for that financial year as disclosed in a consolidation of the audited profit and loss accounts of the Company and its subsidiaries for such financial year based on generally accepted accounting principles.

(vii) the certificate of the auditors of the Company as to the number of Ordinary Shares arising upon conversion of any Founders' Shares shall (save in the case of manifest error) be conclusive and binding on the Company and its members.

(viii) in the event that at any time prior to the Relevant Date

(1) an offer is accepted which would result in any person firm or company acquiring control (as defined in Section 534 of the Income and Corporation Taxes Act 1970) of more than 50 per

cent of the aggregate of the Ordinary Shares then in issue, and the holders of not less than 75 per cent of the Founders' Shares consent to in writing, or an Extraordinary Resolution is passed at a separate meeting of the holders of such Founders' Shares into Ordinary Shares pursuant to the foregoing provisions, or

(2) application is made or is proposed to be made for a Listing, then each of the Founders' Shares then in issue shall convert into such number of Ordinary Shares as may be determined in accordance with the foregoing provisions relating to the conversion of the Founders' Shares save that:-

(a) the Conversion Date shall be the first business day following that on which such consents are finally obtained, or such resolution is passed, or the day on which such Listing is granted;

(b) the date referred to in (a) above shall be substituted for references to the Relevant Date;

(ix) in the event that the Conversion Date shall be at any time prior to the Relevant Date and any of the holders for the time being of Founders' Shares at such earlier Conversion Date shall elect or shall be required pursuant to these Articles to exercise the conversion rights conferred hereby the ratio in which Founders' Shares shall be converted to Ordinary Shares shall in no case be less than 1:1 and upon such conversion rights being exercised and the conversion thereby effected all rights, obligations, duties and privileges attaching thereto shall henceforth be extinguished and of no further force or effect.

For the purpose of these Articles, "Listing" shall mean the inclusion of any part of the Share Capital of the Company in the Official List of The Stock Exchange or the grant of permission to deal in the same in the Unlisted Securities Market or an Over-the-counter market or similar arrangements being effected for or dealings commenced in such share capital on any recognised stock exchange in any part of the world.

(h) As regards class consents of Founders' Shares:-

Without prejudice to the restrictions contained in these Articles as to the modification of the rights attached to classes of shares, the consent or sanction of the holders of the Founders' Shares shall be required:-

(1) to the creation allotment or issue of any shares or securities by the Company or to the grant of any right to require the allotment or issue of any such shares or security;

(2) to participate in any transaction which, if the Company were listed on the Stock Exchange, would constitute a transaction falling within Class 1 as defined for the purposes of the regulations of the Stock Exchange concerning acquisitions and realisations of assets by listed companies and their subsidiaries;

(3) to increase, reduce, repay, repurchase, subdivide, consolidate or otherwise vary the share capital of the Company or reduce the amount, if any, standing to the credit of the share premium account or capital redemption reserve fund except as expressly provided in these Articles;



- (4) to make any material change in the nature of its business, or to permit the making of any change in the nature of the business of any subsidiary of the Company;
- (5) to acquire the whole or part of any undertaking or to acquire or dispose of any shares in the capital of any company or to permit any subsidiary of the Company to acquire or dispose of any undertaking or shares (other than a transfer of shares or securities of any subsidiary of the Company) which acquisition or disposal would be material in the context of the Company and its subsidiaries as a group;
- (6) to amend any provision of the Memorandum or Articles of Association of the Company;
- (7) to lend money (except in the ordinary course of its business or to a wholly owned subsidiary) or give any guarantee or indemnity (except in the normal course of its business or for the benefit of or in favour of a wholly-owned subsidiary);
- (8) to a Listing;
- (9) to register any transfer of any Founders' Shares in favour of any person, firm or company ("the transferee") or the nominee or nominees of such transferee if such transferee together with connected persons (if any) would thereby acquire control of more than 50 per cent in aggregate of the Founders' Shares and the Ordinary Shares then in issue. For this purpose, the expression "connected persons" and "control" shall have the meanings ascribed to those expressions respectively in Section 533 and Section 534 of the Income and Corporation Taxes Act 1970;

(10) to any change in the accounting reference date of the Company or any subsidiary.

6. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares already issued (which special rights shall not be modified or abrogated except with such consent or sanction as is provided in the Company's Memorandum of Association and in the next following Article) any share in the Company (whether forming part of the original capital or not) may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine, and, subject to the provisions of the Statutes, the Company may issue shares which are or which at the option of the Company are to be liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by ordinary resolution determine.

#### MODIFICATION OF RIGHTS

7. Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may, subject to the provisions of the Company's Memorandum of Association (unless otherwise provided by the terms of issue of the shares of that class), either with the consent In Writing of the holders of three-quarters of the issued shares of the class or group, or with the sanction of any extraordinary resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of these Articles relating to general

meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class or group (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively. The special rights conferred upon the holders of any shares or class or group of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be modified by the creation or issue of further shares ranking *pari passu* therewith.

#### SHARES

8. Subject to the provisions of the Statutes and any restrictions contained in these Articles and to any direction to the contrary which may be given by the Company in general meeting, the Directors may allot, grant options over, or otherwise dispose of shares or rights to subscribe for, or to convert any security into shares other than shares so allotted to such persons (including any Director) and on such terms as they think fit, provided that no share shall be issued at a discount.

9. The Company may exercise the powers of paying commission conferred or permitted by the Statutes provided that the percentage rate or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by law and shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued, or an amount equivalent thereto. Where permitted by the Statutes, such commission

may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in another. The Company may also on any issue of shares pay such brokerage as may be lawful.

10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles otherwise provided or as by law required or under an order of Court) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

#### LIMITATION ON TRANSFER OF CONTROL

11 (i) No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the previous written consent of Investors In Industry plc ('3i') and Midland Montagu Equity Limited ('MM') if as a result of such sale or transfer and registration thereof a Controlling Interest (as hereinafter defined) is obtained in the Company:-

(a) by a person or persons (other than a company to which paragraph (b) below applies) who was or were not a member or members of the Company on the date this article was adopted as an article of association of the Company unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to

purchase all the Ordinary Shares and Founders Shares held by 3i and MM at the Specified Price (as hereinafter defined) and any Preference Shares at a price per share of at least £1 plus a sum equal to any arrears deficiency or accruals of the dividends on each such Preference Share calculated down to the date of sale or transfer; or

- (b) by a company in which one or more of the members of the Company or persons acting in concert (which expression shall have the meaning ascribed to it in the February 1987 Edition of the City Code on Takeovers and Mergers) with any member of the Company have or as a result of such sale or transfer will have a Controlling Interest:

(ii) For the purpose of this Article:-

- (a) the expression 'a Controlling Interest' shall mean an interest (within the meaning of Schedule 13 Part I and Section 324 of the Companies Act 1985) in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that Company;
- (b) the expressions 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renoucee under any such letter of allotment; and

(c) the expression 'the Specified Price' shall mean the higher of:-

(i) a price per share of £1 plus a sum equal to any arrears, deficiency or accruals of the dividends on such share calculated down to the date of sale or transfer; and

(ii) a price per share at least equal to that offered or paid or payable by the proposed transferee or transferees or his or their nominees for any other shares in the Company plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such other shares provided that if any part of the price per share is payable otherwise than by cash 3i and/or MM may at their option elect to take a price per share of such cash sum as may be agreed by them having regard to the substance of the transaction as a whole;

and in the event of disagreement the calculation of the Specified Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of

Chartered Accountants in England and Wales) whose decision shall be final and binding except in the case of manifest error;

(iii) All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this article.

#### SPECIAL DIRECTOR

12. Notwithstanding any limitation on the number of directors imposed by these articles of association if any cumulative dividend on the Preference Shares is 6 months in arrear or the Company shall have failed to redeem any of the Preference Shares in accordance with these Articles 3i and MM shall jointly be entitled to appoint as a director of the Company any person (hereinafter referred to as "a Special Director") approved by the the directors of the Company (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. A Special Director shall not be required to hold any share qualification nor shall he be subject to retirement by rotation. The remuneration and reasonable expenses to be paid to a Special Director shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failnig agreement such reasonable sum as shall be fixed by 3i and MM.

## CERTIFICATES

13. Every person, 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, whose name is entered as a member in the register of members shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of each class of shares held by him, or upon payment of such sum, not exceeding £1, for every certificate after the first as the Directors shall from time to time determine, several certificates, each for one or more of his shares. Shares of different classes may not be included in the same certificate. Where a member has transferred part of the shares comprised in his holding he shall be entitled to a certificate for the balance of his holding free of charge. Every certificate for shares shall be issued under the Seal and shall specify the shares or securities to which it relates and the amount paid up thereon and (subject as hereinafter provided) shall bear the autographic signatures of at least one Director and the Secretary provided that the Directors may by resolution determine that such signatures, or either of them, shall be dispensed with or shall be affixed by such other person as may be authorised by the Directors or some method or system of mechanical signature provided also that the Company shall not be bound to register more than four persons as the joint holders of any share (except in the case of executors or trustees of a deceased member) and in the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

14. If a share certificate is defaced, lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs



and any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

#### LIEN

15. Subject to the provisions of section 150 of the Companies Act 1985 the Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Company's lien (if any) on a share shall extend to all dividends or other moneys payable thereon or in respect thereof together with any interest or expenses which may have accrued. The Directors may resolve that any share shall be wholly or in part exempt from the provisions of this Article.

16. The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of 14 days after a notice in writing, stating and demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been given to the holder for the time being of the share or the person entitled by reason of his death or bankruptcy to the share.

17. To give effect to any such sale the Directors may authorise some person to transfer the shares sold to, or

in accordance with the directions of, the purchaser. The purchaser shall be registered as the holder of the shares and he 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. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable, and any residue shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the time of the sale.

18. The Directors may from time to time make calls upon the members in respect of any moneys (whether on account of the amount of the shares or by way of premium) unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, provided that (except as otherwise fixed by the conditions of application or allotment) no call on any share shall exceed one-quarter of the nominal amount of the share or be payable within 14 days' notice specifying the time or times and place of payment pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

19. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed, and a call may be made payable by instalments.

20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

21. If a call or instalment payable in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment

thereof to the time of actual payment at such rate, not exceeding 15 per cent per annum, as the Directors shall from time to time determine, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to procure payment of or in consequence of the non-payment of such call or instalment, but the Directors shall be at liberty to waive payment of such interest, costs, and expenses, wholly or in part.

22. Any sum which by the terms of issue of a share becomes 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 the purposes of these Articles be deemed to be a call duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

23. The Directors may, on the issue of shares, differentiate between the holders in the amount of calls to be paid, and in the times of payment.

24. The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the money unpaid upon the shares held by him beyond the sums actually called up thereon as a payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may pay interest at such rate as the member paying such sum and the Directors shall agree provided that the member shall not thereby be entitled to

participate in respect thereof in a dividend subsequently declared. The Directors may also at any time repay the amount so advance upon giving to such members one month's notice in writing.

#### TRANSFER OF SHARES

25. All transfers of shares may be effected by transfer In Writing in the usual or common form, or in any other form approved by the Directors.

26. The instrument of transfer of a share shall be signed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. Subject to the provisions of these Articles, transfers of shares shall be registered without payment of any fee.

27. The Directors may, in their absolute discretion, and without assigning any reason therefor, decline to register any transfer of, or which included, shares which are not fully paid to a person of whom they shall not approve, and they may also decline to register any transfer of shares upon which the Company has a lien. If the Directors refuse to register a transfer they shall within 2 months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

28. The Directors may also decline to register any instrument of transfer, unless:

- (a) the instrument of transfer, duly stamped, is deposited at the Office or such other place as the Directors may appoint accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to

show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one class of share: and

(c) in the case of a transfer to joint holders, they do not exceed four in number.

All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

29. The register of transfers may be closed at such times and for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than 30 days in any year.

30. Subject to Section 80 of the Companies Act 1985, nothing herein contained shall preclude the Directors from allowing the allotment of any share to be renounced by the allottee in favour of some other person, provided however that for all purposes of these Articles relating to the registration of transfers of shares, such renunciation shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect thereto by renunciation as if the renunciation were a transfer.

31. The Company shall be entitled to destroy all instruments of transfer of shares and all other documents on the faith of which entries are made in the register of members at any time after the expiration of 6 years from the date of registration thereof and all dividend mandates and notifications of change of name or address at any time after the expiration of 2 years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of 1 year from

the date of cancellation thereof and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and 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 always that:

i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions or proviso (i) above are not fulfilled; and

iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### PRE-EMPTION AND TRANSFER OF SHARES

##### 32. (A) A share may be transferred

(i) by a Member or (in the case of a deceased Member) by his personal representatives to a Family Member or (in the case of a Member who is a body corporate) to any company which is the holding company ("Holding Company") of such Member or any subsidiary ("Subsidiary Company") of such Holding Company; or

(ii) by a Member to any person with the prior written consent of all the Members of the Company for the time being other than the transferor; or

iii) by a Member to a nominee for such member or by such nominee to such Member or to another nominee of such Member;

all of which persons or bodies corporate are hereinafter referred to as "Permitted Transferees" provided that in any such case it is proved to the satisfaction of the Directors that the transfer is bona fide and falls within one or more of sub-paragraphs (i), (ii) or (iii) above.

(B) for the purposes of this Article "Family Member" shall mean, in relation to a Member, any spouse, parent, child, grandchild, brother, sister or child of any brother or sister, or the trustees of any trust the beneficiaries of which include any such person or a Member.

(C) Any Member (or his personal representatives as the case may be) desiring to sell, transfer or otherwise dispose of the shares which he holds to a Permitted Transferee shall deliver an executed instrument or instruments of transfer of the shares, duly stamped, to the Directors and the Directors shall cause the name of the transferee to be entered in the Register as the holder of the shares.

(D) A Member shall not, subject to the following paragraphs of this Article, (except to a Permitted Transferee) sell, transfer or otherwise dispose of his holding of only either Founders' shares or Ordinary shares in the event that he shall hold shares of both classes without at the same time and by the same Transfer Notice offering for sale a number of shares of the other class in the same proportion as his holding of shares of the one class bears to his holding of shares of the other class.

(E) Any Member ("the Proposing Transferor") desiring to sell, transfer or otherwise dispose of any of the shares which he holds (otherwise than pursuant to paragraph (A) of this Article) shall (subject to the provisions of paragraph (D) of this Article) give notice in writing ("Transfer Notice") to the Company at the Office specifying the class and number of shares ("Shares") which he proposes to transfer and the third party (if any) to whom he proposes to transfer the Shares if they are not purchased by a Member or Members of the Company pursuant to the following provisions of this Article and the price at which he proposes to transfer the Shares if such a price has been determined upon by him ("the Nominated Price"). A Transfer Notice shall only be revocable with the consent of the Directors.

(F) The Transfer Notice shall constitute the directors the agents of the Proposing Transferor for the sale of the Shares at the Nominated Price or if there is no Nominated Price at the fair value ("the Fair value") of the Shares to be determined in accordance with paragraph (F) hereof. In the event that it is necessary for the Fair Value of the Shares to be determined in accordance with paragraph (F) hereof the Directors shall arrange as soon as practical for the Fair Value to be so determined. Forthwith upon receipt of the Transfer Notice by the Directors or (if applicable) of the determination of the Fair Value the Directors shall offer the Shares for sale to the Members of the Company and shall notify the Members in accordance with the following provisions:-

(i) such Shares shall be offered in the first instance to all the Members in proportion to their respective holdings of shares in the capital of the Company on the date when the Transfer Notice was served and to the extent that such offers are not accepted the Shares shall be dealt with as provided



for by sub-paragraph (iv) below. A shareholder may accept all, but not some, of the Shares offered to him.

