

The Companies Act 1985

Company Limited by Shares

Articles of Association

of

International Cuisine Limited

(adopted by Special Resolution on 24 January 1991)

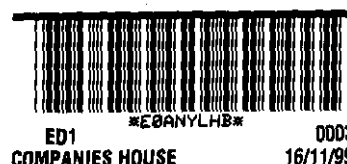
(as amended by written resolution on 3 November 1999)

PRELIMINARY ENQUIRIES AND INTERPRETATION

1. (A) The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendments) Regulations 1985 ("Table A") shall apply to the Company save insofar as they are excluded or varied hereby.
- (B) For the purpose of these Articles the expressions:-

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

"the Investors" means NIC, NVPF, British Steel (Industry) Limited, British Coal Enterprise Limited, SFO and NTD and shall include in turn any member



who shall have taken a transfer of any share originally registered in the name of any of the Investors pursuant to Article 17(B).

“NIC” means Northern Investors Company plc;

“NTD” means Novo Technology Development Pte Limited a company incorporated in Singapore having its registered office at 1 Science Park Drive, SISIR Building, Singapore;

“NVM” means Northern Venture Managers Limited provided that if NVM ceases to advise and manage NIC and/or NVPF or if NIC and/or NVPF transfer any of their shares pursuant to Article 17(B) all references to NVM herein shall be deemed to be replaced by references to (as the case may be) NIC and/or NVPF and/or such transferee and/or any individual partnership or incorporated or unincorporated body appointed to manage their investment in the Company;

“NVPF” means Northern Venture Partnership Fund;

“Related Company” means any company 20 per cent or more of the equity share capital of which is beneficially owned by the Company and any of its subsidiaries (whether individually or in aggregate);

“SFI” means Singapore Food Industries (Pte) Limited a company incorporated in Singapore having its registered office at 234 Pandan Loop, Singapore.

- (C) Unless the context otherwise requires, words or expressions contained in these Articles and in Table A that apply to the Company bear the same meaning as in the Act but excluding any statutory modification thereof not in force on the date of adoption of these Articles, words importing the singular only shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing natural persons shall include also corporations.
- (D) The heading in these Articles are for convenience only and shall be ignored in construing their language or meaning. Regulation 1 of Table A shall be varied accordingly.

PRIVATE COMPANY

- 2. The Company is a private company within the meaning of section 1 of the Act and accordingly no shares in or debentures of the Company shall be offered to the public (whether for cash or otherwise) and the Company shall not allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

LIEN

3. The Company shall have a first and paramount lien on every share (whether or not it is a fully paid share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares (whether fully paid or not) standing registered in the name of any person for all monies presently payable by him or his estate to the Company, whether he shall be the sole registered holder thereof or shall be one of several joint holders; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon. Regulation 8 of Table A shall not apply.

SHARE CAPITAL

4. The share capital of the Company at the date of adoption of these Articles is 1,620,774 divided into:-
 - (a) 127,268 Ordinary Shares of £1 each (herein called "the Ordinary Shares");
 - (b) 590,006 Cumulative Convertible Participating Preferred Ordinary Shares of £1 each (herein called "the Preferred Ordinary Shares");
 - (c) 260,000 Cumulative Convertible Redeemable Preference Shares of £1 each (herein called "the Convertible Preference Shares");

- (d) 583,5000 A Cumulative Redeemable Preference Shares of £1 each (herein called “the A Preference Shares”); and
- (e) 60,000 C Cumulative Redeemable Convertible Preference Shares of £1 each (herein called “the C Preference Shares”).

THE PREFERRED ORDINARY SHARES

5. The rights of the holders of the Preferred Ordinary Shares are as follows:-

- (A) The right to receive notice of and to attend speak and vote at every general meeting of the Company and generally the same rights as the holders of Ordinary Shares save as provided in this Article;
- (B) Subject to the rights of the holders of the Convertible Preference Shares the A Preference Shares and C Preference Shares but otherwise in priority to any rights of the holders of any other issued shares in the capital of the Company, whether or not formally declared, the right to a cumulative dividend (“the Preferred Dividend”) of such sum (net of any associated tax credit) as shall sum (net of any associated tax credit) as shall equal seven per cent (7%) of the amount by which the Net Profits of the Company and any subsidiary (calculated in accordance with Article 9) shall exceed £100,000 in any accounting reference period during any part of which the Preferred Ordinary Shares shall have been in existence;

- (C) The Preferred Dividend shall be paid in cash within fourteen days of the annual general meeting in respect of and in any event within four months of the end of the account reference period in question to the extent that there are profits available for distribution;
- (D) If on the relevant payment date the Company cannot comply with the provisions of the Act relating to distributions, the Preferred Dividend shall be payable within five working days of the first date on which the Company shall be able to so comply;
- (E) If any Preferred Ordinary Shares shall be in existence or the Preferred Dividend shall be payable for part only of an accounting reference period then, *in respect of that period, the holders shall be entitled only to such proportion of the Preferred Dividend as the number of completed weeks during which the Shares shall have been in existence or for which the Preferred Dividend shall be payable in that period bears to the total number of weeks in that period;*
- (F) The sum of £100,000 specified in sub-clause (B) above applies to an accounting reference period of 52 weeks and shall be reduced or increased pro rata if the period is respectively less than or more than 52 weeks;
- (G) After payment of the Preferred Dividend the holders of the Ordinary Shares with the approval of the Company in general meeting may be paid (but shall not be entitled to) a dividend per share not exceeding the Preferred Dividend

paid on each Preferred Ordinary Share but thereafter any dividend declared and paid in respect of each Ordinary Share shall also be declared and paid in respect of each Preferred Ordinary Share;

(H) The holders of the Preferred Ordinary Shares shall be entitled at any time to convert the entirety of the Preferred Ordinary Shares into Ordinary Shares when the following shall apply:-

- (i) the conversion shall be effected by notice in writing signed by or on behalf of the holder or holders of the Preferred Ordinary Shares or by a resolution unanimously passed at a separate class meeting of all the holders of Preferred Ordinary Shares which meeting shall be convened forthwith by the Directors on request from any holder of Preferred Ordinary Shares;
- (ii) subject to receipt of certificates in accordance with Article 5(H) (iv) the conversion shall take effect five working days after the date (“the Conversion Date”) of delivery of such notice or notice of such resolution to the registered office of the Company or to a meeting of the Directors;
- (iii) the conversion rate shall be one Ordinary Share for each Preferred Ordinary Share;