(ii) any offer under sub-paragraph (i) hereof shall be in writing, accompanied by a copy of the Transfer Notice, and shall be accepted by notice in writing to the Company within 30 days after the offer is made. If the offer is not accepted within such time limit it shall be deemed to have been refused.

(iii) if any such offer is accepted the Proposing Transferor shall be bound to transfer the Shares accepted, and the Member or Members accepting the offer shall be bound to pay for the Shares so accepted the Nominated Price or, where no Nominated Price has been specified, the Fair Value thereof.

(iv) any shares which under the provisions of sub-paragraph (i) above are to be dealt with under this sub-paragraph shall be offered by the Directors to any shareholders who have accepted an initial offer under sub-paragraph (i) above pro-rata to the respective holdings of Shares of the Company held by such accepting shareholders on the date when the Transfer Notice was served. Such offers shall be upon and subject to the same terms as are set out in sub-paragraphs (ii) and (iii) above in relation to offer under sub-paragraph (i) above and shall be repeated until there are no remaining shareholders willing to purchase the Shares.

(G) The Fair Value of a Share shall be a proportion of the value of all the issued Shares in the capital of the Company equal to the proportion which the capital paid up on such share bears to capital paid up on all the issued Shares in the capital of the Company. The value of all the issued shares in the capital of the Company shall be the amount certified at the expense of the Proposing

Transferor by the Auditors for the time being of the Company (who shall be deemed in so certifying to act as experts and not as arbitrators and whose certificate shall be final, save in the case of manifest error) to be the value thereof in the open market as between a willing buyer and a willing seller of the Shares with the Company as a going concern.

(H) The Proposing Transferor(s) shall be bound to transfer to each purchaser of the Shares the number of Shares being purchased by him upon payment by such purchaser to the Proposing Transferor of the Nominated Price or the Fair Value (as the case may be) for the Shares which payment shall be made within 14 days of the acceptance of any offer or the ascertainment of the price (if later).

(I) If in any case the Proposing Transferor(s), after having become bound as aforesaid, shall make default in transferring any Shares, the Directors may receive the purchase money which shall be paid into a separate bank account and the Directors shall within a reasonable period nominate some person to execute an instrument or instruments of transfer of the relevant Shares in the name of and on behalf of the Proposing Transferor(s) and thereafter when such instrument or instruments have been duly stamped at the expense of the relevant purchasing Member or Members, the Directors shall cause the name of the relevant purchasing Member or Members to be entered in the Register as the holder or holders of the relevant Shares and shall hold the purchase money in trust for the proposing transferor(s). The receipt of the Directors for the purchase money shall be a good discharge to the relevant purchasing Member or Members and after his or their names have been entered in the Register in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

(J) If within 90 days after the date of service of a Transfer Notice the Directors shall not find a Member or Members willing to purchase all the Shares under the foregoing provisions so that some or all of the Shares remain unclaimed by the Members of the Company the offer shall be deemed to have been declined in relation to such unclaimed Shares and the proposing Transferor(s) shall be free to transfer all such unclaimed Shares at no less than the Nominated Price or Fair Value (as the case may be) to the third party specified in the Transfer Notice (if Any) (or if no third party has been so specified, to any person(s) approved in writing by the Directors) within three months of the end of the 90 day period specified above.

(K) For the purposes of these Articles, the renunciation or negotiation of any temporary document of title to any Share shall constitute a transfer of such Share.

#### TRANSMISSION OF SHARES

33. In the case of the death of a member the survivor or survivors 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.

34. Subject to any other provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member or otherwise by operation of the law may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either be

registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.

35. Subject to any other provisions of these Articles, 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 his nominee registered, he shall testify his election by executing in favour of his nominee a transfer of such share. All the limitations, restrictions and 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 or other event giving rise to the transmission had not occurred and the notice or transfer were a transfer executed by such a member.

36. Subject to any other provisions of these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member may at the discretion of the Directors receive and give a discharge for any dividends or other moneys becoming payable in respect of the share but shall not be entitled to receive notices of or to attend or vote at meetings of the Company or save as aforesaid to any of the rights or privileges of a member until he shall have become a member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a member in respect thereof within 60 days of being required so to do by the Directors, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a member in respect thereof and may be registered accordingly.

## FORFEITURE OF SHARES

37. 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 payment thereof, the Directors may at any time thereafter, during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.

38. The notice shall name a further day (not being less than 7 days from the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited hereunder and in such case, references in these Articles to forfeiture shall include surrender.

39. If the requirements of any such notice as aforesaid are not complied with, any share in respect which such notice has been given may at any time thereafter before payment of all calls and interest and expenses due in respect thereof has been made forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before forfeiture.

40. A forfeited share shall become the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such

terms as the Directors think fit, subject always to the provisions of Section 146 of the Companies Act 1985.

41. A shareholder whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with interest thereon from the date of forfeiture until payment at such rate not exceeding 15 per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part and the Directors may enforce payment without any allowance for the value of the share at the time of forfeiture.

42. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share; but no forfeiture shall in any manner be invalidated by any omission or neglect to give such notice as aforesaid.

43. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been fully forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the relevant share on the sale, re-allotment or disposal thereof together with the relevant share certificate under seal delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be

bound to see to the application of the purchase money (if any), nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, or disposal of the share. Every Director is hereby authorised to execute on behalf of the shareholder whose share is forfeited a proper instrument of transfer of such share.

44. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

#### UNTRACED SHAREHOLDERS

45(A) The Company shall be entitled to sell (in such manner and for such price as the Directors think fit) 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:

i) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the first thereof) being a period during which at least three dividends have been payable all warrants and cheques in respect of the shares in question sent in the manner authorised by these presents have remained uncashed; and

ii) the Company shall on expiry of the said period of 12 years have inserted advertisements in two national daily newspapers, giving notice of its intencion to sell the said shares; and

iii) during the said period of 12 years and the period of 3 months following the publication of the said advertisements or following the later publication if the two advertisements are published on different dates the Company shall have received indication neither of the whereabouts nor of the existence of such member or person; and

iv) notice shall have been given to The Stock Exchange in London of its intention to make such sale.

(B) 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 of the said shares shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. 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 Directors may from time to time think fit.

#### STOCK

46. The Company may by ordinary resolution convert any paid-up shares into stock, and may in like manner re-convert any stock into paid-up shares of any



denomination.

47. 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, but the Directors may, if they think fit, from time to time fix the minimum amount of stock which is transferable, in which case no stock shall be transferable except in sums of the minimum amount or multiples thereof, provided that such minimum amount shall not exceed the nominal amount of the shares from which the stock arose. No warrants to bearer shall be issued in respect of any stock.

48. The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding-up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in dividends and in assets on a winding-up) shall be conferred by any such aliquot part of stock as would not, if existing in shares, have conferred such privilege or advantage.

49. All such of the provisions of these Articles (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock, and the words 'share' and 'shareholder' therein shall include 'stock' and 'stockholder'.

#### INCREASE OF CAPITAL

50. The Company in general meeting may from time to time by ordinary resolution increase its capital by such sum to be divided into shares and classes of shares of such

amounts as the resolution shall prescribe.

51. Unless the Company shall by ordinary resolution at any general meeting at which the capital is increased otherwise direct, any new shares proposed to be issued shall be offered in accordance with Section 89 of the Companies Act 1985 in the first instance, either at par or at a premium or (subject to the provisions of the Statutes) at a discount, to all the shareholders for the time being on the same or on more favourable terms than those offered or to be offered to persons other than shareholders in the Company in proportion to the number of shares of the class or groups held by them respectively, or give any other directions as to the issue of the new shares.

52. The new shares shall be subject to the provisions of these Articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise.

#### PURCHASE OF OWN SHARES

53(A) Subject to, and in accordance with, the provisions of the Statutes and subject to paragraphs (B) and (C) below, the Company may purchase its own shares (including any redeemable shares).

(B) The Company may not purchase its own shares if at the time of such purchase there are outstanding any convertible securities of the Company unless such purchase has been sanctioned by an extraordinary resolution passed at a separate class meeting of the holders of the convertible securities.

(C) Purchases by the Company of its own redeemable shares shall, where such shares are listed by The Stock Exchange in London, be limited to a maximum price which, in the case of purchases through the market or by tender,

will not exceed the average of the middle market quotation taken from The Stock Exchange Daily Official List for the 10 business days before the purchase is made or in the case of a purchase through the market, at the market price, provided that it is not more than 5 per cent above such average. If such purchases are by tender, tenders shall be made available to all holders of such shares alike.

#### ALTERATION OF CAPITAL

54. The Company may by ordinary resolution:

i) consolidate and divide all or any of its share capital into shares of larger amount than its existing 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 capital by the amount of the shares so cancelled subject to the provisions of Sections 146-149 of the Companies Act 1985; 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.

55. Upon any consolidation of fully paid shares into shares of larger amount the Directors may settle any difficulty which may arise with regard thereto and in particular may, as between the holders of shares so consolidated, determine which shares are consolidated into each consolidated share and, in the case of any shares registered in the name or names of one or more members being consolidated with shares registered in the name or names of another member or members, the Directors may make such arrangements for the sale of the consolidated share or for the issue, acceptance and/or sale of fractional certificates and may sell the consolidated share or the fractions represented by such fractional certificates, either upon the market or otherwise, to such person or persons at such time or times and at such price or prices, as they think fit and shall distribute the net proceeds of sale among such members rateably in accordance with their rights and interests in the consolidated share or the fractions represented by such fractional certificates and for the purpose of giving effect to any such sale the Directors may appoint some person to transfer the shares or fractions sold to the purchaser or purchasers thereof.

56. The Company may from time to time by special resolution reduce its share capital and any capital redemption reserve fund or any share premium account in any manner subject to any conditions and consents required by law.

#### REDEEMABLE SHARES

57. The Company may by special resolution create and sanction the issue of shares which are, or at the option of the Company are to be liable, to be redeemed, subject to and in accordance with the provisions of the Statutes. The special resolution sanctioning any such issue shall also make such alterations to these Articles as may be necessary to specify the terms on which and the manner in

which any such shares shall be redeemed.

#### GENERAL MEETINGS

58. A general meeting shall be held in each year at such time (within a period of not more than 15 months after the holding of the last preceding general meeting) and place as may be determined by the Directors. The general meetings referred to in this Article shall be called annual general meetings. All general meetings other than annual general meetings shall be called extraordinary general meetings.

59. The Directors may convene an extraordinary general meeting whenever they think fit and, on the requisition of members in accordance with the Statutes, they shall forthwith convene an extraordinary general meeting. Whenever the Directors shall convene an extraordinary general meeting on the requisition of members, they shall convene such meeting for a date not more than 6 weeks after the date when the requisition is deposited at the office (unless the requisitionists shall consent in writing to a later date being fixed). If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

#### NOTICE OF GENERAL MEETINGS

60. In the case of the annual general meeting or of a meeting convened to pass a special resolution 21 clear days' notice and in other cases 14 days' notice at the least (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) specifying the place, the day, and the hour of

meeting (and in the case of an annual general meeting specifying the meeting as such) and stating with reasonable prominence that a member entitled to attend and vote thereat is entitled to appoint a proxy, who need not also be a member, to attend and vote instead of him, and in the case of special business, the general nature of such business (and in the case of a meeting convened for passing a special or extraordinary resolution, the intention to propose such resolution as a special or extraordinary resolution as the case may be) shall be given in manner hereinafter mentioned to the Auditors and the Directors from time to time of the Company and to such members as are, under the provisions herein contained, entitled to receive notices from the Company. With the consent In Writing of all, or such less number as is required by the Statutes, of the members entitled to attend and vote thereat, a meeting may be convened by a shorter notice and in such manner as such members may think fit. The Company shall comply with the provisions of the Statutes as to giving notice of resolutions and circulating statements on the requisition of members.

61. The accidental omission to give notice of any meeting, or to send a form of proxy with a notice where required by these Articles to any person entitled to received the same, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at any general meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

62. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring a dividend, the reading and consideration and adoption of the accounts and balance sheet and the ordianry reports of the Directors and Auditors and other documents required to be annexed to

the balance sheet, the re-election of Directors retiring, the election of Directors in the place of those retiring, the voting of fees to the Directors, the appointment of and the fixing of the remuneration of the Auditors and the grant, renewal, limitation, extension, or variation of any authority of or to the Board, pursuant to Section 80 of the Companies Act 1985, to allot securities.

63. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present for the purpose of this Article if represented by its representative duly authorised in accordance with Article 80.

64. If within half an hour from the time appointed for the 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 other time and place as the Directors may determine.

65. The chairman (if any) of the Board or, in his absence, a deputy chairman (if any) shall preside as chairman at every general meeting. If there is no such chairman or deputy chairman, or if at any meeting neither the chairman nor a deputy chairman is present within 5 minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present, declines to take the chair, the persons present and entitled to vote on a poll shall elect

one of their number to be chairman.

66. The chairman may, with the consent of any meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

67. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by at least three members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one-tenth part of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares in the Company 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. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

68. If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the resolution unless it be pointed out at the



same meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the chairman of the meeting be of sufficient magnitude to vitiate the resolution.

69. If a poll is duly demanded, it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days of the meeting) and place in such manner as the chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. No notice need be given of a poll not taken immediately. The chairman may in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for declaring the result of the poll. The demand for a poll may be withdrawn before the close of the meeting or the taking of the poll, which ever is the earlier but, if a demand is withdrawn, the chairman of the meeting or other members entitled may himself or themselves demand a poll.

70. In the case of an equality of votes, whether 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 is demanded shall be entitled to a second or casting vote in addition to any votes to which he may be entitled as a member.

71. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTES OF MEMBERS

72. Subject to any special rights or restrictions as to

voting attached to any shares by or in accordance with these Articles, on a show of hands every member, who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

73. Where there are joint holders of any share, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto, but so that if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the said persons whose name stands first in the register of members in respect of such shares shall alone be entitled to vote in respect thereof.

74. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his receiver, committee, curator bonis, or other person in the nature of a committee or curator bonis appointed by such court, and such receiver, committee, curator bonis or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office of the Company not less than 3 days before the time for holding the meeting.

75. No member shall be entitled to vote at any 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.

76. A member holding unclassified shares shall be entitled to vote at any general meeting in respect of those shares, provided that no ordinary share shall then be in issue.

77. No objection shall be raised to the qualification of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

78. On a poll votes may be given either personally or by proxy.

79. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised and the Directors may, but shall not be bound to, require evidence of the authority of any such officer or attorney. A proxy need not be a member of the Company.

80. Any corporation holding shares conferring the right to vote may by resolution of its Directors or other governing body authorise any of its officials or any other person to act as its representative at any meeting of the Company or at any meeting of holders of any class of shares 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 if he had been an individual member of the Company.

81. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited 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, at the Office or at such

other place as may be nominated by the Board, and in default the instrument of proxy shall not be treated as valid.

82. An instrument of proxy shall be in any usual or common form or any other form which the Directors shall approve. The proxy shall be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy. The proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Proxies need not be witnessed.

83. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation In Writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office at least 48 hours before the commencement of the meeting or adjourned meeting at which the proxy is used.