- (iv) prior to the Conversion Date the holders shall send to the Company the certificates for their former Preferred Ordinary Shares and the Company shall issue the such holders certificates for the Ordinary Shares resulting from conversion;
 - (v) the Ordinary Shares resulting from conversion shall rank pari passu in all respects with the other Ordinary Shares;
 - (vi) the Preferred Dividend on any Preferred Ordinary Shares so converted shall cease to accrue with effect from close of business on the Conversion Date and shall be paid in accordance with Articles 5(C) and (E).
- (I) The right on a winding-up or other return of capital to repayment, in priority to any payment to the holders of any Ordinary Shares but subject to the rights of the holders of the Convertible Preference Shares A Preference Shares and C Preference Shares, of:-
- (i) the capital for the time being paid up on the Preferred Ordinary Shares;
and
 - (ii) any arrears or accruals of the Preferred Dividend (which shall not include any additional dividend pursuant to sub-clause (G) above), whether or not declared.

THE CONVERTIBLE PREFERENCE SHARES

6. The rights of the holders of the Convertible Preference shares are as follows:-

- (A) Subject as provided in sub-clause (D) below but otherwise in priority to any rights of the holders of any other issued shares in the capital of the Company and before the setting aside of or appropriation of profit for any other purpose, whether or not formally declared, the right to a cumulative preferential dividend (herein called "the Convertible Preferential Dividend") net of any associated tax credit equal to ten per cent (10%) per annum of the capital for the time being paid up thereon to be calculated and paid to the extent that there are funds lawfully available for distribution in cash on 22 June and 22 December in each year (or, if not a business day, the first business day thereafter) provided that the Convertible Preferential Dividend to be calculated and paid on 22 December 1991 shall be in respect of the period commencing on the date of issue of the Convertible Preference Shares and provided further that if the Convertible Preference Shares shall not have been converted pursuant to sub-clause (H) below the rate of the Convertible Preferential Dividend as from the date on which the Convertible preference Shares fall to be redeemed pursuant to Article 6(I)(ii) shall be at the option of the holders of the Convertible Preference Shares as dividend net of any associated tax credit equal to thirteen per cent (13%) per annum of the capital for the time being paid up thereon or a dividend (including any associated tax credit) equal to such rate as equals 3% above the base rate of Lloyds Bank plc from time to

time of the capital for the time being paid up thereon. The rate of the Convertible Preferential Dividend (and the additional dividend referred to in Article 6(c)) shall at no time be lower than the rate of the “A” Preferential Dividend, the “C” Preferential Dividend or any other fixed dividend payable on any shares in the capital of the Company;

- (B) The Convertible Preferential Dividend shall accrue from day to day;
- (C) If on the relevant payment date the Company cannot comply with the provisions of the Act relating to distributions the Convertible Preferential Dividend shall be payable within five (5) working days of the first date on which the Company shall be able to so comply together with an additional dividend (net of any associated tax credit) at the rate of ten per cent (10%) per annum on the arrears of Convertible Preference Dividend from the original due date for payment until the date of payment;
- (D) The rights of the holders of the Convertible Preference Shares to receive the Convertible Preferential Dividend shall at all times rank *pari passu* with the rights of the holders of the A Preference Dividend to receive the A Preferential Dividend and the rights of the holders of the C Preference Shares to receive the C Preferential Dividend and if on the relevant payment date the Company has insufficient distributable profits to pay the Convertible Preferential Dividend the A Preferential Dividend and the C Preferential Dividend in full (together with any additional dividend payable as a result of late payment) then any amounts paid to the holders of the Convertible Preference Shares the

A Preference Shares and the C Preference Shares shall be in proportion to the total amounts payable to them had there been sufficient distributable profits available to make full payment to the holders of each of such class of shares.

Provided that any arrears of A Preferential Dividend or C Preferential Dividend (together with any additional dividend payable as a result of late payment) which accrued prior to the date of adoption of these Articles shall not be paid until all arrears (if any) of Convertible Preferential Dividend and A Preferential Dividend and C Preferential Dividend (together with any additional dividend payable as a result of late payment) accruing after such date shall have been paid;

(E) The right on a winding up or other return of capital to repayment in priority to any payment to the holders of any other shares in the capital of the Company of:-

(i) the capital paid up on the Convertible Preference Shares; and

(ii) any arrears or accruals of the Convertible Preferential Dividend (including any additional dividend payable under sub-clause (C) above) whether or not declared or earned calculated down to the date of payment;

(F) The right to receive notice of and to attend and speak at every general meeting of the Company;

- (G) The right to one vote per Share on any resolution while the Convertible Preferential Dividend shall be more than three (3) months in arrears or while the Convertible Preference Shares are not redeemed within three (3) months of the date specified in sub-clause (I) below (but ignoring any extension pursuant to sub-clause (iv) thereof) or while financial information is not provided to the holders of the Convertible Preference Shares in accordance with any agreement between inter alia the Company and the Investors in this respect;
- (H) The holders of the Convertible Preference Shares shall be entitled to convert the whole but not part only of the Convertible Preference Shares in issue into Preferred Ordinary Shares by notice given at any time prior to the date falling 45 days after the date of receipt by SFI of the audited accounts of the Company for the financial year ending 31 October 1994 (including, without limitation, (i) in the event of or before a sale of the whole issued share capital of the Company or (ii) before admission of any class of shares in the Company to the Official List of the Stock Exchange or permission being granted for dealings in any shares in the Company on the Unlisted Securities or any other public market or (iii) in the event of the Company undergoing any form of reconstruction or amalgamation or (iv) in the event of any change in the authorised, issued or paid up share capital of the Company or (v) in the event of any transfer of any shares in the Company) when the following shall apply:-
- (a) the conversion shall be effected by notice in writing signed by or on behalf of the holder or holders of all the Convertible Preference Shares

or by a resolution unanimously passed at a separate class meeting of all of the holders of the Convertible Preference Shares which meeting shall be convened herewith by the Directors on request from any holder of the Convertible Preference Shares;

- (b) subject to receipt of certificates in accordance with Article 6 (H) (d) the conversion shall take effect five (5) working days after the date (“the Conversion Date”) of delivery of such notice or notice of such resolution to the registered office of the Company or to a meeting of the Directors;
- (c) the Convertible Preference Shares shall be converted into such number of Preferred Ordinary Shares as, together with the Preferred Ordinary Shares already held by SFI and NTD on the Conversion Date (or by any member who shall have taken a transfer of any shares originally registered in the name of SFI or NTD pursuant to Article 17 (B)), shall result in SFI and NTD and any such other member immediately after the Conversion Date together holding 30% of the aggregate of the Ordinary Shares and/or Preferred Ordinary Shares then in issue. If there is more than one holder of Convertible Preference Shares at the Conversion Date then the Preferred Ordinary Shares resulting from conversion shall be issued as nearly as may be in proportion to their holdings of Convertible Preference Shares;

- (d) prior to the Conversion Date the holders shall send to the Company the certificates for their former Convertible Preference Shares and the Company shall issue to such holders certificates for the Preferred Ordinary Shares resulting from conversion;
 - (e) the Preferred Ordinary Shares resulting from conversion shall rank pari passu in all respects with the other Preferred Ordinary Shares subject nevertheless to Article 5 (E);
 - (f) the Convertible Preferential Dividend on any Convertible Preference Share so converted shall cease to accrue with effect from close of business on the Conversion Date and shall be paid in accordance with Article 6 (C) and (D);
- (I) Provided that the Convertible Preference Shares shall not have been converted in accordance with the terms of sub-clause (H) above the right to have the Convertible Preference Shares redeemed upon and subject to the following terms and conditions:-
- (i) to the extent that there are sufficient life insurance monies available all or part of the Convertible Preference Shares shall be redeemed at the option of the holders of the Convertible Preference Shares on or within twenty eight (28) days of the receipt by the Company of any life insurance monies following the death of David Severs Lambert provided that no such shares shall be redeemed unless all arrears of the

Convertible Preferential Dividend, the A Preferential Dividend and the C Preferential Dividend (including any additional dividend payable on such arrears) accruing since the date of adoption of these articles to the date of redemption have first been paid;

- (ii) the Convertible Preference Shares shall be redeemed in full in one tranche on the date falling 14 days after the expiry of the period within which a notice of conversion could have been served under Article 6 (H);
- (iii) Notwithstanding sub-clause (ii) above all the Convertible Preference Shares shall at the option of the holders be redeemed immediately before either:-
 - (a) any person (which includes a body corporate) or group of persons who were not members of the Company at the date of adoption of these Articles taking a transfer of shares (other than pursuant to Articles 16 or 17 (B)) so as to increase their interests (within the meaning of Schedule 13 Part 1 and Section 324 of the Act) to more than 50% of the equity share capital of the Company; or
 - (b) any share of any class of the Company being admitted to the Official List of the Stock Exchange or permission being

granted for dealings in any such shares on the Unlisted Securities or any other public market;

- (iv) if on any of the specified dates for redemption the Company cannot comply with the provisions of the Act relating to redemption the Convertible Preference Shares which should have been redeemed on such date shall be redeemed on the first date on which the Company shall be able to so comply;
- (v) on any of the specified dates for redemption, if appropriate, the number of Convertible Preference Shares of each member to be redeemed shall be calculated as nearly as may be according to their respective Convertible Preference Shareholdings or as otherwise agreed between all the holders of the Convertible Preference Shares;
- (vi) on the specified date for redemption the registered holders of the Convertible Preference Shares to be redeemed shall be bound to deliver up to the Company the certificates thereof for cancellation or indemnity in respect of such certificates and thereupon the Company shall pay to the registered holders the redemption monies in cash and issue a new certificate for any remaining Convertible Preference Shares held;
- (vii) the amount payable on redemption of Convertible Preference Shares shall be the aggregate of:-

- (a) the capital paid up thereon; and
 - (b) accruals of the Convertible Preferential Dividend thereon (including any additional dividend payable under sub-clause (C) above) whether or not declared or earned calculated down to the date of payment; and
 - (c) in the event of redemption pursuant to sub-clause (iii)(a) above a premium of five pence (5p) per Share.
- (J) Notwithstanding any other provision of these Articles none of the 'A' Preference Shares or 'C' Preference Shares shall be redeemed unless all the Convertible Preference Shares shall have been redeemed or converted.
- (K) No shares in the capital of the Company which rank in priority to the Convertible Preference Shares shall be issued.
- (L) So long as SFI and/or NTD are members of the Company, SFI and/or NTD shall have the right to require that no dividend shall be paid after 31st October 1994 unless a certificate has been obtained from the Auditors that the dividends are properly distributable in accordance with the Act. This Article 6 (L) shall cease to have effect on the date following 70 days after the receipt by SFI and NTD of the Audited Accounts of the Company for the year ended 31st

October 1994 duly signed by two directors and by the Auditors of the Company.

THE A PREFERENCE SHARES

7. The rights of the holders of the A Preference Shares are as follows:-

- (A) Subject as provided in sub-clause (D) below but otherwise in priority to any rights of the holders of any other issued Shares in the capital of the Company and before the setting aside or appropriation of profit for any other purpose, whether or not formally declared, the right to a cumulative preferential dividend therein called "the A Preferential Dividend" net of any associated tax credit equal to ten per cent (10%) per annum of the capital for the time being paid up thereon to be calculated and paid to the extent that there are funds lawfully available for distribution in cash on 22 June and 22 December in each year (or, if not a business day, the first business day thereafter);
- (B) The A Preferential Dividend shall accrue from day to day;
- (C) If on the relevant payment date the Company cannot comply with the provisions of the Act relating to distributions the A Preferential Dividend shall be payable within five working days of the first date on which the Company shall be able to so comply together with an additional dividend (net of any associated tax credit) at the said rate of ten per cent (10%) per annum on the arrears of A Preferential Dividend from the original due date for payment until

the date of payment provided that any arrears of A Preferential Dividend (together with any additional dividend payable as a result of late payment) which accrued prior to the date of adoption of these Articles shall not be paid until all arrears (if any) of Convertible Preferential Dividend and A Preferential Dividend and C Preferential Dividend (together with any additional dividend payable as a result of late payment) accruing after such date shall have been paid;

(D) Article 6 (D) shall apply as if set out again;

(E) The right on a winding-up or other return of capital to repayment, in priority to any payment to the holders of the C Preference Shares, the Preferred Ordinary Shares and the Ordinary Shares but subject to the rights of the holders of the Convertible Preference Shares in the capital of the Company, of:-