84. If any member or other person appearing to be interested in any shares registered in the name of such member in any account in the register of members of the Company is in default in supplying within 28 days of the date of service of a notice from the Company requiring such member or other person to supply to the Company In Writing all or any of such information as is referred to in Section 212 of the Companies Act 1985, such member shall, for such period as the default of such member or other person shall continue, not be entitled, without the prior written consent of the Board, to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of all the shares for the time being registered in the account in the register of members

of the Company in respect of which such notice was served. 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 212 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 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

#### DIRECTORS

85. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

86. The Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sums by way of Directors fees as the Company may from time to time by ordinary resolution determine. Such remuneration shall be divided among them in such proportion and manner as the Directors may determine and, in default of such determination within a reasonable period, equally, except that any Director holding office for less than a year or other period for which remuneration is paid shall rank in such division in proportion to the fraction of such year or other period during which he has held office. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

87. Subject to the provisions of these articles and without prejudice to the powers of the Directors under these Articles to appoint any person to be a Director, the Company may by special resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed any maximum fixed by or in accordance with these Articles.

88. Any Director who at the request of the Board performs special services or goes or resides abroad for any purposes of the Company shall (unless otherwise expressly resolved by the Company in general meeting) receive such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine, which shall be charged as part of the Company's ordinary working expenses.

89. No shareholding qualification for Directors shall be required.

90. Each Director shall be entitled to attend and speak at any general meeting of the Company.

91. The office of Director shall be vacated in any of the following events, namely:

- i) if (not being an executive Director whose contract precludes resignation) he resigns his office by writing under his hand left at the office;
- ii) if he becomes bankrupt or has a receiving order made against him or compounds with his creditors;
- iii) if he becomes of unsound mind or a patient for any purpose of any statute relating to mental health, and the Directors resolve that his office be vacated;
- iv) if he be absent from meeting of the Directors for 6 months without leave, and his alternative

Director (if any) shall not during such period have attended in his stead, and the Directors resolve that his office be vacated;

- v) if he is removed or becomes prohibited from being a Director pursuant to any of the provisions of the Statutes;
- vi) if he is requested In Writing by all the other Directors to resign his office.

92(A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.

(B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other

company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

(D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

(E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director owns 1 per cent or more.

(F) Subject to the Statutes and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits



realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists or in any other case at the first meeting of the Board after he knows that he is or has become so interested. A general notice to the Board given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with such company or firm shall be sufficient declaration of interest under this Article in relation to any contract or arrangement so made; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director giving the same takes reasonable steps to secure that it is brought up and read at the next and meeting after it is given.

(H) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he is to his knowledge, directly or indirectly, materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters, namely:

- i) any contract or arrangement for giving to such Director any security or indemnity in respect of money lent by him or obligations undertaken by him at the request of or for the benefit of the Company or any of

its subsidiaries;

ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries which the Director has himself guaranteed or secured in whole or in part;

iii) any contract or arrangement by a Director to subscribe for shares, Debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof or to the public or any section thereof, or to underwrite any shares, Debentures or other securities of the Company;

iv) any contract or arrangement in which he is interested by virtue of his interest in shares or Debentures or options or warrants or other securities of the Company or by reason of any other interest in or through the Company;

v) any contract or arrangement concerning any other company (not being a company in which the Director owns 1 per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever;

vi) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme which relates both to Directors and employees of the Company or of any of its subsidiaries and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates;

vii) any arrangement for the benefit of employees of the Company or of any of its subsidiaries under which the Director benefits in a similar manner as the employees and does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such arrangement relates.

(I) A company shall be deemed to be a company in which a Director owns 1 per cent or more if and so long as (but only if and so long as) he is (either directly or indirectly) 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 the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or by any Permitted Transferee as bare or custodian trustee and in which he or such Permitted Transferee has no beneficial interest, any shares comprised in a trust in which the Director's or Permitted Transferee's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in any authorised unit trust scheme in which the Director or Permitted Transferee is interested only as a unit holder.

(J) Where a Company in which a Director or Permitted Transferee holds 1 per cent or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

(K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his

ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

(L) 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.

#### POWERS OF DIRECTORS

93. The business of the Company shall be managed by the Directors who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these Articles, to the provisions of the Statutes, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by extraordinary resolution of the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors 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 Directors by any other Article.

94. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and reappoint any persons (whether members of their own body or not) to act as Directors, managing Directors or managers of any such subsidiary company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any persons so appointed, and any Directors of this Company may retain any remuneration so payable to them.

95. The Directors may from time to time and at any time 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 Directors, 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 Directors under these Articles) and for such period and subject to such conditions as they 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 Directors 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.

96(A) The Directors may procure the establishment and maintenance of or participation in or contribution to any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or

arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, bonuses, benefits or emoluments to, any person (including Directors and other officers whether of the Company or of any other company referred to in this paragraph) who may be or shall have been at any time in the employment or service of the Company or of any company which is a subsidiary of the Company or of the predecessors in business of the Company or of any such subsidiary company or of any allied or associated companies of the Company or any such companies or of the wives, widows, families, dependants or connections of any such persons provided that no pension, annuity or other allowance or benefit (except such as may be provided for by any other Article) shall be granted to a Director or former Director who has not been an Executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director or former Director without the approval of an ordinary resolution of the Company.

(B) The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its members, and make payment for or towards the insurance of any such persons as aforesaid and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

(C) The Directors may establish, maintain and give effect to any scheme approved by an ordinary resolution of the Company for the allotment of or the grant of options to subscribe for shares of the Company to persons in the

employment or service of the Company or to persons engaged by the Company in any consultative capacity or any subsidiary for the time being of the Company (including any Director in such employment or service) and may exercise all the powers conferred on them by such scheme (including any power to alter or add to the provisions thereof) and these Articles shall be deemed to be modified so far as may be necessary to give effect to such scheme as for the time being in force in respect of any share or shares for the time being in issue or under option subject thereto.

(D) The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any other company.

97. All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable 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 Directors shall from time to time by resolution determine.

#### BORROWING

98(A) The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge all or any part of its undertaking, property and assets (both present and future), including its uncalled capital for the time being, and subject to the Statutes, to issue debentures, debenture stock and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(B) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its

subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to four times the Adjusted Capital and Reserves.

(C) For the purpose of the foregoing restriction:

i) 'the Adjusted Capital and Reserves' means the aggregate from time to time of:

a) the amount paid up or credited as paid up on the issued share capital of the Company; and

b) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve and any credit balance on profit and loss account) all as shown by the then latest audited or interim balance sheet but after deducting therefrom any debit balance on profit and loss account (except to the extent that such deduction has already been made) and making adjustments to reflect any variation in the amount of such paid up share capital, share premium account or capital redemption reserve since the date of such audited or interim balance sheet;

ii) 'borrowings' shall be deemed to include not only borrowings but also the following except in so far as otherwise taken into account:

a) the nominal amount of any issued share capital and the principal amount of any



debentures or borrowed moneys, the beneficial interest in which is not for the time being owned by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group, of any body whether corporate or unincorporate and the payment or repayment of which is the subject of a guarantee or indemnity by a member of the Group, not being acceptances of trade bills for the purchase of goods in the ordinary course of business;

b) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group not being acceptances of trade bills for the purchase of goods in the ordinary course of business;

c) the principal amount of any debenture (whether secured or unsecured) of a member of the Group owned otherwise than by a member of the Group; and

d) any premium payable on repayment on any borrowing or deemed borrowing;

but shall be deemed not to include:

e) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group;

f) borrowings for the purposes of repaying the whole or any part of borrowings by a member of the Group for the time being outstanding and so to be applied within 6 months of being so

borrowed, pending their application for such purpose within such period; and

g) borrowings for the purpose of financing any contract in respect of which any part of the price receivable by a member of the Group is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade and Industry or by any other Governmental department fulfilling a similar function, to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured;

iii) when the aggregate principal amount of borrowings required to be taken into account for the purpose of this Article on any particular date is being ascertained:

a) any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on such date in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London 6 months before such date if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business); and

b) where under the terms of any borrowing the amount of money that would be required to discharge the principal amount of such borrowing in full if it fell to be repaid (at the option of the Company or by reason of default) on such date is less than the amount that would otherwise be taken into account in respect of borrowing

the purpose of this Article, the amount of such borrowing to be taken into account for the purpose of this Article shall be such lesser amount;

iv) 'audited balance sheet' shall mean the audited balance sheet of the Company prepared for the purposes of the Statutes unless at the date of the then latest such balance sheet there shall have been prepared for such purposes 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 'audited balance sheet' shall mean such audited consolidated balance sheet of the Company and such subsidiaries, the references to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss accounts respectively and there shall be excluded any amounts attributable to outside interests in subsidiaries;

v) 'interim balance sheet' shall mean the balance sheet of the Company prepared by the Company not less frequently than once in every three months for its internal purposes but nevertheless prepared in accordance with the like accounting principles as shall be applied in the preparation of the audited balance sheet and which shall be certified by the Board as, in their opinion, giving a true and fair view of the Company at the date to which such interim balance sheet is made up;

iv) the Company may from time to time change the accounting convention on which the audited balance sheet is based, provided that any new convention adopted complies with the requirements of the Statutes; if the Company should prepare its main

audited balance sheet on the basis of one such convention, but a supplementary audited balance sheet or statement on the basis of another, the main audited balance sheet shall be taken as the audited balance sheet for the purposes of this Article; and

vii) 'the Group' means the Company and its subsidiaries (if any).

(D) A certificate or report by the Auditors for the time being of the Company as to the amount of the Adjusted Capital and Reserves or the amount of any borrowings 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 purpose of this Article.

(E) Notwithstanding the foregoing, no lender or other person dealing with the Company shall be concerned to see or inquire whether the limit imposed by this Article is observed and no borrowing incurred or security given in excess of such limit shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security given that the limit hereby imposed had been or was thereby exceeded.

#### EXECUTIVE DIRECTORS

99. The Directors may from time to time appoint one or more of their number to an executive office including the offices of chairman, vice-chairman, managing Director, joint managing Director, assistant managing Director or manager or any other salaried office for such period and on such terms as they think fit. Without prejudice to any claim a Director may have for damages for breach of any contract of service between him and the Company the appointment of any Director hereunder shall be subject to determination ipso facto if he ceases from any cause to be

a Director, or (subject to the terms of any contract between him and the Company) if the Directors resolve that his term of office as an executive Director determined.

100. A Director holding office pursuant to the last preceding Article shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine and such remuneration shall, unless otherwise agreed, be additional to such remuneration (if any) as is from time to time payable to him as a Director and such Director shall be a Director for the purposes of and subject to the provisions of Section 319 of the Companies Act 1985.

101. The Directors may entrust to and confer upon a Director holding such executive office as aforesaid any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### ROTATION OF DIRECTORS

102. At every annual general meeting any Directors who shall be bound to retire under Article 108 and one-third of the other Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office. A Director retiring at a meeting shall retain office until the close of the meeting.

103. Subject to the provisions of Article 102, the Directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they

otherwise agree among themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the date of the notice convening the annual general meeting, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after the date of such notice but before the close of the meeting.

104. A retiring Director shall be eligible for re-election.

105. Subject to the provisions of these Articles, the Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost.

106. No person other than a Director retiring at the meeting shall unless recommended by the Directors, 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 (not being the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice In Writing signed by that person of his willingness to be elected.

107. The Company in general meeting may from time to time increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to go out of office.

108. The Directors 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 Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Any Director who retires under this Article shall not be taken into account in determining the Director who is to retire by rotation at such meeting.

109. The Company may by ordinary resolution of which special notice has been given in accordance with Section 379 of the Companies Act 1985 remove any Director (including a managing Director or other executive Director, but without prejudice to any claim for damages under any contract) before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead (without prejudice to the powers of the Directors under the last preceding Article). The person so appointed 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.

#### PROCEEDINGS OF DIRECTORS

110. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes and in case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

111. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent In Writing to him at his last known address or any other address given by him to the Company for this purpose. A Director absent or intending to be absent from the United Kingdom may request the Board that notice of Board meetings shall during his absence be sent In Writing to him at his last known address or any other address given by him to the Company for this purpose, but in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either prospectively or retrospectively.

112. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed at any other number shall be two. For the purpose of determining whether the quorum for the transaction of the business of the Directors exists:

(a) in the case of a resolution agreed by Directors in telephonic communications, all such Directors shall be counted in the quorum;

(b) in the case of a meeting of Directors, in addition to the Directors present at the meeting, any Director in telephonic communication with such meeting shall be counted in the quorum.

113. The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in the Board, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act for the purpose of filling vacancies in the Board or of summoning general meetings of the Company, but not for any other purpose. If there be no Directors or



Director able or willing to act, then any two members may summon a general meeting of members for the purpose of appointing Directors.

114. If the Directors shall not have appointed any member of their body to the office of chairman, or vice-chairman pursuant to Article 99, or if at any meeting neither the chairman nor vice-chairman be present within 5 minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

115. The Board may establish 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 local boards, or any managers or agents and may fix their remuneration. The Board may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in or exercisable by the Board (other than the power to borrow and make calls), 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. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person appointed as aforesaid, and may revoke or vary such delegation, but no person dealing in good faith and without notice of any such revocation or variation shall be affected thereby.

116. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

117. The Directors may delegate any of their powers to committees consisting of such number of members of their

body as they think fit and from time to time revoke any such delegation and discharge any such committee in whole or in part. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

118. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.

119. A resolution in writing, signed by all or a majority of the Directors entitled to notice of a meeting of the Directors or by all of the members of a committee for the time being, shall be as valid and effectual as if it had been passed at a meeting of the Directors or such committee (as the case may be) duly called and constituted and may consist of several documents in the like form each signed by one or more of the said Directors or the said members of such committee. For the purpose of this Article, the signature of an alternate Director (if any) entitled to notice of a meeting of Directors shall suffice in lieu of the signature of the Director appointing him.

120. The Directors shall cause minutes to be made in books provided for the purpose:

(a) of all appointments of officers made by the Directors;

(b) of the names of all the Directors present at each meeting of the Directors and of any committee of Directors;

(c) of all resolutions and proceedings at all meetings of the Company and of any class of members

of the Company and of the Directors and of any committee of Directors.

Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such appointments were made, or such Directors were present, or such resolutions were passed or proceedings held (as the case may be), or by the chairman of the next succeeding meeting of the Company, or class of members of the Company, or Directors or committee (as the case may be), shall be sufficient evidence without any further proof of the facts therein stated.

121. All actions done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding 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, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director and had been entitled to vote.

#### SECRETARY

122. The Secretary shall be appointed by the Directors at such remuneration and upon such terms as they think fit; and any Secretary so appointed may be removed by the Directors. The Directors may also appoint an assistant Secretary or assistant Secretaries and temporary substitutes for the Secretary. Any such assistant Secretary or temporary substitute shall for the purpose of these Articles be deemed to be and may fulfil the duty of the Secretary subject to any limitation prescribed by the Directors.

123. A provision of the Statutes or 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 the place of, the Secretary.

#### THE SEAL

124. The Seal shall only be used by the Authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the Seal is affixed and unless so determined and, except as provided in Article 13, it shall be signed by a Director and by the Secretary or by a second Director or some other person approved by the Board.

#### AUTHENTICATION OF DOCUMENTS

125. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Company's head office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

#### ALTERNATE DIRECTORS

126.(A) Any Director may, at any time, appoint any person (approved by the Board) to be an alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from his office.