- (i) the capital paid up on such number of A Preference Shares so that an equal number of A Preference Shares and C Preference Shares remain and;
- (ii) any arrears or accruals of the A Preferential Dividend on the A Preference Shares in respect of which the repayment under sub-clause (i) is made (including any additional dividend payable under sub-clause (C) above), whether or not declared or earned, calculated down to the date of payment;

and thereafter pari passu with the holders of the C Preference Shares, of:-

- (i) the capital and any premium paid up on the remaining A Preference Shares; and
 - (ii) any arrears or accruals of the A Preferential Dividend (calculated as aforesaid) on such remaining A Preference Shares;
- (F) The right to receive notice of and to attend and speak at every general meeting of the Company;
- (G) The right to one vote per Share on any resolution (unless the holders of a majority of the Preferred Ordinary and/or A Preference Shares as the case may be elect not to have such a right) while the A Preferential Dividend shall be more than three months in arrears, while the A Preference Shares are not redeemed within three months of the dates specified in sub-clause (H) below (but ignoring an extension pursuant to sub-clause (v) thereof) or while financial information is not provided to the holders of the A Preference Shares in accordance with any agreement between inter alia the Company and the investors in this respect;
- (H) The right to have the A Preference Shares redeemed upon and subject to the following terms and conditions:

- (i) To the extent that the monies are sufficient after application in accordance with Article 6 (I) (i) all or part of the A Preference Shares shall be redeemed at the option of the Investors on or within 28 days after the receipt by the Company of any life assurance monies following the death of David Severs Lambert;
- (ii) Subject to the prior rights of redemption of the Convertible Preference Shares and save as may otherwise be agreed between the Directors and all the holders of the A Preference Shares (but provided that no A Preference Shares can be redeemed prior to the date falling 70 days after the receipt by the shareholders of the Audited Accounts of the Company for the year ended 31st October 1994 in any event), the A Preference Shares shall be redeemed as follows:-

200,000 on 31 October 1996

200,000 on 31 October 1997

183,500 on 31 October 1998

583,500

- (iii) Subject to the prior rights of redemption of the Convertible Preference Shares if on 31 October 1996 or 31 October 1997 the Company has insufficient distributable profits to redeem all the A Preference Shares due for redemption on such dates, then such Shares shall be redeemed in the following order:-

- (a) firstly by any A Preference Shares which should have been redeemed on any earlier date;
 - (b) secondly such number of A Preference Shares so that an equal number of A Preference and C Preference Shares due for redemption on such date remain to be redeemed; and
 - (c) thirdly such remaining number of A Preference and C Preference Shares due for redemption on such date, *pari passu* in all respects;
- (iv) Notwithstanding sub-clause (ii) above but subject to prior rights of redemption of the Convertible Preference Shares all the A Preference Shares shall be redeemed immediately before either:-
- (a) any person (which includes a body corporate) or group of persons who were not members of the Company at the date of adoption of these Articles taking a transfer of shares (other than pursuant to Articles 16 or 17(B) so as to increase their interests within the meaning of schedule 13 Part I and section 324 of the Act, to more than 60% of the equity share capital of the Company; or

- (b) any share of any class of the Company being admitted to the Official List of the Stock Exchange or permission being granted for dealings in any such shares on the Unlisted Securities or any other public market;
- (v) If on any of the specified dates for redemption the Company cannot comply with the provisions of the Act relating to redemption, the A Preference Shares which should have been redeemed on such date shall be redeemed on the first date on which the Company shall be able to so comply;
- (vi) On any of the specified dates for redemption, if appropriate, the number of A Preference Shares of each member to be redeemed shall be calculated as nearly as may be according to their respective A Preference Share holdings or as otherwise agreed by all the holders of the A Preference Shares;
- (vii) On the specified date for redemption the registered holders of the A Preference Shares to be redeemed shall be bound to deliver up to the Company the certificates thereof for cancellation or an indemnity in respect of such certificates, and thereupon the Company shall pay to them the redemption monies in cash and issue a new certificate for any remaining A Preference Shares held;

(viii) The amount payable on redemption of A Preference Shares shall be the aggregate of:-

- (a) the capital paid up thereon;
- (b) accruals of the A Preference Dividend thereon (including any additional dividend payable under sub-clause (C) above), whether or not declared or earned, calculated down to the date of payment; and
- (c) in the event of redemption pursuant to sub-clause (iv) (a) above a premium of five pence (5p) per Share.

THE C PREFERENCE SHARES

8. The rights of the holders of the C Preference Shares are as follows:

- (A) Subject to the rights of the holders of the Convertible Preference Shares and the A Preference Shares but otherwise in priority to any rights of the holders of any issued shares in the capital of the Company, whether or not formally declared, the right to receive a cumulative preferential dividend (herein called the "C Preferential Dividend") net of any associated tax credit equal to ten per cent (10%) per annum of the aggregate of the capital for the time being paid up thereon to be calculated on 22 June and 22 December in each year and paid

in cash at the same time as payment of the Convertible Preferential Dividend and the A Preferential Dividend in respect of the same period;

- (B) The C Preferential Dividend shall accrue from day to day;
- (C) If on the relevant payment date the Company cannot comply with the provisions of the Act relating to distributions the C Preferential Dividend shall be payable within five working days of the first date on which the Company shall be able to so comply together with an additional dividend (net of any associated tax credit) at the said rate of ten per cent (10%) per annum on the arrears of C Preferential Dividend from the original due date for payment until the date of payment provided that any arrears of the C Preferential Dividend (together with any additional dividend payable as a result of late payment) which accrued prior to the date of adoption of these Articles shall not be paid until all arrears (if any) of the Convertible Preferential Dividend and the A Preferential Dividend and the C Preferential Dividend (together with any additional dividend payable as a result of late payment) accruing after such date shall have been paid;
- (D) Article 6(D) shall apply as if set out in full again;
- (E) The right on a winding-up or other return of capital to repayment, subject to the prior payment of or (as provided in Article 7(E) above *pari passu* with all monies due to the holders of the A Preference Shares and the Convertible

Preference Shares but otherwise in priority to any payment to the holders of the Ordinary Share and the Preferred Ordinary Shares, of:-