(B) An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to received notices of all meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and vote as a Director at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions as a Director in the absence of such appointor. When acting also as a Director or as an alternate Director for more than one Director, an alternate Director shall have one vote for every Director he represents, in addition to his own, if he is himself a Director and when so acting, where the quorum exceeds two shall be considered as two Directors for the purpose of making a quorum.

(C) An alternate Director shall cease to be an alternate Director if his appointer ceases for any reason to be a Director, provided that if any Director retires by rotation but is re-elected by the meeting at which such retirement takes effect, any appointment made by him pursuant to this Article which was in force immediately prior to his retirement shall continue to operate after his re-election as if he had not so retired.

(D) All appointments and removals of alternate Directors shall be effected by notice in writing by the Director making or revoking such appointment given to the Company at the Office or at a duly convened and held meeting of the Board.

(E) An alternate Director may be repaid by the Company such expenses as might be properly repaid to him if he were a Director and he shall be entitled to receive from the Company such proportion (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, but save as aforesaid he shall not in respect of such appointment be entitled to receive any remuneration from the Company. An alternate Director shall be entitled to be indemnified by the Company to the same extent as hereinafter provided in respect of Directors.

(F) Any alternate Director shall be an officer of the Company shall alone be responsible to the Company for his own acts or defaults and shall not be deemed to be the agent of or for the Director appointing him.

#### DIVIDENDS

127. The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company in general meeting may declare dividends accordingly. No dividend or interim dividend shall be paid otherwise than in accordance with provisions of Part VIII of the Companies Act 1985 which apply to the Company.

128. No dividend shall be payable except out of the profits of the Company (including profits set aside to any reserve fund in terms of Article 141 hereof), or in excess of the amount recommended by the Directors.

129. All dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid 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.

130. The Directors shall transfer to share premium account as required by the Statutes sums equal to the amount or value of any premiums at which any shares of the Company shall be issued.

131. The Directors may if they think fit from time to time pay to the members such interim dividend as appear to the Directors to be justified by the profits of the Company. If at any time the capital of the Company is divided into different classes of shares the Directors 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-preferred rights as well as in respect of those shares which confer on the holders thereof preferential or special rights with regard to dividends and provided that the Directors act bona fide they shall not incur any responsibility to the holders of any shares for any damage that they may suffer by reason of the payment of an interim dividend on any shares. The Directors may also pay half yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.

132. Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue certificates in respect of fractions 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 upon 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 Directors.

133. Any resolution of the Company or of the Directors declaring a dividend may specify any date as the record date for such dividend, whether or not prior to the date on which the resolution is passed.

134. The Directors may deduct from any dividend or bonus payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

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

136. The Directors may retain any dividends and bonuses payable on shares on which the Company has a lien permitted by the Statutes and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists.

137. The Directors may retain the dividends and bonuses payable upon shares in respect of which any person is, under the provisions as to the transmission of shares herein before contained, entitled to become a member, or which any person under those provisions is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

138. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or by direct bank transfer to such bank account as such member or person entitled thereto may direct, and in case of joint holders to any one of such joint holders or to such person and such address or such bank account as the holder or joint



holders may direct. Every such cheque shall be made payable to the order of the person to whom it is sent or to such persons as the holder or joint holders may direct and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

139. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other monies payable or in respect of the share.

140. All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and all dividends unclaimed for 12 years after having been declared shall, unless the Directors otherwise resolve, be forfeited and revert to the Company.

#### RESERVES

141. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any 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 as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profits which they may think prudent not to divide.

#### CAPITALISATION OF PROFITS AND RESERVES

142. Subject to Section 80 and Part VIII of the Companies Act 1985, the Company in general meeting may upon the

recommendation of the Directors resolve that it is desirable 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 or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions 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 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 as aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

143. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and, subject to Section 80 of the Companies Act 1985, all allotments and issues of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of certificates in respect of fractions or by payment in cash or otherwise as they think fit for the case of shares, debentures or securities becoming distributable in fractions, and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalisation, or (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 profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

144. Subject to Part VIII of the Companies Act 1985, the Company in general meeting may from time to time and at any time pass a resolution to the effect that any sum or sums arising from the realisation of any capital assets of the Company and representing an amount in excess of the amount of assets required to answer the whole of the liabilities of the Company (treating for this purpose the paid up share capital of the Company as a liability) be distributed as capital among the members of the Company who would have been entitled thereto if the same had been distributed by way of dividend out of the profits arising from the business of the Company and in the same proportions and manner, and such resolution shall be effective and the Directors shall distribute any sum so resolved to be distributed as aforesaid in accordance with such resolution. Any such resolution as aforesaid may direct the distribution among the members of any investments or securities (not being investments or securities involving a liability in respect of unpaid capital) in which the sum or sums aforesaid or any part thereof may for the time being be invested in lieu of the same being distributed in cash, and the Directors may apportion and determine the value of any such investments and securities for the purposes of such distribution, and any such apportionment or determination shall be binding upon the members entitled to share in such distribution.

#### DISCOVERY AND SECRECY

145. No member shall be entitled to require discovery of or any information respecting any detail of the Company's

trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company, and which in the opinion of the Directors it will be inexpedient in the interests of the members of the Company to communicate to the public.

#### ACCOUNTS

146. The Directors shall cause true accounts to be kept:

(a) of the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;

(b) of all sales and purchases of goods by the Company; and

(c) of the assets and liabilities of the Company.

147. The books of account shall be kept at the Office, or at other such place as the Directors think fit, and shall always be open to the inspection of the Directors. No member (other than as Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in general meeting.

148. The Directors shall not be bound, unless expressly instructed so to do by an extraordinary resolution of the Company in general meeting, to publish any list or particulars of the securities or investments held by the Company or to give any information with reference to the same to any shareholder.

149. Once at least in every year the Directors shall lay before the Company in general meeting a profit and loss account giving a true and fair view of the profit or loss

of the Company for the financial year to which it relates and a balance sheet giving a true and fair view of the state of affairs of the Company as at the date at which it is made out and containing a general summary of the capital, the assets and the liabilities of the company arranged under suitable heads, both made up to a date not more than 7 months before the meeting. If the Company shall be a holding Company as defined by the Statutes there shall with the said profit and loss account and balance sheet also (except in so far as the Statutes otherwise permit) be laid before the company in general meeting a consolidated balance sheet dealing with the state of affairs at the end of the Company's financial year of the Company and its then subsidiaries and a consolidated profit and loss account dealing with the profit or loss for the Company's financial year of the the Company and its then subsidiaries. The Directors shall in preparing every such profit and loss account and balance sheet and consolidated profit and loss account and consolidated balance sheet have regard to the provisions of the Statutes applicable thereto.

150. Every such balance sheet, profit and loss account, consolidated profit and loss account and consolidated balance sheet shall be signed in such manner as may be required by the Statutes. There shall also be attached to the balance sheet a report by the Directors with respect to such matters as are by the Statutes required to be dealt with therein.

151. A copy of the report by the Directors and of the Auditor's report, accompanied by the balance sheet (including every document required by law to be annexed or attached thereto), and profit and loss account, consolidated balance sheet and consolidated profit and loss account, shall, at least 21 days previous to the annual general meeting, be delivered or sent by post to the registered address of every member and every holder of

debentures or debenture stock of the Company and if a listing on The Stock Exchange for all or any shares or securities of the Company shall be granted, the required number of copies of each of these documents shall at the same time be forwarded to the Quotations Department, The Stock Exchange, London.

#### AUDIT

152. The Company shall at each annual general meeting appoint an Auditor or Auditors to hold office until the next ensuing annual general meeting. The Auditors' report shall be read before the Company in general meeting and shall be open to inspection by any member.

153. No Director or other officer of the Company nor any person who is a partner of or in the employment of an officer of the Company, nor any corporation, shall be capable of being appointed Auditor of the Company. The duties of the Auditor or Auditors shall be regulated in accordance with the Statutes.

154. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment.

#### NOTICES

155. Any notice or document may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register of members. A member shall be entitled to receive notices from the Company notwithstanding that his registered address as appearing in the register of members is outside

the United Kingdom. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register of members, and notice so given shall be sufficient notice to all the joint holders.

156. The holder of any shares or stock in the Company who shall notify the Company In Writing that he is not, within the ordinary meaning of the phrase, resident in the United Kingdom may by such notice addressed to the Company at the Office request that henceforth the service of all notices and such other documents as the Board shall consider appropriate be effected by means of telex or facsimile transmission to such telex or facsimile receiver as shall be specified in such aforesaid notice and service effected by such means shall be regarded as being effected at the time at which such telex or facsimile transmission has been satisfactorily completed by the party giving notice by such means Provided that in every such case the original of such notice or other document shall in any event be forwarded to the intended recipient by means of first class pre-paid postal service to the last notified address of the intended recipient. Where any holder of shares or stock in the Company shall give notice in accordance with the provisions of this Article the Company shall by return notify the holder of shares or stock in the Company giving such notice of the telex and facsimile receiver numbers upon which notices or other documents may be received by the Company.

157. Any notice or other document (including share and stock certificate), if served by the post, shall be deemed to have been served at the expiration of 24 hours after the time when the letter containing the same is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.

158. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding that such member be then dead or bankrupt and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such member as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the register as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

159. Any notice required to be given by the Company to member and not expressly provided for by these Articles shall be sufficiently given if given by advertisement. Any notice required to be or which may be given by advertisement shall be advertised once in one national daily newspaper and shall be taken as given on the day on which such advertisement appears. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notice sent through the post, a general meeting may be convened by notice advertised in at least two leading daily newspapers with appropriate circulation one of which shall be a leading London daily newspaper; such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any case of Company shall send confirmatory copies of the notice by post if at least 48 hours prior to the meeting the posting of notices to addressees within the United Kingdom again becomes practicable.

160. Every person who by operation of law, transfer or other means shall become entitled to any share shall be



bound by every notice in respect of such share which, previously to his name and address being entered in the register of members, shall have been duly given to the person from whom he derives his title to such share other than a notice given under Article 84 or under the provisions of Section 212 of the Companies Act 1985.

#### WINDING UP

161. On a winding up of the Company, the balance of the assets available for distribution after deduction of any provision made under Section 719 of the Companies Act 1985, and subject to any special rights attaching to any class of shares, shall be applied in repaying to the members of the Company the amounts paid up on the shares held by them and any surplus assets will belong to the holders of any ordinary shares then in issue according to the respective numbers of shares held by them or, if no ordinary shares shall then be in issue, to the holders of any unclassified shares then in issue according to the respective numbers of shares held by them.

162. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may with the authority of an extraordinary resolution divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members, and the liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so

that no contributory shall be compelled to accept any shares in respect of which there is a liability.

163. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale.

#### INDEMNITY

164. Save and except so far as the provisions of this Article shall be avoided by any provisions of the Statutes, the Directors, executive Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company and their respective executors or administrators shall to such extent as may for the time being be permitted by the Statutes be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of any of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any monies or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency or any security upon which any monies of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto,

except as the same shall happen by or through their own wilful neglect or default respectively.



COMPANIES FORM No. 123

**Notice of increase  
in nominal capital****123**Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use Company number

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2141256

Name of company

\* GATEWAY RESIDENTIAL SERVICES PLC

\*Insert full name  
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company dated 2nd September 1987 the nominal capital of the company has been increased by £ 5 million beyond the registered capital of £ 5 million.

†The copy must be  
printed or in some  
other form approved  
by the registrar

A copy of the resolution authorising the increase is attached.†

The conditions (e.g. voting rights, dividend rights, winding-up rights etc.) subject to which the new shares have been or are to be issued are as follows:

The rights attaching to the shares in the Company were modified in the manner indicated in the new Articles of Association of the Company adopted by the same resolution as that a copy of which is attached and whereof a copy has been delivered to the Registrar of Companies this day in connection with the re-registration of the Company as a public company.

Please tick here if  
continued overleaf☐†Insert Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or Receiver  
(Scotland) as  
appropriateSigned A.C. ElletsonDesignation SecretaryDate 3<sup>rd</sup> September 1987Presenter's name, address and  
reference (if any):

Elletson + Co.  
SUSSEX HOUSE  
10 Westford St.  
London WC1X 7AA.

For official use

General section

Post room



The Solicitors' Law Stationery Society plc, 24 Gray's Inn Road, London WC1X 0HR

Companies G123

1987 Edition  
4.87 BM

G017157

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**Notice of increase  
in nominal capital****123**Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use Company number

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2141256

Name of company

\* GATEWAY RESIDENTIAL SERVICES PLC

\*Insert full name  
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company dated 15th January 1988 the nominal capital of the company has been increased by £ 16,250,000 beyond the registered capital of £ 10,000,000.

†The copy must be  
printed or in some  
other form approved  
by the registrar

A copy of the resolution authorising the increase is attached.†

The conditions (e.g. voting rights, dividend rights, winding-up rights etc.) subject to which the new shares have been or are to be issued are as follows:

The rights attaching to the Shares in the Company were modified in the manner indicated in the new Articles of Association of the Company adopted by the same resolution as that a copy of which is attached and whereof a copy has been delivered to the Registrar of Companies this day pursuant to the obligation imposed by Section 123 of the Companies Act 1985

Please tick here if  
continued overleaf☐Insert Director  
Secretary,  
Administrator,  
Administrative  
Receiver or Receiver  
(Scotland) as  
appropriate

Signed

*A. L. Elletts*

Designation

*Secretary*

Date

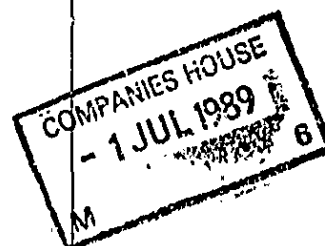
*31 January* 1988Presentor's name, address and  
reference (if any):

*Elletts + Co.  
Sheridan House  
10, Fleetford Street.  
London W14 7DX.*

For official use

General section

Post room



THE COMPANIES ACT 1985 TO 1989

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PUBLIC COMPANY LIMITED BY SHARES

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EXTRAORDINARY RESOLUTION

of

CYGNET HEALTH CARE PLC

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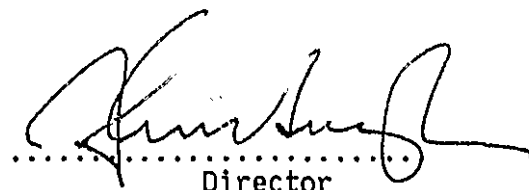
Passed on 1st March 1991

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At a separate Class Meeting of the holders of Founders' shares of £1 each in the share capital of the above-named Company, duly convened and held at the offices of Ernst & Young, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH on 1st March 1991, the following Resolution was duly passed as an Extraordinary Resolution:-

EXTRAORDINARY RESOLUTION

That this separate class meeting of the holders of the Founders' shares of £1 each in the capital of the Company hereby sanctions the passing of the Special Resolutions set out in the Notice dated 7th February 1991 convening an Extraordinary General Meeting of the Company for 1st March 1991 which accompanied the Notice convening this meeting and the implementation of such Special Resolutions and hereby sanctions each and every variation, modification or abrogation of the rights and privileges attached or belonging to the Founders' shares effected thereby or necessary to give effect thereto.