- (i) the capital paid up on the Preference Shares; and
 - (ii) any arrears or accruals of the C Preferential Dividend (including any additional dividend payable under sub-clause (C) above), whether or not declared or earned, calculated down to the date of payment;
- (F) The right to receive notice of and to attend and speak at every general meeting of the Company;
- (G) The right to one vote per Share on any resolution while the C Preferential Dividend shall be more than three months in arrears or while the C Preference Shares are not redeemed within three months of the dates specified in sub-clause (H) below (but ignoring any extension pursuant to Article 7(H)(v) as applied by Article 8(H)) or which is for the winding up of the Company;
- (H) Subject to the prior rights of redemption of the Convertible Preference Shares and subject to or *pari passu* with the rights of the holders of the A Preference Shares (as provided in Article 7(H)(iii) above the right to have the C Preference Shares redeemed in two equal instalments of 30,000 on 31 October 1996 and 31 October 1997 but otherwise on the same terms (*mutatis mutandis*) as apply to redemption of the A Preference Shares in Article 7(H) except for paragraphs (i) and (ii);

- (I) The holder(s) of the C Preference Shares shall be entitled at any time to convert the 60,000 C Preference Shares into Preferred Ordinary Shares when the following shall apply:
- (i) the conversion shall be effected by notice in writing signed by or on behalf of the holder(s) of a majority of the C Preference Shares or by an ordinary resolution passed at a separate class meeting of the holders of C Preference Shares which meeting shall be convened forthwith by the Directors on request from any holder of C Preference Shares;
 - (ii) subject to receipt of certificates in accordance with Article 8(I)(iv) the conversion shall take effect on the fifth working day (“the Conversion Date”) after delivery of such notice or notice of such resolution to the registered office of the Company or to a meeting of the Directors;
 - (iii) the C Preference Shares shall be converted into Preferred Ordinary Shares at the rate of 32,789 Preferred Ordinary Shares for 60,000 C Preference Shares (ignoring fractions). If there is more than one holder of C Preference Shares at the Conversion Date then the Preferred Ordinary Shares resulting from conversion shall be issued as nearly as may be in proportion to their holdings of C Preference Shares;
 - (iv) prior to the Conversion Date the holders shall send to the Company the certificates for their former C Preference Shares and the Company

shall issue to such holders certificates for the Preferred Ordinary Shares resulting from conversion;

- (v) the Preferred Ordinary Shares resulting from conversion shall rank pari passu in all respects with the other Preferred Ordinary Shares subject nevertheless to Article 5(E);
- (vi) the C Preferential Dividend shall cease to accrue with effect from the close of business on the Conversion Date and all accruals shall be calculated to the Conversion Date and paid on the next following 22 June or 22 December.

CALCULATION OF “NET PROFITS”

9. The Net Profits of the Company for any accounting reference period for the purpose of Article 5 shall be the consolidated net profit of the Company and any subsidiary and the proportionate interests in the net profit of any Related Company calculated on the historical cost convention and in accordance with such current Statements of Standard Accounting Practice as may be applicable to the Company but before:
 - (a) deduction of taxation or provision for taxation;
 - (b) any remuneration including pension contributions of the directors but excluding all amounts payable under the Management Incentive Scheme

annexed to the Subscription Agreement dated 24 July 1991 between inter alia the Company and the Investors;

- (c) any dividend paid or the provision for any dividend payable on any share in the capital of the Company (including any amount capitalised in paying up shares issued in lieu of a dividend in cash);
- (d) any transfer of any sum to the reserves of the Company;
- (e) subject as provided below any income derived from Regional Selective Assistance or other similar sources of finance;
- (f) charging or creating any Extraordinary Items as defined in Statement of Standard Accounting Practice No 6 or any revision or replacement thereof)

but after income derived from Regional Development and Rate Equivalent Grants in each case as identified in the audited Profit and Loss Account for the period or where not identified therein as certified by the Auditors for the time being of the Company and “profits available for distribution” shall mean such profits as the Auditors shall certify as being properly distributable. The reference in this Article to “directors” shall include their Connected Persons (as defined in Section 839 of the Income and Corporation Taxes Act 1988).

CLASS RIGHTS

10. Whenever the capital of the Company is divided into different classes of shares, the rights attaching 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 with the consent in writing of the holders of all the issued shares of the class, or with the sanction of a resolution unanimously passed at a separate general meeting of all such holders (but not otherwise). All the provisions of these Articles and of Table A as apply to the Company and relate to general meeting shall, mutatis mutandis, apply to every such separate general meeting, the necessary quorum shall be two persons holding or representing by proxy at least one third in nominal amount of the issued shares of the class (except that at any adjourned meeting of such holders, those members who are present in person or by proxy, whatever their holdings shall form the necessary quorum) and 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 PROVIDED that:

- (a) the Ordinary Shares shall not have any special rights except that these Articles shall not be amended except with the consent of the holders of a majority of the Ordinary Shares;
- (b) without prejudice to the generality of this Article the special rights attached to the Convertible Preference Shares the A Preference and the Preferred Ordinary Shares shall be deemed to be varied by:

- (i) any increase, alteration or reduction of the authorised or issued share capital for the time being of the Company or the granting by the Company of any options over any part of the same or any variation in the rights attached thereto (other than redemption or conversion of shares pursuant to these Articles or the issue of shares pursuant to Article 23);
- (ii) any disposal of the whole or a substantial part of the business or undertaking of the Company or of any subsidiary;
- (iii) the acquisition by the Company or any subsidiary of any share capital or control of any other company;
- (iv) the dilution (whether or not by disposal) by the Company or any subsidiary of any shareholding in or control of any company acquired with such consent or sanction;
- (v) any resolution to approve a contract by the Company to purchase its own shares;
- (vi) any material change in the nature or scope of the business or operations of the Company or of any subsidiary;
- (vii) the alteration of the accounting reference date of the Company;

(viii) any application:-

(A) to the Council of the Stock Exchange for admission of any Shares of the Company to the Official List; or

(B) seeking permission to deal in any Shares of the Company on the Unlisted Securities Market or any other public market;

(ix) any alteration of any of the provisions of these Articles or the Memorandum of Association of the Company;

(x) the aggregate principal amount outstanding in respect of borrowings from any source by the Company and any subsidiary at any time exceeding £500,000 (such amount to include without limitation the principal amount of any factored debts for which there is recourse, the principal element of payments under any finance lease or hire purchase agreement, the extent to which the purchase price of goods or services obtained is deferred for more than 90 days after delivery or performance, any amount guaranteed and any indebtedness under any other transaction having the commercial effect of borrowing); or

(xi) the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company; or

- (xii) the passing of a resolution to voluntarily wind up the Company or any subsidiary pursuant to Section 84 of the Insolvency Act 1986;
- (c) the C Preference Shares shall not have any special rights.

ALLOTMENT OF SHARES

- 11. (A) Subject always to Article 10(b)(i), the Directors are hereby authorised to exercise the powers of the Company to allot shares in the Company and to grant any right to subscribe for, or to convert any security into, shares in the Company (including any such right contained in or conferred by any debenture, debenture stock or other security). The maximum amount of shares which may be so allotted by the Directors or in respect of which rights may be so granted by the Directors may be fixed from time to time by the Company in general meeting but if not so fixed shall be the amount of shares created but unissued at the date of the adoption of these Articles.
- (B) The authority conferred by paragraph (A) of this Article will expire on the date which is five years from the date of the adoption of these Articles but may be revoked or varied or renewed (whether or not previously renewed) by the Company in general meeting. The said authority allows the Company to make an offer or agreement before the expiry of the said authority which would or might require shares to be allotted or rights to be granted after the expiry of the said authority.

- (C) Sections 89(1) and 90(5) and (6) of the Act shall not apply.
- (D) Nothing in these Articles or Table A shall authorise the Directors to issue any further C Preference Shares or Convertible Preference Shares.

12. Subject to the provisions of the Act and these Articles:-

- (A) Any shares (including any redeemable shares) of the Company may be purchased by the Company on such terms and in such manner as the Directors may from time to time determine;
- (B) A payment may be made by the Company in respect of the redemption or purchase under sections 159, 160 and 161 or (as the case may be) under section 162 of the Act or any other enabling statutory provision of any of the shares of the Company otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

13. (A) Subject always to Article 10(b)(i):

- (i) all unissued Ordinary Shares shall before issue be offered for subscription to the then existing holders of Ordinary and Preferred Ordinary Shares;
- (ii) all unissued shares of any other class shall before issue be offered for subscription to the then existing holders of Shares of that class

provided that (with the exception of the Preferred Ordinary Shares to be issued on the date of adoption of these Articles) no Preferred Ordinary Shares shall be issued without the holders of Ordinary Shares being offered such number of Ordinary Shares (without sub-clause (i) applying) as would maintain such holders' proportion of the equity share capital of the Company after issue of any such Preferred Ordinary Shares;

- (B) At the expiration of the period specified for acceptance of any offer made pursuant to the provisions of Article 13(A) any such Shares not so accepted shall be re-offered to those members who accepted all the Shares previously offered to them and such re-offering shall be repeated until such time as either all the relevant Shares have been accepted or until all members shall have declined to accept any more of them;
- (C) At the expiration of the period specified for acceptance, any unissued Convertible Preference Shares A Preference Shares or C Preference shares not so accepted shall be offered by the Directors for subscription to the holders of Ordinary Shares;
- (D) The relevant Shares shall be offered in each case in proportion as nearly as the circumstances will permit to the number of shares held by the offerees respectively in the class(es) of shares to the holders of which the offer is being made;

- (E) Each such offer shall be upon the same terms and shall be made by notice in writing specifying the number and subscription price of the Shares offered and limiting a time (not being less than 14 nor more than 28 days) within which the offer if not accepted by notice in writing to the Directors will be deemed to have been declined;
- (F) Any unissued Shares not so accepted after the preceding provisions of this Article 13 have been complied with may be offered by the Directors for subscription to any person or persons but only upon the same terms as they were offered to the members pursuant to this Article;
- (G) The provisions of this Article may be waived in any particular case if all the members give their consent in writing and shall be deemed to be waived in respect of the issue of Preferred Ordinary Shares and Convertible Preference Shares to SFI and NTD on the same date as the adoption of these Articles.

TRANSFER AND TRANSMISSION OF SHARES

- 14. The instrument of transfer of any share shall be executed by or on behalf of the transferor and (except in the case of a transfer of a fully paid share) 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. Shares of different classes shall not be comprised in the same instrument of transfer. Regulation 23 of Table A shall not apply.

15. Except as provided in Articles 16 and 17(B), no member shall be entitled to transfer any Share otherwise than in accordance with the following provisions:-

(A) A member wishing to sell his Shares or any of them ("the Vendor") shall give notice ("the Notice of Sale") to the Secretary containing an offer to sell the same and stating the number and class of Shares which he desires to sell ("the Sale Shares") and the price previously agreed upon by the Vendor and all of the directors within 28 days of a written request in that respect by the Vendor, or, in default of agreement, certified by the Auditors (having been instructed for that purpose by the Directors within 7 days from the expiration of the said period of 28 days) for the time being of the Company as a fair price between a willing seller and a willing buyer, disregarding the fact that the Sale Shares may constitute either a minority or majority holding. A decision of the Auditors (who shall act as experts and not arbitrators) in this respect shall be conclusive and binding on the Company and on all persons interested in the Sale Shares;

(B) If the price of the Sale Shares is determined by the Auditors, the Secretary shall give to the Vendor notice of the price determined by them and the Vendor (unless the Notice of Sale shall have been given pursuant to paragraph (J) below) shall have 7 days within which he may withdraw his Notice of Sale if he does not agree with the price but in this event the Vendor shall be liable to pay the Auditors' costs;

- (C) Unless the Notice of Sale is withdrawn pursuant to paragraph (B) the Secretary shall thereupon send to each of the other members of the same class a circular containing the same particulars and naming a day (being 14 days from the date of such circular) on or before which offers to purchase the Sale Shares must be received. If on or before the day so named offers to purchase all or any of the Sale Shares at the price named shall be received from members ("the Acceptors") by the Secretary he shall, as agent for the Vendor and the Acceptors declare a contract of sale to be concluded and shall give notice thereof to the Vendor and the Acceptors;
- (D) Any Sale Shares not so accepted shall be offered for sale to the Acceptors on the terms set out in paragraph (C) above and such re-offering shall be repeated until either all the Sale Shares have been accepted or none of the Acceptors wish to purchase any more of them;
- (E) If the offers to purchase shall together constitute offers to purchase a greater number of Shares than those offered for sale by the Vendor the Shares offered for sale shall be divided among the proposing purchasers in the proportions is nearly as possible in which they already hold Shares in the class to the members of which the offer is being made provided that no proposing purchaser shall be liable to take more Shares than those he shall have offered to purchase and any Shares which cannot be so divided as aforesaid without creating fractions shall be apportioned by lot among the proposing purchasers. The Vendor and the Acceptors declared to be the purchasers of the said Shares

shall give effect to the contract or contracts so made as aforesaid by the execution of proper transfers and the payment of the purchase price;