  
.....  
Director

THE COMPANIES ACT 1985 TO 1989

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PUBLIC COMPANY LIMITED BY SHARES

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EXTRAORDINARY RESOLUTION

of

CYGNET HEALTH CARE PLC

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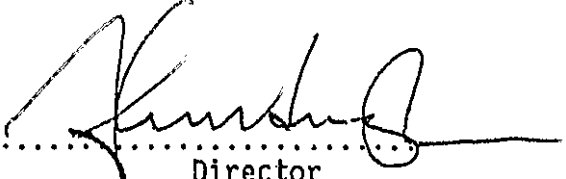
Passed on 1st March 1991

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At a separate Class Meeting of the holders of 'B' Preference shares of £1 each in the share capital of the above-named Company, duly convened and held at the offices of Ernst & Young, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH on 1st March 1991, the following Resolution was duly passed as an Extraordinary Resolution:-

EXTRAORDINARY RESOLUTION

That this separate class meeting of the holders of the 'B' Preference shares of £1 each in the capital of the Company hereby sanctions the passing of the Special Resolutions set out in the Notice dated 7th February 1991 convening an Extraordinary General Meeting of the Company for 1st March 1991 which accompanied the Notice convening this meeting and the implementation of such Special Resolutions and hereby sanctions each and every variation, modification or abrogation of the rights and privileges attached or belonging to the 'B' Preference shares effected thereby or necessary to give effect thereto.

  
.....  
Director

Company No. 2141256

THE COMPANIES ACT 1985 TO 1989

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PUBLIC COMPANY LIMITED BY SHARES

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EXTRAORDINARY RESOLUTION

of

CYGNET HEALTH CARE PLC

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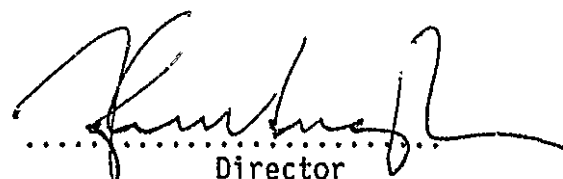
Passed on 1st March 1991

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At a separate Class Meeting of the holders of 'A' Preference shares of £1 each in the share capital of the above-named Company, duly convened and held at the offices of Ernst & Young, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH on 1st March 1991, the following Resolution was duly passed as an Extraordinary Resolution:-

EXTRAORDINARY RESOLUTION

That this separate class meeting of the holders of the 'A' Preference shares of £1 each in the capital of the Company hereby sanctions the passing of the Special Resolutions set out in the Notice dated 7th February 1991 convening an Extraordinary General Meeting of the Company for 1st March 1991 which accompanied the Notice convening this meeting and the implementation of such Special Resolutions and hereby sanctions each and every variation, modification or abrogation of the rights and privileges attached or belonging to the 'A' Preference shares effected thereby or necessary to give effect thereto.

  
.....  
Director



Company No. 2141256

THE COMPANIES ACT 1985 TO 1989

PUBLIC COMPANY LIMITED BY SHARES

EXTRAORDINARY RESOLUTION

of

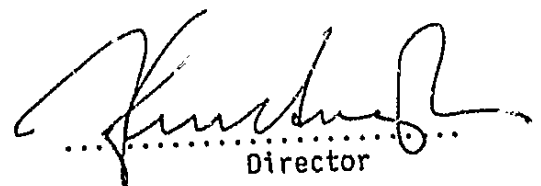
CYGNET HEALTH CARE PLC

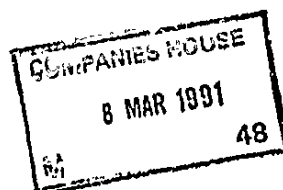
Passed on 1st March 1991

At a separate Class Meeting of the holders of Ordinary shares of £1 each in the share capital of the above-named Company, duly convened and held at the offices of Ernst & Young, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH on 1st March 1991, the following Resolution was duly passed as an Extraordinary Resolution:-

EXTRAORDINARY RESOLUTION

That this separate class meeting of the holders of the Ordinary shares of £1 each in the capital of the Company hereby sanctions the passing of the Special Resolutions set out in the Notice dated 7th February 1991 convening an Extraordinary General Meeting of the Company for 1st March 1991 which accompanied the Notice convening this meeting and the implementation of such Special Resolutions and hereby sanctions each and every variation, modification or abrogation of the rights and privileges attached or belonging to the Ordinary shares effected thereby or necessary to give effect thereto.

  
.....  
Director



**Notice of consolidation, division,  
sub-division, redemption or  
cancellation of shares, or conversion,  
re-conversion of stock into shares**Please do not  
write in  
this margin

Pursuant to section 122 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering\*Insert full name  
of company

To the Registrar of Companies

For official use

Company number

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2141256

Name of company

\* CYGNET HEALTH CARE PLC

gives notice that:

On 1<sup>st</sup> March 1991:

- (i) each of the Company's 'A' Preference shares of £1 was converted into two 'A' Ordinary shares of 50p each;
- (ii) each of the Company's 'B' Preference shares of £1 was converted into two 'A' Ordinary shares of 50p each;
- (iii) each of the Company's Founders shares of £1 was converted into one 'A' Ordinary share of 50p and one New Deferred share of 50p; and
- (iv) each of the Company's Ordinary shares of £1 was converted into one 'A' Ordinary share of 50p and one New Deferred share of 50p

Insert Director  
Secretary,  
Administrator,  
Administrative  
Receiver or Receiver  
(Scotland) as  
appropriate

Signed

Designation Date

Director

1/3/91

Presentor's name, address and  
reference (if any):Mishcon de Reya  
125 High Holborn  
London WC1V 6QP

Ref: DAT/PMM

For official use  
General Section

Post room

COMPANIES HOUSE

8 MAR 1991

M

48



**Notice of increase  
in nominal capital****123**

Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

\*Insert full name  
of company

†The copy must be  
printed or in some  
other form approved  
by the registrar

To the Registrar of Companies

For official use Company number

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2141256

Name of company

|                          |
|--------------------------|
| * CYGNET HEALTH CARE PLC |
|--------------------------|

gives notice in accordance with section 123 of the above Act that by resolution of the company dated 1<sup>st</sup> March 1991 the nominal capital of the company has been increased by £ 800,090 beyond the registered capital of £ 27,781,250.

A copy of the resolution authorising the increase is attached.†

The conditions (e.g. voting rights, dividend rights, winding-up rights etc.) subject to which the new shares have been or are to be issued are as follows:

As set out in the new Articles of Association of the Company adopted by the same resolution.

Please tick here if  
continued overleaf

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Sign: Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or Receiver  
(Scotland) as  
appropriate

Signed

Designations

*D. A. Gordon*

Date

*1/3/91*

Presentor's name, address and  
reference (if any):

Mishcon de Reya  
125 High Holborn  
London WC1V 6QP

Ref: DAT/PM1

For official use

General section

Post room

|                 |    |
|-----------------|----|
| COMPANIES HOUSE |    |
| 8 MAR 1991      |    |
| M               | 48 |



THE COMPANIES ACT 1985 TO 1989

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PUBLIC COMPANY LIMITED BY SHARES

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SPECIAL RESOLUTIONS

of

CYGNET HEALTH CARE PLC

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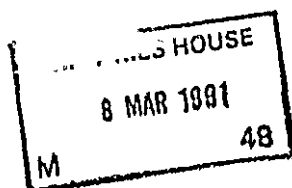
Passed on 1st March 1991

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At an Extraordinary General Meeting of the above-named Company, duly convened and held at the offices of Ernst & Young, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH on 1st March 1991, the following Resolutions were duly passed as Special Resolutions:-

SPECIAL RESOLUTIONS

1. Conditionally on the passing by no later than 15th March 1991 of the Extraordinary Resolutions set out in the Notices convening separate class meetings of the holders of Ordinary shares, Founders' shares, 'A' Preference shares and 'B' Preference shares in the capital of the Company for the same date and place as this meeting and for the purposes of section 142 of the Companies Act 1985, that:
  - (a) all of the issued and unissued 'A' Preference shares of £1 each in the capital of the Company be and are hereby converted into 'A' Ordinary shares of 50p each on the basis of two 'A' Ordinary shares of 50p each for every one 'A' Preference share of £1;
  - (b) all of the issued and unissued 'B' Preference shares of £1 each in the capital of the Company be and are hereby converted into 'A' Ordinary shares of 50p each on the basis of two 'A' Ordinary shares of 50p each for every one 'B' Preference share of £1;



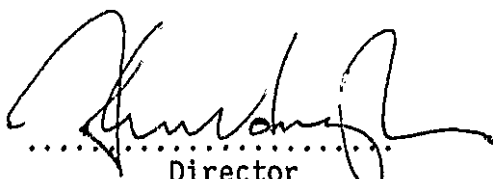
- (c) all of the issued and unissued Founders' shares of £1 each in the capital of the Company be and are hereby converted into 'A' Ordinary shares of 50p each and New Deferred shares of 50p each on the basis of one 'A' Ordinary share of 50p and one New Deferred share of 50p for every one Founders' share of £1;
- (d) all of the issued and unissued Ordinary shares of £1 each in the capital of the Company be and are hereby converted into 'A' Ordinary shares of 50p each and New Deferred shares of 50p each on the basis of one 'A' Ordinary share of 50p and one New Deferred share of 50p for every one Ordinary share of £1;
- (e) the 'A' Ordinary shares of 50p each arising on conversion under paragraphs (a), (b), (c) and (d) of this resolution shall rank pari passu in all respects and the New Deferred shares of 50p each arising on conversion under paragraphs (c) and (d) of this resolution shall rank pari passu in all respects and all such shares shall have the rights and be subject to the restrictions attaching thereto under the new Articles of Association of the Company adopted under paragraph (g) of this Resolution;
- (f) the authorised share capital of the Company be and is hereby increased from £27,781,250 to £28,581,340 by the creation of 800,000 Redeemable Preference shares of £1 each and 9,000 New Ordinary shares of 1p each, such shares having the rights and being subject to the restrictions attaching thereto under the new Articles of Association of the company adopted under paragraph (g) of this Resolution;
- (g) the regulations contained in the document produced to the meeting and signed for identification by the Chairman be adopted as the Articles of Association of the Company in substitution for and to the entire exclusion of the Company's existing Articles of Association.

2. Conditionally as aforesaid, that:

- (a) the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £800,086 in accordance with the subscription agreement dated 7th February 1991 between (1) - (5) 3i plc and others and (6) the Company under which the Company has agreed to issue, inter alia, 800,000 New Preference shares of £1 each and 8,600 New Ordinary shares of 1p each such authority to expire one year from the date of this Resolution;
- (b) the Directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985

to allot up to 400 New Ordinary shares of 1p each at any time or times during the period of five years from the date of the passing of this Resolution and at any time thereafter pursuant to any offer or agreement made by the Company before the expiry of this authority;

- (c) Section 89(1) of the Companies Act 1985 shall not apply to an allotment of equity securities (as defined in Section 94 of the Companies Act 1985) made pursuant to the authorities referred to in paragraphs (a) and (b) of this Resolution.

  
.....  
Director

2141256

*John Smith*  
Director

THE COMPANIES ACT 1985 AND 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

CYGNET HEALTH CARE PLC

(As adopted by Special Resolution passed on  
1st March 1991)

PRELIMINARY

1. The regulations in Table A of the Companies (Tables A to F) Regulations 1985 and in any Table A applicable to the Company under any former enactment shall not apply to the Company, but the following shall be the Articles of Association of the Company.
2. In these Articles, if not inconsistent with the context, the following expressions have the following meanings:-

the "Act" means the Companies Act 1985 or any statutory re-enactment or modification thereof for the time being in force; and any reference to any section or provision of the Act shall be deemed to include a reference to any statutory re-enactment or modification thereof for the time being in force;

these "Articles" means these Articles of Association as from time to time altered by special resolution;

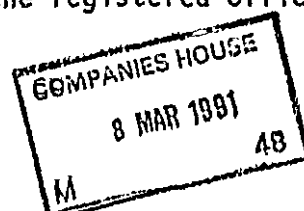
the "Auditors" means the auditors for the time being of the Company;

the "Board" means the Directors or any of them acting as the Board of Directors of the Company;

"dividend" means dividend or bonus;

"month" means calendar month;

the "Office" means the registered office of the Company;



"paid" means paid or credited as paid;

"Recognised Person" means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated as mentioned in section 185(4) of the Act;

the "Register" means the register of members of the Company;

the "Seal" means the common seal of the Company;

"the Secretary" means the secretary of the Company and shall include a temporary, assistant, deputy or joint Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

the "United Kingdom" means Great Britain and Northern Ireland;

"in writing" means written, or produced by any visible substitute for writing, or partly one and partly another;

"year" means year from 1st January to 31st December inclusive;

Words denoting the singular number shall include the plural number and vice versa; words denoting the masculine gender shall include the feminine gender; words denoting persons shall include corporations and unincorporated bodies of persons.

Save as aforesaid any words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles became binding on the Company. The headings are inserted for convenience only and shall not affect the construction of these Articles.

### BUSINESS

3. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken at such time or times as the Board thinks fit, and may be suffered to be in abeyance, whether already commenced or not, so long as the Board deems it expedient not to commence or proceed with the same.

### SHARE CAPITAL

4. (1) The authorised share capital of the Company at the date of adoption of these Articles is £28,581,340 divided into 30,562,500 'A' ordinary shares of 50p each ("A' Ordinary Shares"), 9,000 ordinary shares of 1p each ("Ordinary Shares"), 800,000 redeemable preference shares of £1 each ("Preference Shares") and 25,000,000 deferred shares of 50p each ("Deferred Shares").



- (2) Notwithstanding any other provision in these Articles, each Ordinary Share shall at all times confer on the holder thereof such rights as to voting at general meetings of the Company, to receive dividends declared and paid by the Company from time to time, to participate in the assets of the Company on a winding-up and to be treated for all other purposes whatsoever as if it represented the percentage of the issued and paid up share capital of the Company calculated as follows:

$$\frac{10,000}{(9,600 + A)} \times 0.01$$

where A is the number of Ordinary Shares issued from time to time under any employees' share scheme of the Company or otherwise. For the avoidance of doubt, upon all of the Ordinary Shares being in issue, the Ordinary Shares shall together represent 90 per cent. and the 'A' Ordinary Shares shall together represent 10 per cent. of the issued and paid up share capital of the Company.

Save as aforesaid and as specified in paragraph (5) below, the Ordinary Shares and 'A' Ordinary Shares shall rank *pari passu* in all respects.

- (3) The Preference Shares shall have and enjoy the following rights and be subject to the following restrictions:

(a) As regards income:

The holders of the Preference Shares shall not be entitled to receive dividends in respect thereof.

(b) As regards capital:

On a return of capital on liquidation or otherwise the assets of the Company remaining after payment of its liabilities shall be applied first in repaying to the holders of the Preference Shares the amount paid up or credited as paid up thereon (including any premium paid on subscription).

(c) As regards voting:

The Preference Shares shall not confer on the holders thereof the right to vote at any general meeting of the Company.

(d) As regards redemption

Subject to the provisions of the Act, the Preference Shares shall be redeemed on the earlier of 31st December 2002 and the date which is 12 months after the £4,125,000 variable rate secured partly non-performing loan notes 1991-2002 of the Company

shall have been repaid in full together with all outstanding amounts due thereon.