- (F) Any Sale Shares not so accepted shall be offered for sale in accordance with paragraphs (C) – (E) first to the holders of the Ordinary Shares and then to the holders of other classes of Shares;
- (G) Any Sale Shares not so accepted shall be offered for re-purchase by the Company subject to the Act and the other provisions of these Articles and any such re-purchase shall be deemed not to be variation of class rights as specified in Article 10(b)(v);
- (H) If within two months after the service of the Notice of Sale the Vendor shall not receive notice that his offer to sell has been accepted on behalf of some member or members or the Company, he may within a further two calendar months (but subject to Article 17(A) hereof) sell or dispose of the Sale Shares not so accepted to any other person provided that such sale or disposal be at a price not less than that named in the Notice of Sale;
- (I) A notice of Sale may be renewed from time to time but the offer therein contained shall not be withdrawn save as referred to in paragraph (B);
- (J) A Notice of Sale shall be given forthwith by a holder of Ordinary Shares in any of the following events and, if not given, the directors may give the Notice of Sale on behalf of the registered holder:

- (i) if the holder ceases to be an employee of or consultant to the Company or any subsidiary for any reason whatsoever;
- (ii) if the holder is a member by virtue of one or more transfers pursuant to Article 16 and:
 - (a) the original holder ceases to be an employee of or consultant to the Company or any subsidiary for any reason whatsoever; or
 - (b) the holder ceases to be a privileged relation of the original holder; or
 - (c) the original holder and his privileged relations cease to have an immediate beneficial interest in the family trust.

Provided that this sub-clause (J) shall not apply if the holder or (as the case may be) the original holder is David Severs Lambert, Michelle Weldon, William Connolly or (if he shall be re-employed by the Company or any subsidiary) Thomas Baxter Weldon.

- (K) For the purpose of giving effect to any sale pursuant to the foregoing provisions the Directors may authorise some person to transfer the Shares so sold to the purchaser thereof.

16. So long as the Investors shall hold any Convertible Preference Shares A Preference Shares or C Preference Shares or more than seven and a half per cent of the Preferred Ordinary Shares, a holder of Ordinary Shares shall not be entitled to transfer the whole or any part of his shareholding save with the prior written consent of the Investors which shall not be withheld in the case of:

- (i) a transfer to a person who was a holder of Ordinary Shares on 28 September 1990;
- (ii) any transfer by a member to that member's privileged relation(s);
- (iii) any transfer by the personal representatives of a deceased member to the privileged relations of such deceased member;
- (iv) any transfer to trustees to be held on family trusts or by trustees of shares held on family trusts.

For the purpose of this Article:-

- (1) "privileged relation" means and includes the spouse or surviving spouse and all lineal descendants and ascendants in direct line and brothers and sisters (including the spouse of any of the above persons);
- (2) "family trusts" means trusts (whether arising under a settlement or in testamentary disposition by whomsoever made or on an intestacy) under

which no immediately beneficial interest in the shares in question is for the time being vested in any person other than a particular member or deceased or former member and his privileged relations:

Provided that any such transfer shall be subject to the provisions of any agreement from time to time existing and made (inter alia) between the Company and the Investors.

17. (A) The Directors may decline to register any transfer of a share on which the Company has a lien and shall decline to register any transfer of a share which would cause the number of members to be less or more than any statutory requirement.
- (B) Otherwise it shall be obligatory for the Directors to register any duly stamped transfer of any Share(s) of any class by a transferor who is the holder of any Preferred Ordinary Shares, Convertible Preference Shares A Preference Shares or C Preference Share(s) where the transferee is:
- (i) another Investor;
 - (ii) the subsidiary or holding company of the transferor another subsidiary of such holding company as defined by Section 736 of the Act; or
 - (iii) any investment fund company or partnership managed by NVM or any partnership or company carrying on business in succession thereto; or

- (iv) provided that the transferee shall first have been approved by a majority in value of the holders of Ordinary Shares any investment fund company or partnership which at the time of the transfer is managed or advised by a subsidiary of or partnership involving the transferor or any partnership or company carrying on business in succession thereto; or
 - (v) provided that the transferee shall first have been approved by a majority in value of the holders of Ordinary Shares any unitholder partner or shareholder in any fund company or partnership referred to in sub-paragraph (iii) or (iv) of this Article.
- (C) Subject to the provisions of Article 17 (B) so long as the Investors shall hold any Share of any class in the capital of the Company it shall be obligatory for the Directors to refuse to register a transfer of Ordinary Shares without the previous written consent of the Investors.
- (D) It shall be obligatory for the Directors to register any duly stamped transfer of a share made pursuant to Article 15 provided the transferee is a member of the Company.

NOTICE OF GENERAL MEETINGS

18. The accidental omission to give notice of a meeting to, or the non receipt of notice of a meeting by, any person entitled to receive notice except in the case of the Investors shall not invalidate the proceedings at that meeting. Regulation 39 of Table A shall not apply and Regulation 112 of Table A Shall be modified accordingly.

INTEREST OF DIRECTORS

19. A Director (including an alternate Director) who has duly declared his interest therein may, notwithstanding his interest, vote in respect of any contract or arrangement with the Company in which he is interested, directly or indirectly, and be taken into account for the purpose of deciding whether a quorum is present and may retain for his own absolute use and benefit all profits and advantage accruing to him. Regulations 94 and 95 of Table A shall be modified accordingly.

APPOINTMENT OF DIRECTOR

20. (A) So long as any of NVPF, NIC, British Steel (Industry) Limited, SFI and NTD shall hold any Convertible Preference Share A Preference Share or together hold more than seven and a half per cent of the equity share capital of the Company NVPF and NIC may jointly (or NVM on behalf of NVPF and NIC) and SFI and NTD may jointly and British Steel (Industry) Limited may from time to time and at any time by signed instrument served on the Company appoint any one person to be a non-executive Director and may similarly

remove from office any such person. Any such instrument shall take effect on and from the date on which the instrument is lodged or deposited at the Registered Office of the Company or produced at a meeting of the Directors.

- (B) A Director appointed pursuant to this Article 20 (and any alternate Director appointed by him) shall be entitled to make such disclosures to their respective appointors and NVM (so long as NVM continues to advise and manage NVPF or NIC) in relation to the business and affairs of the Company and any subsidiary as he may in his absolute discretion determine PROVIDED that such Director and alternate Director and the Investors shall use their best endeavours to ensure that any such disclosures of information which is not in the public domain shall be treated as confidential and shall not be disclosed to any third party except with the prior consent of the Directors.
- (C) A Director appointed pursuant to this Article (and any alternate Director appointed by him) shall receive such fees and reimbursement of expenses as may be agreed.
- (D) A Director appointed pursuant to this Article shall be entitled to be part of any committee of the Directors.
- (E) Any maximum prescribed in any resolution for the number of directors shall always make allowance for appointments pursuant to this Article.

Regulation 64 of Table A Shall be construed accordingly.

- (F) Directors shall not be required to retire by rotation and Regulations 73 to 80 of Table A shall not apply.
- (G) At the request of any of the Investors the Company shall procure that any Director appointed pursuant to this Article be forthwith appointed a director of any subsidiary.
- (H) Where a managing director is appointed for a fixed term, the term will not exceed five years subject to the provisions of section 319 of the Companies Act 1985.
- (I) The directors may from time to time nominate a director to be a managing director and may delegate to such managing director such of their powers as they consider desirable to be exercised by him provided that, for the avoidance of doubt, such managing director shall at all times be subject to the control of the board of directors which shall be entitled to revoke or alter the powers of the managing director at any time and regulation 72 of Table A shall be amended accordingly.

MISCELLANEOUS

- 21. Without prejudice to the other provisions of these Articles, a special resolution shall be required for the purposes of Regulation 110 of Table A.

DIVIDEND

22. (A) No dividend shall be declared or paid on any other shares in the capital of the Company while any dividend accrued due on the issued Preferred Ordinary Shares or Convertible Preference Shares or A Preference or C Preference Shares shall be unpaid.
- (B) Regulation 105 of Table A shall not apply.

23. Subject to:

- (A) any necessary increase in the authorised share capital of the Company;
- (B) the prior written consent of each of the Investors provided that the Investors shall together hold more than seven and a half per cent of the equity share capital of the Company;

the Directors may with the prior sanction of an ordinary resolution of the Company offer the holders of Ordinary Shares or Preferred Ordinary Shares the right to elect to receive Shares of the relevant class, credited as fully paid, instead of cash in respect of such dividend or dividends (or part thereof) as are specified by any such resolution and to which they would otherwise be entitled. The following provisions shall apply:

- (i) if such an offer is made to the holders of Ordinary Shares an offer must also be made to the holders of Preferred Ordinary Shares;

- (ii) the said resolution may specify a particular dividend or may specify all or any dividends declared or resolved in respect of a specified period but such may not end later than the date of the Meeting at which such resolution is passed provided nevertheless that the Directors may in their absolute discretion suspend or terminate (whether temporarily or otherwise) such right to elect and may do such things and acts considered necessary or expedient with regard to, or in order to effect, any such suspension or termination;
- (iii) the entitlement of each holder to new shares of the relevant class shall be determined by the Directors so that the Relevant Value thereof shall be as nearly as possible equal to (but not in excess of) the cash amount that such shareholder would have received by way of dividend. For this purpose “Relevant Value” shall be certified by the Auditors for the time being of the Company and shall be their opinion of the fair value of the Ordinary and Preferred Shares for this purpose: in certifying the Relevant Value the Auditors shall act as experts and not as arbitrators;
- (iv) the Directors may specify a minimum number of shares in respect of which the right of election may be exercised. The basis of allotment shall be such that no member may receive a fraction of a share and the Directors may make such provision as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit accrued to the Company;
- (v) the Directors may make exclusions or restrictions in respect of the rights of certain shareholders to elect to receive shares instead of cash as they think

necessary or desirable in relation to compliance with legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory;

- (vi) the Directors, after determining the basis of allotment, shall notify the holders of Ordinary and Preferred Ordinary Shares in writing of the right of election and specify the procedure to be followed and place at which , and the latest time (not being later than 14 days after the date of the offer) by which, duly completed forms of election must be lodged in order to be effective;
- (vii) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on the shares in respect whereof the said election has been duly made (“the Elected Shares”) and instead thereof additional Ordinary or Preferred Ordinary Shares (as the case may be) shall be allotted to the holders of the Elected Shares on the basis of allotment determined as aforesaid; for such purpose the Directors shall capitalise out of such of the sums standing to the credit of reserves (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine a sum equal to the aggregate nominal amount of the additional shares to be allotted on such basis and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst the holders of the Elected Shares on such basis; a resolution of the Directors capitalising any part of the reserves or profits hereinbefore mentioned shall have the same effect as if such capitalisation had been

sanctioned by an ordinary resolution of the Company in accordance with regulation 110 of Table A; and

- (viii) the additional shares so allotted shall be allotted as of the record date for the dividend in respect of which the right of election has been offered and shall rank *pari passu* in all respects with the fully paid Ordinary and Preferred Ordinary Shares then in issue save only that the shares so allotted will not rank for any dividend or other distribution or other entitlement which has been declared, made, paid or payable by reference to such record date or any earlier record date.

DIRECTORS' GRATUITIES AND PENSIONS

- 24. The Directors shall have power to pay or provide and agree to pay or provide pensions or other retirement, superannuation, death or disability benefit to, or to any person in respect of, any Director or former Director who may hold or have held any executive office or any office of profit of the Company or any subsidiary or holding company of the Company or another subsidiary of any such holding company and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums (whether before or after such Director ceases to hold office or employment). Regulation 87 of Table A shall not apply.

POWERS OF DIRECTORS

25. The Directors may sanction the exercise by the Company of all the powers of the Company to make provision for the benefit of persons (including Directors) employed or formerly employed by the Company or any subsidiary of the Company in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or any such subsidiary as are conferred by Sections 696 and 719 of the Act and, subject to such sanction, the Directors may exercise all such powers of the Company.

INDEMNITY

26. In addition to the indemnity contained in Regulation 118 of Table A and subject to the provisions of Section 310 of the Act, every Director, Managing Director, agent, auditor, Secretary and other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him in or about the execution of and the discharge of the duties of his office.