- (4) The Deferred Shares shall not confer on the holders thereof the right to vote at any general meeting of the Company, nor to receive dividends in respect thereof but on a winding-up of the Company they shall participate as specified in paragraph (5) below.
- (5) On a return of capital on liquidation or otherwise the assets of the Company remaining after payment in accordance with paragraph (3)(b) above shall be applied as follows:-
  - (a) firstly, in repaying to the holders of the Ordinary Shares the amount paid up or credited as paid up thereon (excluding any premium paid on subscription);
  - (b) secondly, the holders of the Ordinary Shares and 'A' Ordinary Shares shall be paid in the proportions calculated in accordance with Article 4(2) the next £40,000,000 available for distribution (which amount shall not, for the avoidance of doubt, be in repayment of the amounts paid up or credited as paid up on the 'A' Ordinary Shares);
  - (c) thirdly, in repaying to the holders of the 'A' Ordinary Shares the amount paid up or credited as paid up thereon (excluding any premium paid on subscription);
  - (d) fourthly, in repaying to the holders of the Deferred Shares the amount paid up or credited as paid up thereon; and
  - (e) fifthly, the residue (if any) of such assets shall belong to and be distributed amongst the holders of the Ordinary Shares and 'A' Ordinary Shares in the proportions calculated in accordance with Article 4(2).

#### VARIATION OF RIGHTS

- 5. Whenever the capital of the Company is divided into different classes of shares, the rights and privileges attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either (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-fourths of the issued shares of the class, or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders (but not otherwise). All the provisions of these Articles relating to general meetings of the Company or the proceedings thereat shall, mutatis mutandis, apply to every such separate general meeting, except that:-

- (1) the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal amount of the issued shares of the class or, at any adjourned meeting of such holders, those members who are present in person or by proxy, whatever their holdings; and
  - (2) the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.
6. The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not (unless otherwise expressly provided by these Articles or the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

#### SHARES

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.
8. Shares which are comprised in the authorised but unissued share capital of the Company shall be under the control of the Directors who may (subject to sections 80 and 89 of the Act) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit unless the Company in general meeting shall otherwise resolve. This power shall not apply to redeemable shares, which shall be governed by the provisions of Article 45.
9. In addition to all other powers of paying commissions, the Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in another. The Company may also on any issue of shares pay such brokerage as may be lawful.
10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.
11.
  - (1) If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 212 of the Act and is in

default for the prescribed period in supplying to the Company the information thereby required, then the Board may in their absolute discretion at any time thereafter serve a notice (a "direction notice") upon such member as follows:-

(a) a direction notice may direct that, in respect of the shares in relation to which the default occurred ("default shares"), the member shall not be entitled to vote at a general meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company; and

(b) where the default shares represent at least 0.25% of the class of shares concerned, then the direction notice may additionally direct that:-

(i) in respect of the default shares, any dividend or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member;

(ii) no transfer (other than an approved transfer) of any of the shares held by such member shall be registered unless:-

(A) the member is not himself in default as regards supplying the information requested; and

(B) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but the failure or omission by the Company to do so shall not invalidate such notice.

(2) Any direction notice shall cease to have effect in relation to any shares which are transferred by such member by means of an approved transfer or after the default referred to in paragraph (1) of this Article has been rectified.

(3) For the purposes of this Article:-

- (a) 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 212 which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (b) the prescribed period in respect of any particular member is twenty-eight days from the date of service of the said notice under section 212 except where the default shares represent at least 0.25% of the class of shares concerned in which case such period shall be reduced to fourteen days;
- (c) a transfer of shares is an approved transfer if but only if:-
  - (i) it is a transfer of shares to any offeror by way or in pursuance of acceptance of a takeover offer (as defined in section 14 of the Company Securities (Insider Dealing) Act 1985); or
  - (ii) the Board are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with a member and with other persons appearing to be interested in such shares; or
  - (iii) the transfer results from a sale made through a recognised investment exchange, as defined in the Financial Services Act 1986, or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

(4) Nothing contained in this Article shall limit the power of the Board under section 216 of the Act.

(5) Subject to paragraph (2) of this Article, the Board shall cause there to be noted on the Register against the name of the member who is, pursuant to paragraph (1) of this Article, not entitled to receive dividends or transfer shares or to vote in respect of shares held by him and not entitled to exercise any other right conferred by membership in relation to meetings of the Company, and the number of shares in respect of which the restrictions relate.

12. (1) Except as authorised by the Act:-

- (a) the Company shall not acquire its own shares, whether by purchase, subscription or otherwise except by purchase pursuant and subject to paragraph (2) of this Article, nor shall the Company make a loan for any purpose whatsoever on the security of its shares or those of its holding company (if any);
  - (b) the Company shall not make or guarantee, or provide any security in connection with, a loan to any Director or to any director of its holding company (if any) or enter into any other transaction in contravention of section 330 of the Act;
  - (c) the Company shall not be a member of a company which is its holding company.
- (2) Subject to and in accordance with the provisions of the Act, the Company is authorised to purchase its own shares (including any redeemable shares) provided that such purchase shall have been sanctioned by a special resolution passed at a separate class meeting of the holders of the said shares and at a separate class meeting of the holders of any class of convertible shares then existing.

#### CERTIFICATES

13. (1) Every person whose name is entered as a member in the Register (except a Recognised Person 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 one certificate in respect of each class of shares held by him, or, with the consent of the Board and upon payment of such sum (if any) for every certificate after the first as the Board shall determine, to several certificates, each for one or more of his shares. Shares of different classes may not be included in the same certificate. Where a member has transferred a part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.
- (2) Every certificate shall be under the Seal or under the official seal kept by the Company by virtue of section 40 of the Act and shall specify the shares to which it relates, and the amount paid up thereon. In the case of a share held jointly by several persons, the Company shall not be bound to register more than four persons as the joint holders or to issue more than one certificate for each class of shares so held, and delivery of a certificate for a share to one of several joint holders shall be deemed sufficient delivery to all.
- (3) If a share certificate is worn out, defaced, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity with or without security as the

Board requires. In the case of loss or destruction the person to whom the new certificate is issued shall pay to the Company any exceptional expenses incidental to the investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity.

#### CALLS ON SHARES

14. (1) Subject to any terms upon which any shares may have been issued the Board may from time to time make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium); provided that (subject as aforesaid) at least twenty-eight days' notice shall be given of every call specifying the time or times and place of payment. A call may be revoked or the time fixed for its payment postponed by the Board. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of shares in respect of which the call was made.
- (2) A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed, and may be made payable by instalments.
- (3) The Board may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
15. (1) Each member shall pay to the Company, at the time and place of payment specified in the notice of the call, the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- (2) If a sum called in respect of a share is not paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest thereon from the day fixed for payment to the time of actual payment at such rate as may be fixed by the terms of allotment of the share or, if no rate is so fixed, at the appropriate rate (as defined by the Act) but the Board shall be at liberty to waive payment of such interest wholly or in part.
16. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable. In case of non-payment all the provisions of these Articles relating to payment of interest and expenses, forfeiture and otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

17. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and may pay upon all or any of the monies so advanced (until the same would but for such advance become presently payable) interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) the appropriate rate (as defined by the Act) as may be agreed upon between the Board and such member. The shares in respect of which any amounts uncalled have been paid in advance shall be treated for all purposes as being partly paid only to the extent of any amounts called and paid on them until such time as the monies so advanced become presently payable.

#### LIEN ON SHARES

18. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies (whether presently payable or not and whether by way of nominal value or premium) called or payable at a fixed time in respect of that share; but the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to all dividends and other monies payable thereon.
19. (1) The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of the sum presently payable, and stating the intention to sell in default, shall have been given to the registered holder for the time being of the share, or the person entitled to the share by reason of death or bankruptcy.
- (2) To give effect to any such sale the Board may authorise some person to execute a transfer of the shares sold to, or in accordance with the directions of, the purchaser. The transferee shall be entered in the Register as the holder of the shares comprised in any such transfer, and he 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.
- (3) The net proceeds of sale, after payment of the costs thereof, shall be applied in or towards payment or satisfaction of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall be paid to the person entitled to the shares at the date of the sale.



## FORFEITURE AND SURRENDER OF SHARES

20. (1) If a member fails to pay the whole or any part of any call or instalment of a call or any amount payable on his share at a fixed time on the day fixed for payment, the Board may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment or amount as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of such non-payment.
- (2) The notice shall fix a further day (not being less than seven days from the date of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and at the place specified, the shares on which the call was made will be liable to be forfeited.
21. If the requirements of any such notice are not complied with, any share in respect of which such notice has been given may, at any time thereafter, before the payments required by the notice have been made, be forfeited by a resolution of the Board to that effect. Every forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
22. Subject to the Act, a forfeited share may be sold, re-allotted or otherwise disposed of upon such terms and in such manner as the Board thinks fit; and at any time before sale, re-allotment or disposal, the forfeiture may be annulled on such terms as the Board thinks fit. The Board may authorise some person to execute the transfer of a forfeited share.
23. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were then payable by him to the Company in respect of the shares, with interest thereon at the base lending rate of the Company's bankers from time to time plus four per cent per annum (or such lower rate as the Board shall think fit) from the date of forfeiture until payment; but his liability shall cease if and when the Company shall have received payment in full of all monies in respect of the shares. The Board may accept the surrender of any share which it is in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited, or the surrender may be annulled on such terms as the Board thinks fit.
24. A statutory declaration in writing that the declarant is one of the Board or the Secretary, and that a share has been duly forfeited or

surrendered on a date stated in the declaration, shall be conclusive evidence of such fact as against all persons claiming to be entitled to the share. After the person to whom the share is sold, re-allotted or disposed of shall have been registered as the holder thereof, his title to the share shall not be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

#### UNTRACED SHAREHOLDERS

25. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a member or any share or stock to which a person is entitled by transmission if and provided that:-

- (1) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person entitled by transmission to the share or stock at his address on the Register or other the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission provided that in any such period of twelve years the Company has paid at least three dividends whether interim or final and no such dividend has been claimed; and
- (2) the Company has at the expiration of the said period of twelve years by advertisement in both a leading London newspaper and in a newspaper circulating in the area in which the address referred to in paragraph (1) of this Article is located given notice of its intention to sell such share or stock; and
- (3) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
- (4) the Company has first given notice in writing to the Quotations Department of The Stock Exchange in London of its intention to sell such shares or stock.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by the transmission to such share or stock. The Company shall account to the member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor

and not a trustee in respect thereof for such member or other person. Monies carried to such separate account may either 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.

#### TRANSFER OF SHARES

26. All transfers of shares shall be effected by instrument in writing in any usual or common form or in any other form which the Board may approve.
27. The instrument of transfer of a share shall be executed by or on behalf of the transferor and (unless the share is fully-paid) by or on behalf of the transferee. 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.
28. The Board may, in its absolute discretion, refuse to register any instrument of transfer of, or which includes, shares which are not fully paid (whether as to nominal value or premium) but shall not be bound to specify the grounds upon which such registration is refused.
29. The Board may also refuse to register any instrument of transfer of shares, unless:-
  - (1) it is duly stamped, is lodged at the Office or at such other place as the Board may appoint and (except in the case of a Recognised Person where a share certificate has not been issued in respect of the share) is accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (2) it is in respect of only one class of shares; and
  - (3) in the case of a transfer to joint holders, they do not exceed four in number.
30. If the Board refuses to register a transfer, it shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.
31.
  - (1) The registration of transfers of shares or of any class of shares may be suspended and the Register closed at such times and for such periods as the Board may from time to time determine, provided that it shall not be closed for more than thirty days in any year.
  - (2) No fee shall be charged by the Company in respect of the registration of any instrument of transfer, probate,

letters of administration, certificate of marriage or death, stop notice, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

32. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.
33. 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.
34. The Company shall be entitled to destroy all instruments of transfer of shares and all other documents on the faith of which entries are made in the Register at any time after the expiration of six years from the date on which such entry was made and all dividend mandates and notifications of change of name or address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of cancellation thereof and it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective document duly and properly cancelled and 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 always that:-
- (1) the provisions aforesaid shall apply only to the destruction of a document 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 upon 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 document include references to the disposal thereof in any manner.
- 34A. (1) Subject to paragraphs (2) and (3) below, no sale or transfer of the legal or beneficial interest in any shares of a particular class by a holder of 5 per cent. or more of the shares in the class of shares concerned may be made or validly registered without the prior written consent of 3i plc and any 2 of Midland Mongagu Equity Limited, Foreign & Colonial Ventures Limited and Midland Bank PLC. For the

purpose of this paragraph the Ordinary Shares and the 'A' Ordinary Shares shall be deemed to constitute one class of share and, in calculating the 5 per cent. holding, reference shall be made not to the number of shares held but to the percentage shareholding arising under the calculation specified in Article 4(2).

- (2)
  - (a) Any member being a body corporate may at any time transfer all or any shares held by it to a member of the same group (as hereinafter defined).
  - (b) Where shares have been transferred under subparagraph (a) (whether directly or by a series of transfers thereunder) from a body corporate (the "transferor company" which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group (the "transferee company") and subsequently the transferee company ceases to be a member of the same group as the transferor company then the transferee company shall forthwith transfer the relevant shares (as hereinafter defined) to the transferor company.
  - (c) For the purposes of this paragraph:-
    - (i) the expression "a member of the same group" means a company which is from time to time a holding company of which the transferor company is a wholly-owned subsidiary or a wholly-owned subsidiary of the transferor company or of any holding company of which the transferor company is a wholly-owned subsidiary; and
    - (ii) the expression "relevant shares" means and includes (so far as the same remain from time to time held by the transferee company) the shares originally transferred to the transferee company and any additional shares issued or transferred to the transferee company by virtue of the holding of the relevant shares or any of them.
- (3) The legal or beneficial interest in any shares held by a fund managed by Foreign & Colonial Management Group Limited or any of its subsidiaries may be sold or transferred to any other fund managed by Foreign & Colonial Management Group Limited or any of its subsidiaries.

### TRANSMISSION OF SHARES

35. In the case of the death of a member, the survivor, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder, shall be the only persons recognised by the Company as having any title to his share; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which has been jointly held by him with other persons.
36. (1) Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence as to his title being produced as may be properly required by the Board and subject as hereinafter provided, elect either to be registered himself as the holder of the share or to have some person nominated by him registered as the transferee thereof.
- (2) 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 the share to that person. All the provisions of these Articles relating to the right to transfer any the registration of transfers of shares shall apply to any such notice or transfer as if the death or bankruptcy of the member has not occurred and the notice or transfer were a transfer executed by that member.
37. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall subject to the requirements of Article 126 be entitled to receive, and may give a discharge for all dividends and other monies payable in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or to any of the rights or privileges of a member until he shall have become a member in respect of the share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board may thereafter withhold payment of all dividends or other monies payable in respect of the share until the requirements of the notice have been complied with.

### STOCK

38. The Company may by ordinary resolution convert any fully paid shares into stock, and re-convert any stock into fully paid shares of any denomination.
39. 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. The Board may from time to time fix the minimum amount of stock transferable but so that the minimum shall not exceed the nominal amount of the shares from which the stock arose.

40. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in assets on a winding up, voting at meetings, and other matters, as if they held the shares from which the stock arose, but no such rights, privileges or advantages (except participation in dividends and profits and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such rights, privileges or advantages.
41. All the provisions of these Articles applicable to fully paid shares shall apply to stock, and the word "share" shall be construed accordingly.

#### CONSOLIDATION, SUB-DIVISION AND CANCELLATION OF SHARES

42. The Company may by ordinary resolution:-
- (1) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares and authorise the Board to make such provisions as the Board thinks fit for the case of any fractions arising in the course of such consolidation and division, but so that the Board shall not be permitted to provide for the sale of shares representing fractions except on terms that the net proceeds are distributed among the members in respect of whose shares the fractions arise;
  - (2) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association and determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares;
  - (3) 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.

#### INCREASE OF CAPITAL

43. The Company may by ordinary resolution increase its share capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe.

### REDUCTION OF CAPITAL

44. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

### REDEEMABLE SHARES

45. The Company may by special resolution create and sanction the issue of shares which are, or at the option of the Company or the holder are to be liable, to be redeemed, subject to and in accordance with the provisions of the Act. The special resolution sanctioning any such issue shall also make such alterations to these Articles as may be necessary to specify the terms on which and the manner in which any such shares shall be redeemed.

### MEETINGS OF MEMBERS : CONVENING OF GENERAL MEETINGS

46. All general meetings other than annual general meetings shall be called extraordinary general meetings.
47. The Board may call an extraordinary general meeting whenever it thinks fit, and, on the requisition of members in accordance with the Act, it shall forthwith convene an extraordinary general meeting. Whenever the Board shall convene an extraordinary general meeting on the requisition of members, it shall convene such meeting for a date not more than six weeks after the date when the requisition is deposited at the Office (unless the requisitionists shall consent in writing to a later date being fixed). If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

### NOTICE OF GENERAL MEETINGS

48. Fourteen clear days' notice at the least or, in the case of any annual general meeting or a meeting convened to pass a special resolution, twenty-one clear days' notice at the least (in all cases exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given in the manner provided by these Articles to such members as are, under the provisions of these Articles, entitled to receive notices from the Company, to each of the Directors and to the Auditors.
49. Every notice of meeting shall specify the place, the day and the hour of meeting, and, in the case of special business, the general nature of such business. Every notice convening an annual general



meeting shall specify the meeting as such and every notice convening a meeting to pass a special or extraordinary resolution shall also specify the intention to propose the resolution as a special or extraordinary resolution, as the case may be. Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote thereat instead of him and that a proxy need not be a member.

50. The accidental omission to give notice of any meeting, or to send a form of proxy with a notice where required by these Articles, to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at the meeting.

#### PROCEEDINGS AT GENERAL MEETINGS

51. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting with the exception of sanctioning or declaring dividends, the consideration of the accounts and balance sheet, the reports of the Directors and Auditors and any other documents required to be annexed to the balance sheet, the appointment of Directors in the place of those retiring by rotation or otherwise and the appointment or re-appointment of, and the fixing of the remuneration of, the Auditors, and the renewal, limitation, extension, variation or grant of any authority of or to the Board, pursuant to section 80 of the Act, to allot securities.
52. (1) No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Two members present in person or by proxy and entitled to vote shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present for the purpose of this Article if represented by its representative duly authorised in accordance with Article 66.
- (2) A Director shall notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
53. If within fifteen minutes from the time fixed for the meeting a quorum is not present, the meeting if convened on the requisition of, or by, the 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 day and to such time, and place, as the Board may determine and if at such adjourned meeting a quorum is not present within fifteen minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

54. The chairman of the Board (the "Chairman") shall preside as chairman at every general meeting of the Company. If there is no such Chairman, or if at any meeting the Chairman is not present within fifteen minutes after the time fixed for holding the meeting or is not willing to act as chairman of the meeting, the Directors present shall choose one of themselves or if no Director is present, or if all the Directors present decline to take the chair, the members present shall choose one of themselves to be chairman of the meeting.
55. The chairman of a meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more or for an indefinite period, notice of the adjourned meeting shall be given in like manner as in the case of the original meeting; but it shall not otherwise be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
56. (1) No amendment may be proposed to any resolution under consideration at a meeting or an adjourned meeting unless not less than forty-eight hours before the time period for the meeting or adjourned meeting notice in writing of such proposed amendment shall have been left at the Office addressed to the Secretary by a member duly qualified to be present and vote at such meeting or adjourned meeting.
- (2) If an amendment proposed to any resolution is ruled out of order by the chairman of the meeting the proceedings shall not be invalidated by any error in the ruling.
57. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is demanded:-
- (1) by the chairman of the meeting; or
- (2) by at least two members present in person or by proxy and entitled to vote; or
- (3) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (4) by a member or members present in person or by proxy holding shares in the Company 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.

Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

58. If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct, and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
59. A poll demanded on the election of the chairman of a meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting directs, but in any case not more than twenty-eight days after the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the completion of the poll. The demand for a poll may be withdrawn with the consent of the chairman of the meeting at any time before the conclusion of the meeting and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made; but, if a demand is withdrawn, the chairman of the meeting or other members entitled may himself or themselves demand a poll. If a poll is demanded before the declaration of a result of a show of hands and the demand is withdrawn, the meeting shall continue as if the demand had not been made.
60. In the case of an equality of votes, whether 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 is demanded shall be entitled to a further or casting vote in addition to the votes to which he may be entitled as a member or as a representative or proxy of a member.
61. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

#### VOTES OF MEMBERS

62. Subject to any terms as to voting upon which any shares may be issued, or may for the time being be held, every member present in person shall have one vote on a show of hands, and on a poll every member shall have one vote for every share of which he is the holder.

63. On a poll votes may be given in person or by proxy. A member may appoint more than one proxy, who need not be a member, to attend on the same occasion and the appointment of a proxy shall not preclude a member from attending and voting at the meeting or any adjournment of it.
64. On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
65. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register.
66. Any corporation which is a member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meeting, 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.
67. A member incapable by reason of mental disorder of managing and administering his property and affairs, may vote, whether on a show of hands or on a poll, by his receiver, or other person authorised by any court of competent jurisdiction to act on his behalf, and such person may on a poll vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office (or other place referred to in Article 72) not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
68. No member shall be entitled to vote at any general meeting in respect of any shares held by him if:-
- (1) any call or other sum presently payable by him in respect of those shares in the Company remains unpaid; or
  - (2) he is not entitled to vote pursuant to the provisions of Article 11.
69. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
70. Proxy forms shall be sent by the Company to all persons entitled to notice of and to attend and vote at any meeting, and such proxy forms shall provide for two-way voting on all resolutions to be

proposed at that meeting other than resolutions relating to the procedure of the meeting. The instrument of proxy shall be in writing and, save as aforesaid, in any form which the Board may approve and shall be under the hand of the appointor or his attorney, or, if such appointor be a corporation, under its common seal, or the hand of a duly authorised officer or attorney, but the execution of such instrument need not be attested. The accidental omission to send such an instrument of proxy or the non-receipt thereof by any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

71. The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority (a) to demand or join in demanding a poll and (b) to vote on a poll on the election of a chairman and on a motion to adjourn a meeting.
72. The instrument of proxy and the power of attorney or other written authority (if any) under which it is signed, or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority, shall be deposited at the Office (or at such other place as shall be specified in the notice of meeting or any proxy form or other document accompanying the same) not less than forty-eight 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 forty-eight hours before the time appointed for taking the poll; unless so deposited the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date stated 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 twelve months from such date.
73. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or incapacity of the principal, or revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Company at the Office (or other place referred to in the preceding Article) before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

#### DIRECTORS: NUMBER AND APPOINTMENT OF DIRECTORS

74. Subject to any ordinary resolution of the Company, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.
75. The Board shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not exceed

any maximum number fixed by or in accordance with these Articles. Any Director so appointed shall retire from office at the next following annual general meeting, and shall then be eligible for re-appointment, but shall not be taken into account in determining the Directors to retire by rotation at such meeting under the provisions in that behalf contained in these Articles.

- 75A. Notwithstanding any limitation on the number of Directors imposed by these Articles, 3i plc, Midland Montagu Equity Limited and Midland Bank PLC shall jointly be entitled to appoint as a Director any person and Foreign & Colonial Ventures Limited shall be entitled to appoint as a Director any person (hereinafter referred to as a "Special Director") approved by the Board (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. A Special Director shall not be required to hold any share qualification nor shall he be subject to retirement by rotation. The remuneration and reasonable expenses to be paid to a Special Director shall be payable by the Company and shall be such sum as may be agreed between him and the Company or failing agreement such reasonable sum as shall be fixed by 3i plc, Midland Montagu Equity Limited and Midland Bank PLC, and Foreign & Colonial Ventures Limited respectively.
76. Subject to the provisions of these Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director and may also determine the rotation in which any additional Directors are to retire.
77. The continuing Directors may act notwithstanding any vacancies in their number, but, if the number of Directors is reduced below any minimum number fixed by or in accordance with these Articles, the continuing Directors may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company, but not for any other purpose. If there are no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.
78. Except as otherwise authorised by the Act, the appointment of any person proposed as a Director shall be effected by a separate resolution.
79. No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for appointment to the office of a Director at any general meeting, unless not less than seven nor more than thirty days before the day fixed for the meeting there shall have been left at the Office addressed to the Secretary notice in writing by some member duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose such person for appointment, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

### REMUNERATION OF DIRECTORS

80. The Directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless and resolution provides otherwise, the remuneration shall be deemed to accrue from day to day and be divisible among the Directors as they agree. The Directors shall also be entitled to be repaid by the Company all such reasonable (including travelling, hotel and incidental) expenses as they may incur in attending meetings of the Board, or of committees of the Board, or general meetings, or separate meetings of the holders of any class of shares or which they may otherwise properly incur in or about the business of the Company.
81. Any Director who by request of the Board performs extra or special services or goes or resides abroad for any purposes of the Company shall be entitled to receive such sum for expenses and such remuneration as the Board may think fit either in addition to or in substitution for any other remuneration he may be entitled to receive.

### POWERS OF DIRECTORS

82. Subject to the provisions of the Act, the Memorandum and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this regulation shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
83. The Board may make such arrangements as the Board thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers and agents and delegate to them any of the powers of the Board (other than the power to borrow and make calls) with power to sub-delegate.
84. The Board may (by establishment or maintenance of schemes or otherwise) pay or procure the payment of pensions, annuities, allowances, gratuities and superannuation or other benefits to or for the benefit of past or present directors or employees who are or were at any time employed by or in the service of the Company or held any place of profit with the Company or any of its subsidiaries or any company associated with, or any business acquired by, any of them or to or for the benefit of persons who are or were related to or dependants of any such directors or employees and may make contributions to any fund and pay premiums for the purchase or payment of any such pension, annuity, allowance, gratuity, superannuation or other benefit or may make payments for or towards the insurance of any such person.

85. The Board may from time to time 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 and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection or 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.
86. The Board may from time to time make and vary such regulations as it thinks fit respecting the keeping of overseas branch registers of members pursuant to the Act.

#### BORROWING

87. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets both present and future (including uncalled capital) or any part thereof and, subject to section 80 of the Act, to issue debentures, debenture stock and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.
88. If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board may delegate to the person in whose favour such mortgage or security is executed, or to any other person in trust for him, the power to make calls on the members in respect of such uncalled capital, and to sue in the name of the Company or otherwise for the recovery of moneys becoming due in respect of calls so made and to give valid receipts for such moneys and the power so delegated shall subsist during the continuance of the mortgage or security, notwithstanding any change of Directors, and shall be assignable if expressed so to be.
89. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable 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 may from time to time by resolution determine.

#### CHAIRMAN, MANAGING AND EXECUTIVE DIRECTORS

90. The Board may from time to time:-
- (1) appoint one or more of its body to the office of Chairman, Managing Director, or to any other office (except that of Auditor), employment or place or profit in the Company, for such period and on such terms (as to remuneration and other



wise) as it thinks fit, and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose appointment is revoked may have against the Company by reason of such revocation);

- (2) permit any person appointed to be a Director to continue in any other office or employment held by him before he was so appointed.

A Director (other than a Chairman or Managing Director) holding any such other office or employment is herein referred to as an "Executive Director".

91. A Director appointed to the office of Chairman, Managing Director or Executive Director shall not, while holding that office, be subject to retirement by rotation, but shall (subject to the provisions of any contract between himself and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and if he ceases from any cause to be a Director he shall ipso facto cease to be a Chairman, Managing Director or Executive Director (as the case may be) (but without prejudice to any rights or claims which he may have against the Company by reason of such cesser).
92. The emoluments of any Chairman, Managing Director or Executive Director for his services as such shall be determined by the Board, and may be of any description, and (without limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership of any such scheme or fund.
93. The Board may entrust to and confer upon a Chairman, Managing Director or Executive Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and, in the case of a Managing Director, either collaterally with or to the exclusion of its own powers, and may from time to time revoke, withdraw, or vary all or any of such powers.

#### ALTERNATE DIRECTORS

94. (1) Each Director shall have the power at any time to appoint to the office of alternate Director either another Director or any other person approved for that purpose by a resolution of the Board, and, at any time, to terminate such appointment. Any such alternate is referred to in these Articles as an alternate Director.

- (2) The appointment of an alternate Director shall automatically determine in any of the following events:-
- (a) if his appointor shall terminate the appointment;
  - (b) on the happening of any event which, if he were a Director, would cause him to vacate the office of Director;
  - (c) if by writing under his hand left at the Office he shall resign such appointment;
  - (d) if his appointor shall cease for any reason to be a Director otherwise than by retiring and being re-appointed at the same meeting.
- (3) An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and, in place of his appointor, to vote and be counted for the purpose of a quorum at any such meeting at which his appointor is not personally present and generally to perform all functions as a Director of his appointor in his absence.
- (4) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and may be repaid to the Company such expenses as might properly have been repaid by him if he had been a Director but shall not in respect of his office of alternate Director be entitled to receive any remuneration from the Company. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.
- (5) An alternate Director shall, during his appointment, be an officer of the Company and shall not be deemed to be an agent of his appointor.
- (6) Every appointment and removal of an alternate Director shall be in writing signed by the appointor (and shall take effect subject to any approval required by paragraph (1) of this Article) upon receipt of such written appointment or removal at the Office or by the Secretary.
- (7) A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Board or any committee of the Board to vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall only be counted once for the purpose of determining whether a quorum is present at any such meeting.

## PROCEEDINGS OF THE BOARD

95. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, call a meeting of the Board. Notice of any meeting of the Board may be given by telephone, facsimile or telex. It shall not be necessary to give notice of a meeting of the Board to any Director absent from the United Kingdom.
96. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number shall be two. For the purpose of determining whether the quorum for the transaction of the business of the Board exists:-
- (1) in the case of a resolution agreed by Directors in telephonic communications, all such Directors shall be counted in the quorum;
  - (2) in the case of a meeting of Directors, in addition to the Directors present at the meeting, any Director in telephonic communication with such meeting shall be counted in the quorum.
97. The Chairman shall be the chairman of meetings of the Board. If no such Chairman is appointed, or is not present within five minutes after the time fixed for holding any meeting, the Directors present may choose one of their number to act as chairman of such meeting.
98. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board (not being less than the number of Directors required to form a quorum of the Board) shall be as valid and effective as a resolution passed at a meeting of the Board duly convened and held. Any such resolution in writing may consist of several documents in like form each signed by one or more of such Directors. In the absence of a Director the signature of an alternate Director (if any) appointed by him shall be necessary.
99. The Board may delegate any of its powers to committees consisting of such member or members of its body as it thinks fit with power to sub-delegate to any of such persons. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board and subject thereto shall be governed by the provisions of these Articles regulating the proceedings and meetings of the Board. The Board may co-opt onto any such committee persons other than Directors who may enjoy voting rights in committee. The co-opted members shall be less than one-half of the total membership of the committee and a resolution of any committee shall be effective only if a majority of the members present are Directors.

100. All acts done by any meeting of the Board, or of a committee or sub-committee of the Board, or by any person acting as a Director or by an alternate Director, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any Director, alternate Director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.

#### MINUTES

101. (1) The Board shall cause minutes to be made in books provided for the purpose:-
- (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 any committee of the Board;
  - (c) of all resolutions and proceedings at all meetings of the Company and of the Board and of committees of the Board.

Any such minutes, if purporting to be signed by the Chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

- (2) Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Board or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting.

#### DISQUALIFICATION OF DIRECTORS

102. (1) The office of a Director shall be vacated in any of the following events, namely:-

- (a) not being a Chairman, Managing Director or Executive Director holding office as such for a fixed term or other minimum period which has not expired, he resigns by notice in writing under his hand left at the Office;
  - (b) being such Chairman, Managing Director or Executive Director, he shall in writing offer to resign and the Directors shall resolve to accept such offer;
  - (c) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (d) if he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (e) if he is absent from meetings of the Board for six months without leave, expressed by a resolution of the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board resolves that his office be vacated;
  - (f) if pursuant to any provision of the Act he is removed or prohibited from being a Director.
  - (g) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any agreement between him and the Company.
- (2) There shall not be any age limit for Directors and subsections (1) to (6) of section 293 of the Act shall not apply to the Company.

#### INTERESTS OF DIRECTORS

103. (1) No Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, or from being interested whether directly or indirectly in any contract or arrangement entered into by or on behalf of the Company. No such contract or arrangement in which any Director so contracting, or being so interested, be liable to account to the Company for any profit realised by him from such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director so interested in any contract or arrangement shall declare the nature of his interest in accordance with the provisions of the Act.

- (2) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Board may determine.
- (3) Save as herein provided, 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 interest in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
- (4) 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 or undertaken 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 contract or arrangement in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company;
  - (d) 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;
  - (e) 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 is not the holder of or beneficially interested in one 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 avail

able to members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);

(f) any proposal concerning the adoption, modification or operation of:-

(i) a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes; or

(ii) an employee's share scheme under which he may benefit and which does not confer on any Director any privilege or advantage not generally accorded to the employees to whom the scheme relates (but he will not vote on the grant of any option or allocation of any shares or any other matter concerning his individual participation) and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes.

(g) any proposal concerning the purchase and/or maintenance of any insurance as is mentioned in Section 310(3) of the Act under which he may benefit.

For the purposes of this Article, an interest of a person who is, for any purpose of the Act (excluding any statutory modification thereof not in force when this Article becomes binding on the Company), 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 without prejudice to any interest which the alternate Director has otherwise.

(6) Where proposals are under consideration concerning the appointment (including fixing and varying the terms of appointment) of two 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 and in such cases each of the Directors concerned (if not debarred from voting under the proviso to paragraph (4)(e) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

- (7) 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 interests of the Director concerned have not been fairly disclosed.
- (8) Subject to the provisions of the Act, 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.
104. (1) A Director may be or become a director or other officer of any company promoted by the Company or in which the Company may be interested as vendor, member or otherwise, and no such Director shall (unless otherwise agreed) be accountable for any benefits received as director or other officer of such company.
- (2) 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 thinks fit (including the exercise thereof in favour of any resolution appointing its members or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

#### RETIREMENT OF DIRECTORS

105. (1) At every annual general meeting any Directors who shall be bound to retire under Article 75 and one third of the other Directors (other than a Director exempt from retirement by rotation under any other provision of these Articles) for the time being, or, if their number is not a multiple of three, the number nearest to but not exceeding one-third, shall retire from office and shall be eligible for re-appointment. A Director retiring at a meeting shall retain office until the close or adjournment of the meeting.
- (2) The Directors to retire by rotation under the provisions of this Article at every annual general meeting shall be those who have been longest in office since their last appointment; as between persons who became or were last appointed Directors on the same day, those to retire by rotation shall (unless they otherwise agree among themselves) be determined by lot.
106. At the meeting at which a Director retires the Company may (subject to Article 79) fill the vacated office by appointing a person there-to, and in default the retiring Director shall, unless he intimates



that he does not wish to be re-elected, be deemed to have been re-appointed, unless at such meeting it is expressly resolved not to fill such vacated office, or unless a resolution for the re-appointment of such Director shall have been put to the meeting and lost. In the event of the vacancy not being filled at such meeting, it may be filled by the Board as a casual vacancy.

107. The Company may, pursuant and subject to the provisions of sections 303 and 304 of the Act, by ordinary resolution remove any Director (including a Chairman or Managing Director) before the expiration of his period of office and appoint another person in his stead.

#### ASSOCIATE DIRECTORS

108. (1) The Board may from time to time appoint any manager or other person in the employment of the Company or any subsidiary of the Company to be an associate director of the Company. Any associate director so appointed may be removed by resolution of the Board at any time for any reason and without the giving of any notice in that behalf.
- (2) Until otherwise determined by the Company in general meeting, the number of associate directors for the time being shall not exceed 10.
- (3) An associate director appointed under this Article shall not be required to hold any shares in the Company to qualify him for such office.
- (4) An associate director shall not, while he continues to hold office, be taken into account in calculating the number to form a quorum at any meeting of the Board.
- (5) The appointment, continuance in office, removal powers, duties and remuneration of an associate director shall be determined by the Board, with full power to make such arrangements as the Board may think fit.
- (6) An associate director shall not except with and to the extent of the sanction of the Board:-
- (a) have any right of access to the books of the Company;
  - (b) be entitled to receive notice of or to attend at the meetings of the Board; or
  - (c) be entitled to participate in any other respect in the exercise of the collective powers or duties of the Directors or to exercise any of the powers or rights of a Director individually under these articles, provided that no act shall be done by the Directors which would impose any personal liability

on any associate director either under the Act or otherwise except with his knowledge.

- (7) An associate director shall not in any circumstances be entitled to vote at any meeting of the Board.

#### SECRETARY

109. Subject to the Act, the Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may be removed by the Board.
110. A provision of the Act or 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.

#### THE SEAL

111. (1) The Board shall provide for the safe custody of the Seal which shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board and, subject to the provisions of this Article, every instrument to which the seal shall be affixed shall be signed by at least two Directors or by one Director and the Secretary or some other person appointed by the Board for the purpose.
- (2) All forms of certificates for shares, or debentures or representing any other form of security (other than letters of allotment or scrip certificates) shall be issued under the Seal in manner above provided or under the official seal kept by the Company by virtue of section 40 of the Act; but the Board may by resolution determine either generally or in any particular case that any signatures may be affixed to such certificates by some mechanical means or that such certificates need not bear any signature.
112. The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

#### ACCOUNTING RECORDS AND DIVIDENDS: BOOKS AND REGISTERS

113. The Directors shall cause accounting records to be kept and such others books and registers as are necessary to comply with the provisions of the Act.
114. The accounting records shall be kept at the Office or (subject to the provisions of the Act) at such other place in Great Britain as

the Board thinks fit, and shall at all times be open to inspection by the officers of the Company. No member (other than an officer of the Company) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Act or authorised by the Board or by an ordinary resolution of the Company.

115. The Board shall in accordance with the Act 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 required by the Act.

116. A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and Auditors' reports shall, at least twenty-one days previously to the meeting, be delivered or sent by post to every member and to every debenture holder of the Company of whose address the Company is aware, or, in the case of joint holders of any share or debenture, to one of the joint holders, provided that the requirements of this Article shall be deemed to be satisfied in relation to members by sending to each member a summary financial statement in accordance with the provisions of Section 251 of the Act and any regulations made thereunder.

#### AUDIT

117. Auditors of the Company shall be appointed and their duties regulated in accordance with the Act.

118. The Auditors' report to the members made pursuant to the statutory provisions as to audit shall be read before the Company in general meeting and shall be open to inspection by any member; and in accordance with the Act every member shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed thereto) and Auditors' report.

#### DIVIDENDS

119. The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. Subject to the next following Article, the Company in general meeting may declare dividends.

120. No dividend or interim dividend shall be payable except in accordance with the provisions of the Act which apply to the Company, or in excess of the amount recommended by the Board.

121. All dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid; but no amount paid on a share in advance of the date upon which a call is payable shall be treated for the purposes of this Article or the next following Article as paid on the share.

122. All dividends shall be apportioned and paid pro rata according to the amounts paid 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 or be entitled to dividends declared after a particular date, such share shall rank for or be entitled to dividend accordingly.
123. Any general meeting declaring a dividend may upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or partly by the distribution of specified assets and in particular of fully paid shares or debentures of any other company, and the Board shall give effect to such direction. Where any difficulty arises in regard to such distribution, the Board may settle it 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 payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of those entitled to participate in the dividend, and may vest any such specified assets in trustees, upon trust for the members entitled to the dividend, as may seem expedient to the Board.
124. 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 the Board may also pay the dividend payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates whenever such profits in the opinion of the Board justify that course.
125. The Board may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares in the Company.
126. The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.
127. No dividend or other monies payable in respect of a share shall bear interest against the Company. All dividends unclaimed may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and all dividends unclaimed for a period of twelve years after having been declared shall be forfeited and shall revert to the Company.
128. Any dividend may be paid by cheque or warrant sent through the post to the address in the Register of the member or person entitled thereto, and in case of joint holders to any one of such joint holders, or to such person and to such other 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 and shall be sent at the member's risk, and payment of the cheque or warrant shall be a good discharge to the Company.

129. Any dividend or interim dividend may be paid in the currency in which it is declared or resolved or in such other currency as the Board consider appropriate.
130. If several persons are entered in the Register as joint holders of any share, any one of them may give effectual receipts for any monies payable in respect of the share.
131. (1) The Board may, with the prior sanction of an ordinary resolution of the Company, offer members the right to elect to receive in respect of all or part of their holding of shares, additional shares credited as fully paid instead of cash in respect of all or part of such dividend or dividends and (subject as hereinafter provided) upon such terms and conditions and in such manner as may be specified in such ordinary resolution. The ordinary resolution shall confer the said power on the Board in respect of all or part of a particular dividend or in respect of all or any dividends (or any part of such dividends) declared or paid within a specified period but such period may not end later than the date of the annual general meeting next following the date of the general meeting at which such ordinary resolution is passed.
- (2) When such right to elect is to be offered to members pursuant to this Article, the Board shall notify members of the said right and shall make available to or provide members with forms of election (in such form as the Board may approve) whereby the members may exercise such right.
- (3) Each member who elects to receive additional shares shall be entitled to receive such whole number of additional shares, calculated at the Issue Price for each such share and ignoring any fraction of an additional share, as is nearly as possible equal to (but not in excess of) the cash amount of the dividend which such member would otherwise have received. For the purpose of this Article the "Issue Price" of an additional share shall be such price as is equal to the average of the middle market quotations for the shares of the Company as derived from the Daily Official List of The Stock Exchange during the period of five dealing days commencing on the day when such shares are first quoted "ex-dividend" or to the par value of a share (whichever is the higher) or if such calculation is not applicable, as the Auditors shall in their absolute discretion, acting as experts and not as arbitrators, determine.
- (4) Following election by members in accordance herewith, the Board shall appropriate out of the profits of the Company

available for distribution in accordance with the Act an amount equal to the aggregate nominal value of the number of shares required to be allotted to members who have given notice of election as aforesaid and shall apply such amount in paying up in full such number of additional shares. The obligation of the Board to make such appropriation in respect of the shares of a particular member shall be subject to the right of the Board under these Articles to retain any dividend or other moneys payable on or in respect of the shares of such member.

- (5) The shares so allotted credited fully paid shall not be entitled to participate in the dividend then being declared or paid but shall in all other respects rank *pari passu* with the fully paid shares then in issue.
- (6) Where shares constitute authorised investments for the purposes of the Trustee Investment Act 1961, the Board shall (unless otherwise resolved by the Company in general meeting) ensure that at least part (being such part as the Board may decide) of the dividend payable on each such share in each calendar year is paid in cash.
- (7) The Board may on any occasion determine that the rights of election hereunder shall be subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory.
- (8) The Board may undertake and do such acts and things as they may consider necessary or expedient for the purpose of giving effect to the provisions of this Article including (without limiting the foregoing) making such provisions as they may think fit in relation to any fraction of any share which may or would arise pursuant to the application of paragraph (3) of this Article (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members).

#### RESERVES

132. The Board may before recommending any dividend, whether preferential or otherwise, carry to reserve out of the profits of the Company (including any premiums received upon the issue of debentures or other securities of the Company) such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may properly be 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 or its holding company, if any) as the Board may from time to time think fit. The Board may also without

placing the same to reserve, carry forward any profits which they may think prudent not to divide.

#### CAPITALISATION OF PROFITS

133. The Directors may with the authority of an ordinary resolution of the Company:-

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

#### RECORD DATES

134. Notwithstanding any other provision of these articles, but without prejudice to the rights attached to any shares, the Company or the Board may fix a date as the record date by reference to which a

dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.

#### NOTICES

135. Any notice to be given pursuant to these Articles shall be in writing except that a notice calling a meeting of the Board need not be in writing.
136. Any notice or document may be served by the Company on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his address in the Register. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register, and notice so given shall be sufficient notice to all the joint holders. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom or any part thereof the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom or such part thereof again becomes practicable.
137. Any member whose address in the Register is not within the United Kingdom, who shall from time to time give to the Company an address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such address; but, save as aforesaid, no member other than a member whose address in the Register is within the United Kingdom shall be entitled to receive any notice from the Company.
138. Any notice or other document, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is posted (by whatever class of post). In proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.
139. Any notice or document sent by post to, or left at the address in the Register of, any member in pursuance of these Articles shall, notwithstanding such member be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as holder or joint holder thereof, and such service shall for all purposes be deemed a



sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in such share.

140. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which, previously to his name and address being entered in the Register, shall have been duly given to the person from whom he derives his title to such share. For the avoidance of doubt, any person who by operation of law, transfer or any other means whatsoever shall become entitled to any share not be bound by any notice under Article 11 or section 212 of the Act given in respect of such share.
141. Any member present either in person or by proxy at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of its meeting and, where requisite, the purpose for which it was called.

#### WINDING UP

142. If the Company shall be wound up, the liquidator may with the sanction of an extraordinary resolution, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he shall think fair, and may with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator with the like sanction shall think fit.
143. The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures, or other obligations of another company, either then already constituted or about to be constituted, for the purpose of carrying out the sale.

#### INDEMNITY

144. Subject to the provisions of the Act but without prejudice to any indemnity to which they may be entitled the Directors, alternate Directors, Secretary, Managers and other officers of the Company shall be indemnified out of its assets against all liability incurred by them as such in defending any proceedings, whether civil or criminal, in respect of alleged negligence, default, breach of duty or breach of trust, in which judgment is given in their favour, or in which they are acquitted or in connection with any application under the Act in which relief is granted to them by the Court.

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Names and Addresses of Subscribers

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JPCORD LIMITED  
2nd Floor, 223 Regent Street  
London W1R 7DB

JPCORS LIMITED  
2nd Floor, 223 Regent Street  
London W1R 2DB

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Dated : 14th April 1987

Witness to the above Signatures :

John O'Donnell  
2nd Floor, 223 Regent Street  
London W1R 7DB

Chartered Accountant

18 February 1991  
Our ref A/GNK/JR

The Secretary  
Cygnat Health Care PLC  
Godden Green Clinic  
Sevenoaks  
Kent  
TN15 0JR

*COMPANY NUMBER 2141256*

Dear Sir

In accordance with section 392 of the Companies Act 1985, we write to notify you of our formal resignation as auditors of your company. This resignation takes effect from the time at which you receive this letter.

In accordance with section 394(1) of that Act, we confirm that there are no circumstances connected with our resignation which we consider should be brought to the attention of the members or creditors of the company.

Yours faithfully

*Ernst & Young*

